

A bill for an act

relating to state government; establishing the health and human services budget; making changes to licensing; Minnesota family investment program, children, and adult supports; child support; the Department of Health; health care programs; making technical changes; chemical and mental health; continuing care programs; establishing the State-County Results, Accountability, and Service Delivery Redesign; public health; health-related fees; making forecast adjustments; creating work groups and pilot projects; requiring reports; decreasing provider reimbursements; increasing fees; appropriating money to various state agencies for health and human services provisions; amending Minnesota Statutes 2008, sections 62J.495; 62J.496; 62J.497, subdivisions 1, 2, by adding subdivisions; 62J.692, subdivision 7; 103I.208, subdivision 2; 125A.744, subdivision 3; 144.0724, subdivisions 2, 4, 8, by adding subdivisions; 144.121, subdivisions 1a, 1b; 144.122; 144.1222, subdivision 1a; 144.125, subdivision 1; 144.226, subdivision 4; 144.72, subdivisions 1, 3; 144.9501, subdivisions 22b, 26a, by adding subdivisions; 144.9505, subdivisions 1g, 4; 144.9508, subdivisions 2, 3, 4; 144.9512, subdivision 2; 144.966, by adding a subdivision; 144.97, subdivisions 2, 4, 6, by adding subdivisions; 144.98, subdivisions 1, 2, 3, by adding subdivisions; 144.99, subdivision 1; 144A.073, by adding a subdivision; 144A.44, subdivision 2; 144A.46, subdivision 1; 148.108; 148.6445, by adding a subdivision; 148D.180, subdivisions 1, 2, 3, 5; 148E.180, subdivisions 1, 2, 3, 5; 153A.17; 156.015; 157.15, by adding a subdivision; 157.16; 157.22; 176.011, subdivision 9; 245.462, subdivision 18; 245.470, subdivision 1; 245.4871, subdivision 27; 245.488, subdivision 1; 245.4885, subdivision 1; 245A.03, by adding a subdivision; 245A.10, subdivisions 2, 3, 4, 5, by adding subdivisions; 245A.11, subdivision 2a, by adding a subdivision; 245A.16, subdivisions 1, 3; 245C.03, subdivision 2; 245C.04, subdivisions 1, 3; 245C.05, subdivision 4; 245C.08, subdivision 2; 245C.10, subdivision 3, by adding subdivisions; 245C.17, by adding a subdivision; 245C.20; 245C.21, subdivision 1a; 245C.23, subdivision 2; 246.50, subdivision 5, by adding subdivisions; 246.51, by adding subdivisions; 246.511; 246.52; 246B.01, by adding subdivisions; 252.46, by adding a subdivision; 252.50, subdivision 1; 254A.02, by adding a subdivision; 254A.16, by adding a subdivision; 254B.03, subdivisions 1, 3, by adding a subdivision; 254B.05, subdivision 1; 254B.09, subdivision 2; 256.01, subdivision 2b, by adding subdivisions; 256.045, subdivision 3; 256.476, subdivisions 5, 11; 256.962, subdivisions 2, 6; 256.963, by adding a subdivision; 256.969, subdivision 3a; 256.975, subdivision 7; 256.983, subdivision 1; 256B.04, subdivision 16; 256B.055, subdivisions 7, 12; 256B.056, subdivisions 3, 3b, 3c, by adding a subdivision;

256B.057, subdivisions 3, 9, by adding a subdivision; 256B.0575; 256B.0595, subdivisions 1, 2; 256B.06, subdivisions 4, 5; 256B.0621, subdivision 2; 256B.0622, subdivision 2; 256B.0623, subdivision 5; 256B.0624, subdivisions 5, 8; 256B.0625, subdivisions 3c, 7, 8, 8a, 9, 13e, 17, 19a, 19c, 26, 41, 42, 47; 256B.0631, subdivision 1; 256B.0641, subdivision 3; 256B.0651; 256B.0652; 256B.0653; 256B.0654; 256B.0655, subdivisions 1b, 4; 256B.0657, subdivisions 2, 6, 8, by adding a subdivision; 256B.08, by adding a subdivision; 256B.0911, subdivisions 1, 1a, 3, 3a, 4a, 5, 6, 7, by adding subdivisions; 256B.0913, subdivision 4; 256B.0915, subdivisions 3e, 3h, 5, by adding a subdivision; 256B.0916, subdivision 2; 256B.0917, by adding a subdivision; 256B.092, subdivision 8a, by adding subdivisions; 256B.0943, subdivision 1; 256B.0944, by adding a subdivision; 256B.0945, subdivision 4; 256B.0947, subdivision 1; 256B.15, subdivisions 1, 1a, 1h, 2, by adding subdivisions; 256B.37, subdivisions 1, 5; 256B.434, by adding a subdivision; 256B.437, subdivision 6; 256B.441, subdivisions 48, 55, by adding subdivisions; 256B.49, subdivisions 12, 13, 14, 17, by adding subdivisions; 256B.501, subdivision 4a; 256B.5011, subdivision 2; 256B.5012, by adding a subdivision; 256B.5013, subdivision 1; 256B.69, subdivisions 5a, 5c, 5f; 256B.76, subdivisions 1, 4, by adding a subdivision; 256B.761; 256D.024, by adding a subdivision; 256D.03, subdivision 4; 256D.051, subdivision 2a; 256D.0515; 256D.06, subdivision 2; 256D.09, subdivision 6; 256D.44, subdivision 5; 256D.49, subdivision 3; 256G.02, subdivision 6; 256I.03, subdivision 7; 256I.05, subdivisions 1a, 7c; 256J.08, subdivision 73a; 256J.20, subdivision 3; 256J.24, subdivisions 5a, 10; 256J.26, by adding a subdivision; 256J.37, subdivision 3a, by adding a subdivision; 256J.38, subdivision 1; 256J.45, subdivision 3; 256J.49, subdivision 13; 256J.575, subdivisions 3, 6, 7; 256J.621; 256J.626, subdivision 6; 256J.751, by adding a subdivision; 256J.95, subdivision 12; 256L.04, subdivision 10a, by adding a subdivision; 256L.05, subdivision 1, by adding subdivisions; 256L.11, subdivisions 1, 7; 256L.12, subdivision 9; 256L.17, subdivision 3; 259.67, by adding a subdivision; 270A.09, by adding a subdivision; 295.52, by adding a subdivision; 327.14, by adding a subdivision; 327.15; 327.16; 327.20, subdivision 1, by adding a subdivision; 393.07, subdivision 10; 501B.89, by adding a subdivision; 518A.53, subdivisions 1, 4, 10; 519.05; 604A.33, subdivision 1; 609.232, subdivision 11; 626.556, subdivision 3c; 626.5572, subdivisions 6, 13, 21; Laws 2003, First Special Session chapter 14, article 13C, section 2, subdivision 1, as amended; Laws 2007, chapter 147, article 19, section 3, subdivision 4, as amended; proposing coding for new law in Minnesota Statutes, chapters 62A; 62Q; 156; 246B; 254B; 256; 256B; proposing coding for new law as Minnesota Statutes, chapter 402A; repealing Minnesota Statutes 2008, sections 62U.08; 103I.112; 144.9501, subdivision 17b; 148D.180, subdivision 8; 246.51, subdivision 1; 246.53, subdivision 3; 256.962, subdivision 7; 256B.0655, subdivisions 1, 1a, 1c, 1d, 1e, 1f, 1g, 1h, 1i, 2, 3, 5, 6, 7, 8, 9, 10, 11, 12, 13; 256B.071, subdivisions 1, 2, 3, 4; 256B.092, subdivision 5a; 256B.19, subdivision 1d; 256B.431, subdivision 23; 256D.46; 256I.06, subdivision 9; 256J.626, subdivision 7; 327.14, subdivisions 5, 6; Laws 1988, chapter 689, section 251; Minnesota Rules, parts 4626.2015, subpart 9; 9100.0400, subparts 1, 3; 9100.0500; 9100.0600; 9500.1243, subpart 3; 9500.1261, subparts 3, 4, 5, 6; 9555.6125, subpart 4, item B.

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

ARTICLE 1

LICENSING

Section 1. Minnesota Statutes 2008, section 245A.10, subdivision 2, is amended to read:

Subd. 2. **County fees for background studies and licensing inspections.** (a) For purposes of family and group family child care licensing under this chapter, a county agency may charge a fee to an applicant or license holder to recover the actual cost of background studies, but in any case not to exceed \$100 annually. A county agency may also charge a license fee to an applicant or license holder not to exceed \$50 for a one-year license or \$100 for a two-year license.

(b) A county agency may charge a fee to a legal nonlicensed child care provider or applicant for authorization to recover the actual cost of background studies completed under section 119B.125, but in any case not to exceed \$100 annually.

(c) Counties may elect to reduce or waive the fees in paragraph (a) or (b):

(1) in cases of financial hardship;

(2) if the county has a shortage of providers in the county's area;

(3) for new providers; or

(4) for providers who have attained at least 16 hours of training before seeking initial licensure.

(d) Counties may allow providers to pay the applicant fees in paragraph (a) or (b) on an installment basis for up to one year. If the provider is receiving child care assistance payments from the state, the provider may have the fees under paragraph (a) or (b) deducted from the child care assistance payments for up to one year and the state shall reimburse the county for the county fees collected in this manner.

(e) For purposes of adult foster care and child foster care licensing under this chapter, a county agency may charge a fee to a corporate applicant or corporate license holder to recover ~~the actual cost of background studies. A county agency may also charge a fee to a corporate applicant or corporate license holder to recover~~ the actual cost of licensing inspections, not to exceed \$500 annually.

(f) Counties may elect to reduce or waive the fees in paragraph (e) under the following circumstances:

(1) in cases of financial hardship;

(2) if the county has a shortage of providers in the county's area; or

(3) for new providers.

Sec. 2. Minnesota Statutes 2008, section 245A.10, subdivision 3, is amended to read:

Subd. 3. **Application fee for initial license or certification.** (a) For fees required under subdivision 1, an applicant for an initial license or certification issued by the commissioner shall submit a ~~\$500~~ \$750 application fee with each new application required under this subdivision. The application fee shall not be prorated, is nonrefundable, and

is in lieu of the annual license or certification fee that expires on December 31. The commissioner shall not process an application until the application fee is paid.

(b) Except as provided in clauses (1) to (3), an applicant shall apply for a license to provide services at a specific location.

(1) For a license to provide ~~waivered~~ residential-based habilitation services to persons with developmental disabilities ~~or related conditions~~ under chapter 245B, an applicant shall submit an application for each county in which the ~~waivered~~ services will be provided. Upon licensure, the license holder may provide services to persons in that county plus no more than three persons at any one time in each of up to ten additional counties. A license holder in one county may not provide services under the home and community-based waiver for persons with developmental disabilities to more than three people in a second county without holding a separate license for that second county. Applicants or licensees providing services under this clause to not more than three persons remain subject to the inspection fees established in section 245A.10, subdivision 2, for each location.

(2) For a license to provide supported employment, crisis respite, or semi-independent living services to persons with developmental disabilities ~~or related conditions~~ under chapter 245B, an applicant shall submit a single application to provide services statewide.

(3) For a license to provide independent living assistance for youth under section 245A.22, an applicant shall submit a single application to provide services statewide.

Sec. 3. Minnesota Statutes 2008, section 245A.10, subdivision 4, is amended to read:

Subd. 4. ~~License or certification fee for certain programs~~ a child care center.
(a) ~~A child care centers and programs with a licensed capacity center~~ shall pay an annual nonrefundable license ~~or certification~~ fee based on the following schedule:

Licensed Capacity	Child Care Center License Fee <u>Fiscal Year</u> <u>2010</u>	Other Program License Fee <u>Fiscal</u> <u>Year 2011 and</u> <u>thereafter</u>
1 to 24 persons	\$225 <u>\$295</u>	\$400 <u>\$360</u>
25 to 49 persons	\$340 <u>\$410</u>	\$600 <u>\$475</u>
50 to 74 persons	\$450 <u>\$520</u>	\$800 <u>\$585</u>
75 to 99 persons	\$565 <u>\$635</u>	\$1,000 <u>\$700</u>
100 to 124 persons	\$675 <u>\$745</u>	\$1,200 <u>\$810</u>
125 to 149 persons	\$900 <u>\$970</u>	\$1,400 <u>\$1,035</u>
	\$1,050	
150 to 174 persons	<u>\$1,120</u>	\$1,600 <u>\$1,185</u>

5.1		\$1,200	
5.2	175 to 199 persons	<u>\$1,270</u>	\$1,800 <u>\$1,335</u>
5.3		\$1,350	
5.4	200 to 224 persons	<u>\$1,420</u>	\$2,000 <u>\$1,485</u>
5.5		\$1,500	
5.6	225 or more persons	<u>\$1,570</u>	\$2,500 <u>\$1,635</u>

5.7 ~~(b) A day training and habilitation program serving persons with developmental~~
5.8 ~~disabilities or related conditions shall be assessed a license fee based on the schedule in~~
5.9 ~~paragraph (a) unless the license holder serves more than 50 percent of the same persons~~
5.10 ~~at two or more locations in the community. Except as provided in paragraph (c), when a~~
5.11 ~~day training and habilitation program serves more than 50 percent of the same persons in~~
5.12 ~~two or more locations in a community, the day training and habilitation program shall pay~~
5.13 ~~a license fee based on the licensed capacity of the largest facility and the other facility~~
5.14 ~~or facilities shall be charged a license fee based on a licensed capacity of a residential~~
5.15 ~~program serving one to 24 persons.~~

5.16 ~~(c) When a day training and habilitation program serving persons with developmental~~
5.17 ~~disabilities or related conditions seeks a single license allowed under section 245B.07,~~
5.18 ~~subdivision 12, clause (2) or (3), the licensing fee must be based on the combined licensed~~
5.19 ~~capacity for each location.~~

5.20 Sec. 4. Minnesota Statutes 2008, section 245A.10, is amended by adding a subdivision
5.21 to read:

5.22 Subd. 4a. License fee for an adult day care center. An adult day care center
5.23 licensed under Minnesota Rules, parts 9555.9600 to 9555.9730, shall pay an annual
5.24 nonrefundable license fee based on the following schedule:

5.25	<u>Licensed Capacity</u>	<u>License Fee Fiscal</u>	<u>License Fee Fiscal Year</u>
5.26		<u>Year 2010</u>	<u>2011 and thereafter</u>
5.27	<u>1 to 24 persons</u>	<u>\$930</u>	<u>\$1,460</u>
5.28	<u>25 to 49 persons</u>	<u>\$1,130</u>	<u>\$1,660</u>
5.29	<u>50 to 74 persons</u>	<u>\$1,330</u>	<u>\$1,860</u>
5.30	<u>75 to 99 persons</u>	<u>\$1,530</u>	<u>\$2,060</u>
5.31	<u>100 or more persons</u>	<u>\$1,730</u>	<u>\$2,260</u>

5.32 Sec. 5. Minnesota Statutes 2008, section 245A.10, is amended by adding a subdivision
5.33 to read:

5.34 Subd. 4b. License fee for day training and habilitation program. (a) A day
5.35 training and habilitation program licensed under chapter 245B to provide services to

persons with developmental disabilities shall pay an annual nonrefundable license fee based on the following schedule:

<u>Licensed Capacity</u>	<u>License Fee Fiscal Year 2010</u>	<u>License Fee Fiscal Year 2011 and thereafter</u>
<u>1 to 24 persons</u>	<u>\$925</u>	<u>\$1,430</u>
<u>25 to 49 persons</u>	<u>\$1,125</u>	<u>\$1,630</u>
<u>50 to 74 persons</u>	<u>\$1,325</u>	<u>\$1,830</u>
<u>75 to 99 persons</u>	<u>\$1,525</u>	<u>\$2,030</u>
<u>100 to 124 persons</u>	<u>\$1,725</u>	<u>\$2,230</u>
<u>125 to 149 persons</u>	<u>\$1,925</u>	<u>\$2,430</u>
<u>150 to 174 persons</u>	<u>\$2,125</u>	<u>\$2,630</u>
<u>175 to 199 persons</u>	<u>\$2,325</u>	<u>\$2,830</u>
<u>200 to 224 persons</u>	<u>\$2,525</u>	<u>\$3,030</u>
<u>225 or more persons</u>	<u>\$3,025</u>	<u>\$3,530</u>

(b) A day training and habilitation program licensed under chapter 245B must be assessed a license fee based on the schedule in paragraph (a) unless the license holder serves more than 50 percent of the same persons at two or more locations in the community. Except as provided in paragraph (c), when a day training and habilitation program serves more than 50 percent of the same persons in two or more locations in a community, the day training and habilitation program shall pay a license fee based on the licensed capacity of the largest facility and the other facility or facilities must be charged a license fee based on a licensed capacity of a residential program serving one to 24 persons.

(c) When a day training and habilitation program serving persons with developmental disabilities seeks a single license allowed under section 245B.07, subdivision 12, clause (2) or (3), the licensing fee must be based on the combined licensed capacity for each location.

Sec. 6. Minnesota Statutes 2008, section 245A.10, is amended by adding a subdivision to read:

Subd. 4c. **License fee for residential program serving persons with developmental disabilities.** A residential program licensed under chapter 245B whether certified as an intermediate care facility for persons with developmental disabilities or not shall pay an annual nonrefundable license fee based on the following schedule:

<u>Licensed Capacity</u>	<u>License Fee Fiscal Year 2010</u>	<u>License Fee Fiscal Year 2011 and thereafter</u>
<u>1 to 24 persons</u>	<u>\$1,000</u>	<u>\$1,600</u>
<u>25 to 49 persons</u>	<u>\$1,200</u>	<u>\$1,800</u>
<u>50 to 74 persons</u>	<u>\$1,400</u>	<u>\$2,000</u>
<u>75 or more persons</u>	<u>\$1,600</u>	<u>\$2,200</u>

Sec. 7. Minnesota Statutes 2008, section 245A.10, is amended by adding a subdivision to read:

Subd. 4d. **License fee for program providing crisis respite.** (a) In fiscal year 2010, a program licensed to provide crisis respite services for persons with developmental disabilities under chapter 245B shall pay an annual nonrefundable license fee of \$1,600.

(b) In fiscal year 2011 and thereafter, a program licensed to provide crisis respite services for persons with developmental disabilities under chapter 245B shall pay an annual nonrefundable license fee of \$2,000.

Sec. 8. Minnesota Statutes 2008, section 245A.10, is amended by adding a subdivision to read:

Subd. 4e. **License fee for program providing residential-based habilitation services.** (a) In fiscal year 2010, a program licensed to provide residential-based habilitation services for persons with developmental disabilities under chapter 245B shall pay an annual nonrefundable license fee that is based on a base rate of \$715 plus \$50 times the number of clients served on the first day of August of the current license year. State-operated programs are exempt from the license fee under this paragraph and paragraph (b).

(b) In fiscal year 2011 and thereafter, a program licensed to provide residential-based habilitation services for persons with developmental disabilities under chapter 245B shall pay an annual nonrefundable license fee that is based on a base rate of \$1,000 plus \$70 times the number of clients served on the first day of August of the current license year.

Sec. 9. Minnesota Statutes 2008, section 245A.10, is amended by adding a subdivision to read:

Subd. 4f. **License fee for program providing semi-independent living services or supported employment services.** (a) In fiscal year 2010, a program licensed to provide semi-independent living services for persons with developmental disabilities under chapter 245B or supported employment services for persons with developmental disabilities under chapter 245B shall pay an annual nonrefundable license fee of \$1,250.

(b) In fiscal year 2011 and thereafter, a program licensed to provide semi-independent living services for persons with developmental disabilities under chapter 245B or supported employment services for persons with developmental disabilities under chapter 245B shall pay an annual nonrefundable license fee of \$2,000.

Sec. 10. Minnesota Statutes 2008, section 245A.10, is amended by adding a subdivision to read:

Subd. 4g. **License fee for residential program serving persons with physical disabilities.** A residential program licensed under Minnesota Rules, parts 9570.2000 to 9570.3400, to serve persons with physical disabilities shall pay an annual nonrefundable license fee based on the following schedule:

<u>Licensed Capacity</u>	<u>License Fee Fiscal Year 2010</u>	<u>License Fee Fiscal Year 2011 and thereafter</u>
<u>1 to 24 persons</u>	<u>\$713</u>	<u>\$1,025</u>
<u>25 to 49 persons</u>	<u>\$913</u>	<u>\$1,225</u>
<u>50 to 74 persons</u>	<u>\$1,113</u>	<u>\$1,425</u>
<u>75 to 99 persons</u>	<u>\$1,313</u>	<u>\$1,625</u>
<u>100 to 124 persons</u>	<u>\$1,513</u>	<u>\$1,825</u>
<u>125 or more persons</u>	<u>\$1,713</u>	<u>\$2,025</u>

Sec. 11. Minnesota Statutes 2008, section 245A.10, is amended by adding a subdivision to read:

Subd. 4h. **License fee for residential programs serving adults with mental illness.** (a) In fiscal year 2010, a residential program licensed under Minnesota Rules, parts 9520.0500 to 9520.0670, to serve adults with mental illness shall pay an annual nonrefundable license fee of \$2,450.

(b) In fiscal year 2011 and thereafter, a residential program licensed under Minnesota Rules, parts 9520.0500 to 9520.0670, to serve adults with mental illness shall pay an annual nonrefundable license fee of \$4,400.

Sec. 12. Minnesota Statutes 2008, section 245A.10, is amended by adding a subdivision to read:

Subd. 4i. **License fee for a children's residential program.** (a) In fiscal year 2010, a children's residential program licensed under Minnesota Rules, chapter 2960, shall pay an annual nonrefundable license fee of \$2,450.

(b) In fiscal year 2011 and thereafter, a children's residential program licensed under Minnesota Rules, chapter 2960, shall pay an annual nonrefundable license fee of \$4,400.

Sec. 13. Minnesota Statutes 2008, section 245A.10, is amended by adding a subdivision to read:

Subd. 4j. **License fee for programs licensed to provide drug or chemical dependency treatment.** (a) A program licensed under Minnesota Rules, parts 9530.6405

to 9530.6505 or 9530.6510 to 9530.6590, to provide drug or chemical dependency treatment shall pay an annual nonrefundable license fee based on the following schedule:

<u>Licensed Capacity</u>	<u>License Fee Fiscal Year 2010</u>	<u>License Fee Fiscal Year 2011 and thereafter</u>
<u>1 to 24 persons</u>	<u>\$755</u>	<u>\$1,035</u>
<u>25 to 49 persons</u>	<u>\$955</u>	<u>\$1,235</u>
<u>50 to 74 persons</u>	<u>\$1,155</u>	<u>\$1,435</u>
<u>75 to 99 persons</u>	<u>\$1,355</u>	<u>\$1,635</u>
<u>100 to 124 persons</u>	<u>\$1,555</u>	<u>\$1,835</u>
<u>125 or more persons</u>	<u>\$1,755</u>	<u>\$2,035</u>

(b) In fiscal year 2010, if a license issued to a program under Minnesota Rules, parts 9530.6405 to 9530.6505, does not have a stated licensed capacity, the drug or chemical dependency treatment program shall pay an annual nonrefundable license fee based on a licensed capacity of one to 24 persons for fiscal year 2010.

(c) In fiscal year 2011 and thereafter, if a license issued to a program under Minnesota Rules, parts 9530.6405 to 9530.6505, does not have a stated licensed capacity, the drug or chemical dependency treatment program shall pay an annual nonrefundable license fee based on a licensed capacity of one to 24 persons for fiscal year 2011 and thereafter.

Sec. 14. Minnesota Statutes 2008, section 245A.10, is amended by adding a subdivision to read:

Subd. 4k. License fee for independent living assistance for youth. A program licensed to provide independent living assistance for youth under section 245A.22, shall pay an annual nonrefundable license fee of \$2,000.

Sec. 15. Minnesota Statutes 2008, section 245A.10, is amended by adding a subdivision to read:

Subd. 4l. License fee for private agencies that provide child foster care or adoption services. A private agency licensed under Minnesota Rules, parts 9545.0755 to 9545.0845, to provide child foster care or adoption services shall pay an annual nonrefundable license fee of \$400.

Sec. 16. Minnesota Statutes 2008, section 245A.10, subdivision 5, is amended to read:

~~Subd. 5. License or Mental health center or mental health clinic certification fee for other programs. (a) Except as provided in paragraphs (b) and (c), a program without a stated licensed capacity shall pay a license or certification fee of \$400.~~

~~(b) A mental health center or mental health clinic requesting certification for purposes of insurance and subscriber contract reimbursement under Minnesota Rules, parts 9520.0750 to 9520.0870, shall pay a certification fee of \$1,000 per year. If the mental health center or mental health clinic provides services at a primary location with satellite facilities, the satellite facilities shall be certified with the primary location without an additional charge.~~

~~(c) A program licensed to provide residential-based habilitation services under the home and community-based waiver for persons with developmental disabilities shall pay an annual license fee that includes a base rate of \$250 plus \$38 times the number of clients served on the first day of August of the current license year. State-operated programs are exempt from the license fee under this paragraph.~~

Sec. 17. Minnesota Statutes 2008, section 245A.10, is amended by adding a subdivision to read:

Subd. 7. **Human services licensing revenue and appropriations.** Effective July 1, 2011:

(1) departmental earnings collected under subdivisions 3, 4 to 4l, and 5 shall be deposited in the state government special revenue fund; and

(2) the direct appropriation to the department for licensing activities in subdivisions 3, 4 to 4l, and 5 shall be transferred from the general fund to the state government special revenue fund.

Sec. 18. Minnesota Statutes 2008, section 245A.11, subdivision 2a, is amended to read:

Subd. 2a. **Adult foster care license capacity.** The commissioner shall issue adult foster care licenses with a maximum licensed capacity of four beds, including nonstaff roomers and boarders, except that the commissioner may issue a license with a capacity of five beds, including roomers and boarders, according to paragraphs (a) to (e).

(a) An adult foster care license holder may have a maximum license capacity of five if all persons in care are age 55 or over and do not have a serious and persistent mental illness or a developmental disability.

(b) The commissioner may grant variances to paragraph (a) to allow a foster care provider with a licensed capacity of five persons to admit an individual under the age of 55 if the variance complies with section 245A.04, subdivision 9, and approval of the variance is recommended by the county in which the licensed foster care provider is located.

(c) The commissioner may grant variances to paragraph (a) to allow the use of a fifth bed for emergency crisis services for a person with serious and persistent mental illness

or a developmental disability, regardless of age, if the variance complies with section 245A.04, subdivision 9, and approval of the variance is recommended by the county in which the licensed foster care provider is located.

~~(d) Notwithstanding paragraph (a),~~ If the 2009 legislature adopts a rate reduction that impacts providers of adult foster care services, the commissioner may issue an adult foster care license with a capacity of five adults if the fifth bed does not increase the overall statewide capacity of licensed adult foster care beds in homes that are not the primary residence of the license holder, over the licensed capacity in such homes on July 1, 2009, as identified in a plan submitted to the commissioner by the county, when the capacity is recommended by the county licensing agency of the county in which the facility is located and if the recommendation verifies that:

(1) the facility meets the physical environment requirements in the adult foster care licensing rule;

(2) the five-bed living arrangement is specified for each resident in the resident's:

(i) individualized plan of care;

(ii) individual service plan under section 256B.092, subdivision 1b, if required; or

(iii) individual resident placement agreement under Minnesota Rules, part 9555.5105, subpart 19, if required;

(3) the license holder obtains written and signed informed consent from each resident or resident's legal representative documenting the resident's informed choice to living in the home and that the resident's refusal to consent would not have resulted in service termination; and

(4) the facility was licensed for adult foster care before March 1, ~~2003~~ 2009.

(e) The commissioner shall not issue a new adult foster care license under paragraph (d) after June 30, ~~2005~~ 2011. The commissioner shall allow a facility with an adult foster care license issued under paragraph (d) before June 30, ~~2005~~ 2011, to continue with a capacity of five adults if the license holder continues to comply with the requirements in paragraph (d).

EFFECTIVE DATE. This section is effective July 1, 2009.

Sec. 19. Minnesota Statutes 2008, section 245A.11, is amended by adding a subdivision to read:

Subd. 8. Alternate overnight supervision technology; adult foster care license.

(a) The commissioner may grant an applicant or license holder an adult foster care license for a residence that does not have a caregiver in the residence during normal sleeping hours as required under Minnesota Rules, part 9555.5105, subpart 37, item B, but uses

12.1 monitoring technology to alert the license holder when an incident occurs that may
12.2 jeopardize the health, safety, or rights of a foster care recipient. The applicant or license
12.3 holder must comply with all other requirements under Minnesota Rules, parts 9555.5105
12.4 to 9555.6265, and the requirements under this subdivision. The license printed by the
12.5 commissioner must state in bold and large font:

12.6 (1) that staff are not present on-site overnight; and
12.7 (2) the telephone number of the county's common entry point for making reports of
12.8 suspected maltreatment of vulnerable adults under section 626.557, subdivision 9.

12.9 (b) Applications for a license under this section must be submitted directly to
12.10 the Department of Human Services licensing division. The licensing division must
12.11 immediately notify the host county and lead county contract agency and the host county
12.12 licensing agency. The licensing division must collaborate with the county licensing
12.13 agency in the review of the application and the licensing of the program.

12.14 (c) Before a license is issued by the commissioner, and for the duration of the license,
12.15 the applicant or license holder must establish, maintain, and document the implementation
12.16 of written policies and procedures addressing the requirements in paragraphs (d) to (f).

12.17 (d) The applicant or license holder must have policies and procedures that:

12.18 (1) establish characteristics of target populations that will be admitted into the home
12.19 and characteristics of populations that will not be accepted into the home;

12.20 (2) explain the discharge process when a foster care recipient requires overnight
12.21 supervision or other services that cannot be provided by the license holder due to the
12.22 limited hours that the license holder is on-site;

12.23 (3) describe the types of events to which the program will respond with a physical
12.24 presence when those events occur in the home during time when staff are not on-site, and
12.25 how the license holder's response plan meets the requirements in paragraph (e), clause
12.26 (1) or (2);

12.27 (4) establish a process for documenting a review of the implementation and
12.28 effectiveness of the response protocol for the response required under paragraph (e),
12.29 clause (1) or (2). The documentation must include:

12.30 (i) a description of the triggering incident;

12.31 (ii) the date and time of the triggering incident;

12.32 (iii) the time of the response or responses under paragraph (e), clause (1) or (2);

12.33 (iv) whether the response met the resident's needs;

12.34 (v) whether the existing policies and response protocols were followed; and

12.35 (vi) whether the existing policies and protocols are adequate or need modification.

When no physical presence response is completed for a three-month period, the license holder's written policies and procedures must require a physical presence response drill be to conducted for which the effectiveness of the response protocol under paragraph (e), clause (1) or (2), will be reviewed and documented as required under this clause; and

(5) establish that emergency and nonemergency phone numbers are posted in a prominent location in a common area of the home where they can be easily observed by a person responding to an incident who is not otherwise affiliated with the home.

(e) The license holder must document and include in the license application which response alternative under clause (1) or (2) is in place for responding to situations that present a serious risk to the health, safety, or rights of people receiving foster care services in the home:

(1) response alternative (1) requires only the technology to provide an electronic notification or alert to the license holder that an event is underway that requires a response. Under this alternative, no more than ten minutes will pass before the license holder will be physically present on-site to respond to the situation; or

(2) response alternative (2) requires the electronic notification and alert system under alternative (1), but more than ten minutes may pass before the license holder is present on-site to respond to the situation. Under alternative (2), all of the following conditions are met:

(i) the license holder has a written description of the interactive technological applications that will assist the licenser holder in communicating with and assessing the needs related to care, health, and safety of the foster care recipients. This interactive technology must permit the license holder to remotely assess the well being of the foster care recipient without requiring the initiation or participation by the foster care recipient. Requiring the foster care recipient to initiate a telephone call or answer a telephone call does not meet this requirement;

(ii) the license holder documents how the remote license holder is qualified and capable of meeting the needs of the foster care recipients and assessing foster care recipients' needs under item (i), during the absence of the license holder on-site;

(iii) the license holder maintains written procedures to dispatch emergency response personnel to the site in the event of an identified emergency; and

(iv) each foster care recipient's individualized plan of care, individual service plan under section 256B.092, subdivision 1b, if required, or individual resident placement agreement under Minnesota Rules, part 9555.5105, subpart 19, if required, identifies the maximum response time, which may be greater than ten minutes, for the license holder to be on-site for that foster care recipient.

(f) All placement agreements, individual service agreements, and plans applicable to the foster care recipient must clearly state that the adult foster care license category is a program without the presence of a caregiver in the residence during normal sleeping hours; the protocols in place for responding to situations that present a serious risk to health, safety, or rights of foster care recipients under paragraph (e), clause (1) or (2); and a signed informed consent from each foster care recipient or the person's legal representative documenting the person's or legal representative's agreement with placement in the program. If electronic monitoring technology is used in the home, the informed consent form must also explain the following:

(1) how any electronic monitoring is incorporated into the alternative supervision system;

(2) the backup system for any electronic monitoring in times of electrical outages or other equipment malfunctions;

(3) how the license holder is trained on the use of the technology;

(4) the event types and license holder response times established under paragraph (e);

(5) how the license holder protects the foster care recipient's privacy related to electronic monitoring and related to any electronically recorded data generated by the monitoring system. The consent form must explain where and how the electronically recorded data is stored, with whom it will be shared, and how long it is retained; and

(6) the risks and benefits of the alternative overnight supervision system.

The written explanations under clauses (1) to (6) may be accomplished through cross-references to other policies and procedures as long as they are explained to the person giving consent, and the person giving consent is offered a copy.

(g) Nothing in this section requires the applicant or license holder to develop or maintain separate or duplicative policies, procedures, documentation, consent forms, or individual plans that may be required for other licensing standards, if the requirements of this section are incorporated into those documents.

(h) The commissioner may grant variances to the requirements of this section according to section 245A.04, subdivision 9.

(i) For the purposes of paragraphs (c) to (h), "license holder" has the meaning under section 245A.02, subdivision 9, and additionally includes all staff, volunteers, and contractors affiliated with the license holder.

Sec. 20. Minnesota Statutes 2008, section 245A.16, subdivision 1, is amended to read:

Subdivision 1. **Delegation of authority to agencies.** (a) County agencies and private agencies that have been designated or licensed by the commissioner to perform

15.1 licensing functions and activities under section 245A.04 and background studies for
15.2 ~~adult foster care~~, family adult day services, and family child care, under chapter 245C; to
15.3 recommend denial of applicants under section 245A.05; to issue correction orders, to issue
15.4 variances, and recommend a conditional license under section 245A.06, or to recommend
15.5 suspending or revoking a license or issuing a fine under section 245A.07, shall comply
15.6 with rules and directives of the commissioner governing those functions and with this
15.7 section. The following variances are excluded from the delegation of variance authority
15.8 and may be issued only by the commissioner:

15.9 (1) dual licensure of family child care and child foster care, dual licensure of child
15.10 and adult foster care, and adult foster care and family child care;

15.11 (2) adult foster care maximum capacity;

15.12 (3) adult foster care minimum age requirement;

15.13 (4) child foster care maximum age requirement;

15.14 (5) variances regarding disqualified individuals except that county agencies may
15.15 issue variances under section 245C.30 regarding disqualified individuals when the county
15.16 is responsible for conducting a consolidated reconsideration according to sections 245C.25
15.17 and 245C.27, subdivision 2, clauses (a) and (b), of a county maltreatment determination
15.18 and a disqualification based on serious or recurring maltreatment; and

15.19 (6) the required presence of a caregiver in the adult foster care residence during
15.20 normal sleeping hours.

15.21 (b) County agencies must report information about disqualification reconsiderations
15.22 under sections 245C.25 and 245C.27, subdivision 2, paragraphs (a) and (b), and variances
15.23 granted under paragraph (a), clause (5), to the commissioner at least monthly in a format
15.24 prescribed by the commissioner.

15.25 (c) For family day care programs, the commissioner may authorize licensing reviews
15.26 every two years after a licensee has had at least one annual review.

15.27 (d) For family adult day services programs, the commissioner may authorize
15.28 licensing reviews every two years after a licensee has had at least one annual review.

15.29 (e) A license issued under this section may be issued for up to two years.

15.30 Sec. 21. Minnesota Statutes 2008, section 245A.16, subdivision 3, is amended to read:

15.31 Subd. 3. **Recommendations to commissioner.** The county or private agency
15.32 shall not make recommendations to the commissioner regarding licensure without first
15.33 conducting an inspection, and for ~~adult foster care~~, family adult day services, and family
15.34 child care, a background study of the applicant under chapter 245C. The county or private

16.1 agency must forward its recommendation to the commissioner regarding the appropriate
16.2 licensing action within 20 working days of receipt of a completed application.

16.3 Sec. 22. Minnesota Statutes 2008, section 245C.04, subdivision 1, is amended to read:

16.4 Subdivision 1. **Licensed programs.** (a) The commissioner shall conduct a
16.5 background study of an individual required to be studied under section 245C.03,
16.6 subdivision 1, at least upon application for initial license for all license types.

16.7 (b) The commissioner shall conduct a background study of an individual required to
16.8 be studied under section 245C.03, subdivision 1, at reapplication for a license for ~~adult~~
16.9 ~~foster care~~, family adult day services, and family child care.

16.10 (c) The commissioner is not required to conduct a study of an individual at the time
16.11 of reapplication for a license if the individual's background study was completed by the
16.12 commissioner of human services for an adult foster care license holder that is also:

16.13 (1) registered under chapter 144D; or

16.14 (2) licensed to provide home and community-based services to people with
16.15 disabilities at the foster care location and the license holder does not reside in the foster
16.16 care residence; and

16.17 (3) the following conditions are met:

16.18 (i) a study of the individual was conducted either at the time of initial licensure or
16.19 when the individual became affiliated with the license holder;

16.20 (ii) the individual has been continuously affiliated with the license holder since
16.21 the last study was conducted; and

16.22 (iii) the last study of the individual was conducted on or after October 1, 1995.

16.23 (d) From July 1, 2007, to June 30, 2009, the commissioner of human services shall
16.24 conduct a study of an individual required to be studied under section 245C.03, at the
16.25 time of reapplication for a child foster care license. The county or private agency shall
16.26 collect and forward to the commissioner the information required under section 245C.05,
16.27 subdivisions 1, paragraphs (a) and (b), and 5, paragraphs (a) and (b). The background
16.28 study conducted by the commissioner of human services under this paragraph must
16.29 include a review of the information required under section 245C.08, subdivisions 1,
16.30 paragraph (a), clauses (1) to (5), 3, and 4.

16.31 (e) The commissioner of human services shall conduct a background study of an
16.32 individual specified under section 245C.03, subdivision 1, paragraph (a), clauses (2)
16.33 to (6), who is newly affiliated with a child foster care license holder. The county or
16.34 private agency shall collect and forward to the commissioner the information required
16.35 under section 245C.05, subdivisions 1 and 5. The background study conducted by the

commissioner of human services under this paragraph must include a review of the information required under section 245C.08, subdivisions 1, 3, and 4.

(f) From January 1, 2010, to December 31, 2012, unless otherwise specified in paragraph (c), the commissioner shall conduct a study of an individual required to be studied under section 245C.03 at the time of reapplication for an adult foster care license. The county shall collect and forward to the commissioner the information required under section 245C.05, subdivision 1, paragraphs (a) and (b), and subdivision 5, paragraphs (a) and (b). The background study conducted by the commissioner under this paragraph must include a review of the information required under section 245C.08, subdivision 1, paragraph (a), clauses (1) to (5), and subdivisions 3 and 4.

(g) The commissioner shall conduct a background study of an individual specified under section 245C.03, subdivision 1, paragraph (a), clauses (2) to (6), who is newly affiliated with an adult foster care license holder. The county shall collect and forward to the commissioner the information required under section 245C.05, subdivision 1, paragraphs (a) and (b), and subdivision 5, paragraphs (a) and (b). The background study conducted by the commissioner under this paragraph must include a review of the information required under section 245C.08, subdivision 1, paragraph (a), and subdivisions 3 and 4.

(h) Applicants for licensure, license holders, and other entities as provided in this chapter must submit completed background study forms to the commissioner before individuals specified in section 245C.03, subdivision 1, begin positions allowing direct contact in any licensed program.

~~(g)~~ (i) For purposes of this section, a physician licensed under chapter 147 is considered to be continuously affiliated upon the license holder's receipt from the commissioner of health or human services of the physician's background study results.

Sec. 23. Minnesota Statutes 2008, section 245C.05, subdivision 4, is amended to read:

Subd. 4. **Electronic transmission.** For background studies conducted by the Department of Human Services, the commissioner shall implement a system for the electronic transmission of:

- (1) background study information to the commissioner;
- (2) background study results to the license holder; ~~and~~
- (3) background study results to county and private agencies for background studies conducted by the commissioner for child foster care; and
- (4) background study results to county agencies for background studies conducted by the commissioner for adult foster care.

Sec. 24. Minnesota Statutes 2008, section 245C.08, subdivision 2, is amended to read:

Subd. 2. **Background studies conducted by a county agency.** (a) For a background study conducted by a county agency for ~~adult foster care~~, family adult day services, and family child care services, the commissioner shall review:

(1) information from the county agency's record of substantiated maltreatment of adults and the maltreatment of minors;

(2) information from juvenile courts as required in subdivision 4 for individuals listed in section 245C.03, subdivision 1, clauses (2), (5), and (6); and

(3) information from the Bureau of Criminal Apprehension.

(b) If the individual has resided in the county for less than five years, the study shall include the records specified under paragraph (a) for the previous county or counties of residence for the past five years.

(c) Notwithstanding expungement by a court, the county agency may consider information obtained under paragraph (a), clause (3), unless the commissioner received notice of the petition for expungement and the court order for expungement is directed specifically to the commissioner.

Sec. 25. Minnesota Statutes 2008, section 245C.10, is amended by adding a subdivision to read:

Subd. 5. **Adult foster care services.** The commissioner shall recover the cost of background studies required under section 245C.03, subdivision 1, for the purposes of adult foster care licensing, through a fee of no more than \$20 per study charged to the license holder. The fees collected under this subdivision are appropriated to the commissioner for the purpose of conducting background studies.

Sec. 26. Minnesota Statutes 2008, section 245C.10, is amended by adding a subdivision to read:

Subd. 8. **Private agencies.** The commissioner shall recover the cost of conducting background studies under section 245C.33 for studies initiated by private agencies for the purpose of adoption through a fee of no more than \$70 per study charged to the private agency. The fees collected under this subdivision are appropriated to the commissioner for the purpose of conducting background studies.

Sec. 27. Minnesota Statutes 2008, section 245C.17, is amended by adding a subdivision to read:

Subd. 6. **Notice to county agency.** For studies on individuals related to a license to provide adult foster care, the commissioner shall also provide a notice of the background study results to the county agency that initiated the background study.

Sec. 28. Minnesota Statutes 2008, section 245C.20, is amended to read:

245C.20 LICENSE HOLDER RECORD KEEPING.

A licensed program shall document the date the program initiates a background study under this chapter in the program's personnel files. When a background study is completed under this chapter, a licensed program shall maintain a notice that the study was undertaken and completed in the program's personnel files. Except when background studies are initiated through the commissioner's online system, if a licensed program has not received a response from the commissioner under section 245C.17 within 45 days of initiation of the background study request, the licensed program must contact the commissioner human services licensing division to inquire about the status of the study. If a license holder initiates a background study under the commissioner's online system, but the background study subject's name does not appear in the list of active or recent studies initiated by that license holder, the license holder must either contact the human services licensing division or resubmit the background study information online for that individual.

Sec. 29. Minnesota Statutes 2008, section 245C.21, subdivision 1a, is amended to read:

Subd. 1a. **Submission of reconsideration request to county or private agency.**

(a) For disqualifications related to studies conducted by county agencies for family child care and family adult day services, and for disqualifications related to studies conducted by the commissioner for child foster care and adult foster care, the individual shall submit the request for reconsideration to the county ~~or private~~ agency that initiated the background study.

(b) For disqualifications related to studies conducted by the commissioner for child foster care, the individual shall submit the request for reconsideration to the private agency that initiated the background study.

(c) A reconsideration request shall be submitted within 30 days of the individual's receipt of the disqualification notice or the time frames specified in subdivision 2, whichever time frame is shorter.

~~(c)~~ (d) The county or private agency shall forward the individual's request for reconsideration and provide the commissioner with a recommendation whether to set aside the individual's disqualification.

Sec. 30. Minnesota Statutes 2008, section 245C.23, subdivision 2, is amended to read:

Subd. 2. **Commissioner's notice of disqualification that is not set aside.** (a) The commissioner shall notify the license holder of the disqualification and order the license holder to immediately remove the individual from any position allowing direct contact with persons receiving services from the license holder if:

(1) the individual studied does not submit a timely request for reconsideration under section 245C.21;

(2) the individual submits a timely request for reconsideration, but the commissioner does not set aside the disqualification for that license holder under section 245C.22;

(3) an individual who has a right to request a hearing under sections 245C.27 and 256.045, or 245C.28 and chapter 14 for a disqualification that has not been set aside, does not request a hearing within the specified time; or

(4) an individual submitted a timely request for a hearing under sections 245C.27 and 256.045, or 245C.28 and chapter 14, but the commissioner does not set aside the disqualification under section 245A.08, subdivision 5, or 256.045.

(b) If the commissioner does not set aside the disqualification under section 245C.22, and the license holder was previously ordered under section 245C.17 to immediately remove the disqualified individual from direct contact with persons receiving services or to ensure that the individual is under continuous, direct supervision when providing direct contact services, the order remains in effect pending the outcome of a hearing under sections 245C.27 and 256.045, or 245C.28 and chapter 14.

(c) For background studies related to child foster care, the commissioner shall also notify the county or private agency that initiated the study of the results of the reconsideration.

(d) For background studies related to adult foster care, the commissioner shall also notify the county that initiated the study of the results of the reconsideration.

Sec. 31. Minnesota Statutes 2008, section 256B.092, is amended by adding a subdivision to read:

Subd. 5b. **Revised per diem based on legislated rate reduction.** Notwithstanding section 252.28, subdivision 3, paragraph (d), if the 2009 legislature adopts a rate reduction that impacts payment to providers of adult foster care services, the commissioner may issue adult foster care licenses that permit a capacity of five adults. The application for a five-bed license must meet the requirements of section 245A.11, subdivision 2a. Prior to admission of the fifth recipient of adult foster care services, the county must negotiate a revised per diem rate for room and board and waiver services that reflects the legislated

21.1 rate reduction and results in an overall average per diem reduction for all foster care
21.2 recipients in that home. The revised per diem must allow the provider to maintain, as
21.3 much as possible, the level of services or enhanced services provided in the residence,
21.4 while mitigating the losses of the legislated rate reduction.

21.5 **EFFECTIVE DATE.** This section is effective July 1, 2009.

21.6 Sec. 32. Minnesota Statutes 2008, section 256B.0945, subdivision 4, is amended to
21.7 read:

21.8 Subd. 4. **Payment rates.** (a) Notwithstanding sections 256B.19 and 256B.041,
21.9 payments to counties for residential services provided by a residential facility shall only
21.10 be made of federal earnings for services provided under this section, and the nonfederal
21.11 share of costs for services provided under this section shall be paid by the county from
21.12 sources other than federal funds or funds used to match other federal funds. Payment to
21.13 counties for services provided according to this section shall be a proportion of the per
21.14 day contract rate that relates to rehabilitative mental health services and shall not include
21.15 payment for costs or services that are billed to the IV-E program as room and board.

21.16 (b) Per diem rates paid to providers under this section by prepaid plans shall be the
21.17 proportion of the per-day contract rate that relates to rehabilitative mental health services
21.18 and shall not include payment for group foster care costs or services that are billed to the
21.19 county of financial responsibility.

21.20 (c) The commissioner shall ~~set aside a portion not to exceed~~ retain five percent of the
21.21 federal funds earned for county expenditures under this section to cover the state costs
21.22 of administering this section, and to reduce licensing fees charged to facilities providing
21.23 services under this section. ~~Any unexpended funds from the set-aside shall be distributed~~
21.24 ~~to the counties in proportion to their earnings under this section.~~

21.25 Sec. 33. Minnesota Statutes 2008, section 256B.49, subdivision 17, is amended to read:

21.26 Subd. 17. **Cost of services and supports.** (a) The commissioner shall ensure
21.27 that the average per capita expenditures estimated in any fiscal year for home and
21.28 community-based waiver recipients does not exceed the average per capita expenditures
21.29 that would have been made to provide institutional services for recipients in the absence
21.30 of the waiver.

21.31 (b) The commissioner shall implement on January 1, 2002, one or more aggregate,
21.32 need-based methods for allocating to local agencies the home and community-based
21.33 waived service resources available to support recipients with disabilities in need of
21.34 the level of care provided in a nursing facility or a hospital. The commissioner shall

22.1 allocate resources to single counties and county partnerships in a manner that reflects
22.2 consideration of:

- 22.3 (1) an incentive-based payment process for achieving outcomes;
- 22.4 (2) the need for a state-level risk pool;
- 22.5 (3) the need for retention of management responsibility at the state agency level; and
- 22.6 (4) a phase-in strategy as appropriate.

22.7 (c) Until the allocation methods described in paragraph (b) are implemented, the
22.8 annual allowable reimbursement level of home and community-based waiver services
22.9 shall be the greater of:

22.10 (1) the statewide average payment amount which the recipient is assigned under the
22.11 waiver reimbursement system in place on June 30, 2001, modified by the percentage of
22.12 any provider rate increase appropriated for home and community-based services; or

22.13 (2) an amount approved by the commissioner based on the recipient's extraordinary
22.14 needs that cannot be met within the current allowable reimbursement level. The
22.15 increased reimbursement level must be necessary to allow the recipient to be discharged
22.16 from an institution or to prevent imminent placement in an institution. The additional
22.17 reimbursement may be used to secure environmental modifications; assistive technology
22.18 and equipment; and increased costs for supervision, training, and support services
22.19 necessary to address the recipient's extraordinary needs. The commissioner may approve
22.20 an increased reimbursement level for up to one year of the recipient's relocation from an
22.21 institution or up to six months of a determination that a current waiver recipient is at
22.22 imminent risk of being placed in an institution.

22.23 (d) Beginning July 1, 2001, medically necessary private duty nursing services will be
22.24 authorized under this section as complex and regular care according to sections 256B.0651
22.25 and 256B.0653 to 256B.0656. The rate established by the commissioner for registered
22.26 nurse or licensed practical nurse services under any home and community-based waiver as
22.27 of January 1, 2001, shall not be reduced.

22.28 (e) Notwithstanding section 252.28, subdivision 3, paragraph (d), if the 2009
22.29 legislature adopts a rate reduction that impacts payment to providers of adult foster care
22.30 services, the commissioner may issue adult foster care licenses that permit a capacity of
22.31 five adults. The application for a five-bed license must meet the requirements of section
22.32 245A.11, subdivision 2a. Prior to admission of the fifth recipient of adult foster care
22.33 services, the county must negotiate a revised per diem rate for room and board and waiver
22.34 services that reflects the legislated rate reduction and results in an overall average per
22.35 diem reduction for all foster care recipients in that home. The revised per diem must allow

23.1 the provider to maintain, as much as possible, the level of services or enhanced services
23.2 provided in the residence, while mitigating the losses of the legislated rate reduction.

23.3 **EFFECTIVE DATE.** This section is effective July 1, 2009.

23.4 Sec. 34. **WAIVER.**

23.5 By December 1, 2009, the commissioner shall request all federal approvals and
23.6 waiver amendments to the disability home and community-based waivers to allow properly
23.7 licensed adult foster care homes to provide residential services for up to five individuals.

23.8 **EFFECTIVE DATE.** This section is effective July 1, 2009.

23.9 Sec. 35. **REPEALER.**

23.10 (a) Minnesota Statutes 2008, section 256B.092, subdivision 5a, is repealed effective
23.11 July 1, 2009.

23.12 (b) Minnesota Rules, part 9555.6125, subpart 4, item B, is repealed.

23.13 **ARTICLE 2**

23.14 **MFIP, CHILDREN, AND ADULT SUPPORTS**

23.15 Section 1. Minnesota Statutes 2008, section 256D.024, is amended by adding a
23.16 subdivision to read:

23.17 **Subd. 5. Persons convicted of certain crimes of violence.** An individual convicted
23.18 of one of the following crimes is disqualified from receiving general assistance:

23.19 (1) murder in the first degree, as defined in section 609.185, or as defined under the
23.20 laws of the jurisdiction in which the crime was committed;

23.21 (2) murder in the second degree as defined in in section 609.19, or as defined under
23.22 the laws of the jurisdiction in which the crime was committed; or

23.23 (3) criminal sexual conduct in the first degree, as defined in section 609.342, or as
23.24 defined under the laws of the jurisdiction in which the crime was committed.

23.25 **EFFECTIVE DATE.** This section is effective July 1, 2011.

23.26 Sec. 2. Minnesota Statutes 2008, section 256D.051, subdivision 2a, is amended to read:

23.27 Subd. 2a. **Duties of commissioner.** In addition to any other duties imposed by law,
23.28 the commissioner shall:

(1) based on this section and section 256D.052 and Code of Federal Regulations, title 7, section 273.7, supervise the administration of food stamp employment and training services to county agencies;

(2) disburse money appropriated for food stamp employment and training services to county agencies based upon the county's costs as specified in section 256D.051, subdivision 6c;

(3) accept and supervise the disbursement of any funds that may be provided by the federal government or from other sources for use in this state for food stamp employment and training services;

(4) apply for the maximum allowable federal matching funds under United States Code, title 7, section 2025, paragraph (h), for state expenditures made on behalf of family stabilization services participants voluntarily engaged in food stamp employment and training activities, where appropriate;

(5) cooperate with other agencies including any agency of the United States or of another state in all matters concerning the powers and duties of the commissioner under this section and section 256D.052; and

~~(5)~~ (6) in cooperation with the commissioner of employment and economic development, ensure that each component of an employment and training program carried out under this section is delivered through a statewide workforce development system, unless the component is not available locally through such a system.

Sec. 3. Minnesota Statutes 2008, section 256D.0515, is amended to read:

256D.0515 ASSET LIMITATIONS FOR FOOD STAMP HOUSEHOLDS.

All food stamp households must be determined eligible for the benefit discussed under section 256.029. Food stamp households must demonstrate that:

~~(1)~~ their gross income meets the federal Food Stamp requirements under United States Code, title 7, section 2014(c); ~~and~~

~~(2) they have financial resources, excluding vehicles, of less than \$7,000.~~

Sec. 4. Minnesota Statutes 2008, section 256D.06, subdivision 2, is amended to read:

Subd. 2. **Emergency need.** (a) Notwithstanding the provisions of subdivision 1, a grant of emergency general assistance shall, to the extent funds are available, be made to an eligible single adult, married couple, or family for an emergency need, ~~as defined in rules promulgated by the commissioner,~~ where the recipient requests temporary assistance not exceeding 30 days if an emergency situation appears to exist under criteria adopted by the county agency and the individual or family is ineligible for MFIP or DWP or is not a

participant of MFIP or DWP and whose annual net income is no greater than 200 percent of the federal poverty level for the previous calendar year. If an applicant or recipient relates facts to the county agency which may be sufficient to constitute an emergency situation, the county agency shall, to the extent funds are available, advise the person of the procedure for applying for assistance according to this subdivision. An emergency general assistance grant is available to a recipient not more than once in any 12-month period.

(b) Funding for an emergency general assistance program is limited to the appropriation. Each fiscal year, the commissioner shall allocate to counties the money appropriated for emergency general assistance grants based on each county agency's average share of state's emergency general expenditures for the immediate past three fiscal years as determined by the commissioner, and may reallocate any unspent amounts to other counties.

(c) No county shall be allocated less than \$1,000 for the fiscal year.

(d) Should an emergency be declared as provided in section 12.31, the commissioner may immediately reallocate unspent funds without regard to the other provisions of this section to meet the emergency needs. The emergency reallocation must be excluded from calculations for subsequent allocations as provided in paragraphs (b) and (c).

(e) Any emergency general assistance expenditures by a county above the amount of the commissioner's allocation to the county must be made from county funds.

Sec. 5. Minnesota Statutes 2008, section 256D.09, subdivision 6, is amended to read:

Subd. 6. Recovery of overpayments. (a) If an amount of general assistance or family general assistance is paid to a recipient in excess of the payment due, it shall be recoverable by the county agency. The agency shall give written notice to the recipient of its intention to recover the overpayment.

(b) Except as provided for interim assistance in section 256D.06, subdivision 5, when an overpayment occurs, the county agency shall recover the overpayment from a current recipient by reducing the amount of aid payable to the assistance unit of which the recipient is a member, for one or more monthly assistance payments, until the overpayment is repaid. All county agencies in the state shall reduce the assistance payment by three percent of the assistance unit's standard of need in nonfraud cases and ten percent where fraud has occurred, or the amount of the monthly payment, whichever is less, for all overpayments.

(c) In cases when there is both an overpayment and underpayment, the county agency shall offset one against the other in correcting the payment.

(d) Overpayments may also be voluntarily repaid, in part or in full, by the individual, in addition to the aid reductions provided in this subdivision, to include further voluntary reductions in the grant level agreed to in writing by the individual, until the total amount of the overpayment is repaid.

(e) The county agency shall make reasonable efforts to recover overpayments to persons no longer on assistance under standards adopted in rule by the commissioner of human services. The county agency need not attempt to recover overpayments of less than \$35 paid to an individual no longer on assistance if the individual does not receive assistance again within three years, unless the individual has been convicted of violating section 256.98.

(f) Establishment of an overpayment is limited to 12 months prior to the month of discovery due to an agency error and six years prior to the month of discovery due to a client error or an intentional program violation determined under section 256.046.

Sec. 6. Minnesota Statutes 2008, section 256D.49, subdivision 3, is amended to read:

Subd. 3. **Overpayment of monthly grants and recovery of ATM errors.** (a) When the county agency determines that an overpayment of the recipient's monthly payment of Minnesota supplemental aid has occurred, it shall issue a notice of overpayment to the recipient. If the person is no longer receiving Minnesota supplemental aid, the county agency may request voluntary repayment or pursue civil recovery. If the person is receiving Minnesota supplemental aid, the county agency shall recover the overpayment by withholding an amount equal to three percent of the standard of assistance for the recipient or the total amount of the monthly grant, whichever is less.

(b) Establishment of an overpayment is limited to 12 months prior to the month of discovery due to an agency error and six years prior to the month of discovery due to a client error or an intentional program violation determined under section 256.046.

(c) For recipients receiving benefits via electronic benefit transfer, if the overpayment is a result of an automated teller machine (ATM) dispensing funds in error to the recipient, the agency may recover the ATM error by immediately withdrawing funds from the recipient's electronic benefit transfer account, up to the amount of the error.

(d) Residents of nursing homes, regional treatment centers, and licensed residential facilities with negotiated rates shall not have overpayments recovered from their personal needs allowance.

Sec. 7. Minnesota Statutes 2008, section 256I.03, subdivision 7, is amended to read:

Subd. 7. **Countable income.** "Countable income" means all income received by an applicant or recipient less any applicable exclusions or disregards. For a recipient of any cash benefit from the SSI program, countable income means the SSI benefit limit in effect at the time the person is in a GRH ~~setting less \$20~~, less the medical assistance personal needs allowance. If the SSI limit has been reduced for a person due to events occurring prior to the persons entering the GRH setting, countable income means actual income less any applicable exclusions and disregards.

EFFECTIVE DATE. This section is effective April 1, 2010.

Sec. 8. Minnesota Statutes 2008, section 256I.05, subdivision 7c, is amended to read:

Subd. 7c. **Demonstration project.** The commissioner is authorized to pursue the expansion of a demonstration project under federal food stamp regulation for the purpose of gaining additional federal reimbursement of food and nutritional costs currently paid by the state group residential housing program. The commissioner shall seek approval no later than ~~January 1, 2004~~ October 1, 2009. Any reimbursement received is nondedicated revenue to the general fund.

Sec. 9. Minnesota Statutes 2008, section 256J.20, subdivision 3, is amended to read:

Subd. 3. **Other property limitations.** To be eligible for MFIP, the equity value of all nonexcluded real and personal property of the assistance unit must not exceed \$2,000 for applicants and \$5,000 for ongoing participants. The value of assets in clauses (1) to (19) must be excluded when determining the equity value of real and personal property:

(1) a licensed vehicle up to a loan value of less than or equal to ~~\$15,000~~ \$7,500. ~~If the assistance unit owns more than one licensed vehicle, the county agency shall determine the loan value of all additional vehicles and exclude the combined loan value of less than or equal to \$7,500.~~ The county agency shall apply any excess loan value as if it were equity value to the asset limit described in this section; If the assistance unit owns more than one licensed vehicle, the county agency shall determine the vehicle with the highest loan value and count only the loan value over \$7,500, excluding: (i) the value of one vehicle per physically disabled person when the vehicle is needed to transport the disabled unit member; this exclusion does not apply to mentally disabled people; (ii) the value of special equipment for a disabled member of the assistance unit; and (iii) any vehicle used for long-distance travel, other than daily commuting, for the employment of a unit member.

The county agency shall count the loan value of all other vehicles and apply this amount as if it were equity value to the asset limit described in this section. To establish the loan value of vehicles, a county agency must use the N.A.D.A. Official Used Car Guide,

28.1 Midwest Edition, for newer model cars. When a vehicle is not listed in the guidebook,
28.2 or when the applicant or participant disputes the loan value listed in the guidebook as
28.3 unreasonable given the condition of the particular vehicle, the county agency may require
28.4 the applicant or participant document the loan value by securing a written statement from
28.5 a motor vehicle dealer licensed under section 168.27, stating the amount that the dealer
28.6 would pay to purchase the vehicle. The county agency shall reimburse the applicant or
28.7 participant for the cost of a written statement that documents a lower loan value;

28.8 (2) the value of life insurance policies for members of the assistance unit;

28.9 (3) one burial plot per member of an assistance unit;

28.10 (4) the value of personal property needed to produce earned income, including
28.11 tools, implements, farm animals, inventory, business loans, business checking and
28.12 savings accounts used at least annually and used exclusively for the operation of a
28.13 self-employment business, and any motor vehicles if at least 50 percent of the vehicle's use
28.14 is to produce income and if the vehicles are essential for the self-employment business;

28.15 (5) the value of personal property not otherwise specified which is commonly
28.16 used by household members in day-to-day living such as clothing, necessary household
28.17 furniture, equipment, and other basic maintenance items essential for daily living;

28.18 (6) the value of real and personal property owned by a recipient of Supplemental
28.19 Security Income or Minnesota supplemental aid;

28.20 (7) the value of corrective payments, but only for the month in which the payment
28.21 is received and for the following month;

28.22 (8) a mobile home or other vehicle used by an applicant or participant as the
28.23 applicant's or participant's home;

28.24 (9) money in a separate escrow account that is needed to pay real estate taxes or
28.25 insurance and that is used for this purpose;

28.26 (10) money held in escrow to cover employee FICA, employee tax withholding,
28.27 sales tax withholding, employee worker compensation, business insurance, property rental,
28.28 property taxes, and other costs that are paid at least annually, but less often than monthly;

28.29 (11) monthly assistance payments for the current month's or short-term emergency
28.30 needs under section 256J.626, subdivision 2;

28.31 (12) the value of school loans, grants, or scholarships for the period they are
28.32 intended to cover;

28.33 (13) payments listed in section 256J.21, subdivision 2, clause (9), which are held
28.34 in escrow for a period not to exceed three months to replace or repair personal or real
28.35 property;

28.36 (14) income received in a budget month through the end of the payment month;

29.1 (15) savings from earned income of a minor child or a minor parent that are set aside
29.2 in a separate account designated specifically for future education or employment costs;

29.3 (16) the federal earned income credit, Minnesota working family credit, state and
29.4 federal income tax refunds, state homeowners and renters credits under chapter 290A,
29.5 property tax rebates and other federal or state tax rebates in the month received and the
29.6 following month;

29.7 (17) payments excluded under federal law as long as those payments are held in a
29.8 separate account from any nonexcluded funds;

29.9 (18) the assets of children ineligible to receive MFIP benefits because foster care or
29.10 adoption assistance payments are made on their behalf; and

29.11 (19) the assets of persons whose income is excluded under section 256J.21,
29.12 subdivision 2, clause (43).

29.13 **EFFECTIVE DATE.** This section is effective March 1, 2010.

29.14 Sec. 10. Minnesota Statutes 2008, section 256J.24, subdivision 5a, is amended to read:

29.15 Subd. 5a. **Food portion of MFIP transitional standard.** The commissioner
29.16 shall adjust the food portion of the MFIP transitional standard ~~by October 1 each year~~
29.17 ~~beginning October 1998~~ as needed to reflect the ~~cost-of-living~~ adjustments to the food
29.18 ~~Stamp support~~ program. The commissioner shall ~~annually~~ publish in the ~~State Register~~
29.19 the transitional standard for an assistance unit of sizes one to ten in the State Register
29.20 whenever an adjustment is made.

29.21 **EFFECTIVE DATE.** This section is effective October 1, 2009.

29.22 Sec. 11. Minnesota Statutes 2008, section 256J.24, subdivision 10, is amended to read:

29.23 Subd. 10. **MFIP exit level.** The commissioner shall adjust the MFIP earned income
29.24 disregard to ensure that most participants do not lose eligibility for MFIP until their
29.25 income reaches at least ~~115~~ 110 percent of the federal poverty guidelines in effect ~~in~~
29.26 ~~October of each fiscal year~~ at the time of the adjustment. The adjustment to the disregard
29.27 shall be based on a household size of three, and the resulting earned income disregard
29.28 percentage must be applied to all household sizes. The adjustment under this subdivision
29.29 must be implemented ~~at the same time as the October food stamp or~~ whenever there is a
29.30 food support ~~cost-of-living~~ adjustment is reflected in the food portion of MFIP transitional
29.31 standard as required under subdivision 5a.

29.32 **EFFECTIVE DATE.** This section is effective October 1, 2010.

Sec. 12. Minnesota Statutes 2008, section 256J.26, is amended by adding a subdivision to read:

Subd. 5. **Persons convicted of certain crimes of violence.** An individual convicted of one of the following crimes is disqualified from receiving MFIP:

(1) murder in the first degree, as defined in section 609.185, or as defined under the laws of the jurisdiction in which the crime was committed;

(2) murder in the second degree as defined in in section 609.19, or as defined under the laws of the jurisdiction in which the crime was committed; or

(3) criminal sexual conduct in the first degree, as defined in section 609.342, or as defined under the laws of the jurisdiction in which the crime was committed.

EFFECTIVE DATE. This section is effective July 1, 2011.

Sec. 13. Minnesota Statutes 2008, section 256J.37, subdivision 3a, is amended to read:

Subd. 3a. **Rental subsidies; unearned income.** (a) ~~Effective July 1, 2003,~~ The county agency shall count ~~\$50~~ \$100 of the value of public and assisted rental subsidies provided through the Department of Housing and Urban Development (HUD) as unearned income to the cash portion of the MFIP grant. The full amount of the subsidy must be counted as unearned income when the subsidy is less than ~~\$50~~ \$100. The income from this subsidy shall be budgeted according to section 256J.34.

(b) The provisions of this subdivision shall not apply to an MFIP assistance unit which includes a participant who is:

(1) age 60 or older;

(2) a caregiver who is suffering from an illness, injury, or incapacity that has been certified by a qualified professional when the illness, injury, or incapacity is expected to continue for more than 30 days and prevents the person from obtaining or retaining employment; or

(3) a caregiver whose presence in the home is required due to the illness or incapacity of another member in the assistance unit, a relative in the household, or a foster child in the household when the illness or incapacity and the need for the participant's presence in the home has been certified by a qualified professional and is expected to continue for more than 30 days.

(c) The provisions of this subdivision shall not apply to an MFIP assistance unit where the parental caregiver is an SSI recipient.

(d) Prior to implementing this provision, the commissioner must identify the MFIP participants subject to this provision and provide written notice to these participants at least 30 days before the first grant reduction. The notice must inform the participant of the

basis for the potential grant reduction, the exceptions to the provision, if any, and inform the participant of the steps necessary to claim an exception. A person who is found not to meet one of the exceptions to the provision must be notified and informed of the right to a fair hearing under section 256J.40. The notice must also inform the participant that the participant may be eligible for a rent reduction resulting from a reduction in the MFIP grant and encourage the participant to contact the local housing authority.

EFFECTIVE DATE. This section is effective October 1, 2010.

Sec. 14. Minnesota Statutes 2008, section 256J.37, is amended by adding a subdivision to read:

Subd. 11. Treatment of Supplemental Security Income. Effective March 1, 2010, the county shall reduce the cash portion of the MFIP grant by up to \$70 for an MFIP assistance unit that includes one or more Supplemental Security Income (SSI) recipients who reside in the household, and who would otherwise be included in the MFIP assistance unit under section 256J.24, subdivision 2, but are excluded solely due to the SSI recipient status under section 256J.24, subdivision 3, paragraph (a), clause (1). If the SSI recipient or recipients receive less than \$70 of SSI, only the amount received must be used in calculating the MFIP cash assistance payment. This provision does not apply to relative caregivers who could elect to be included in the MFIP assistance unit under section 256J.24, subdivision 4, unless the caregiver's children or stepchildren are included in the MFIP assistance unit.

EFFECTIVE DATE. This section is effective October 1, 2010.

Sec. 15. Minnesota Statutes 2008, section 256J.38, subdivision 1, is amended to read:

Subdivision 1. Scope of overpayment. (a) When a participant or former participant receives an overpayment due to agency, client, or ATM error, or due to assistance received while an appeal is pending and the participant or former participant is determined ineligible for assistance or for less assistance than was received, the county agency must recoup or recover the overpayment using the following methods:

- (1) reconstruct each affected budget month and corresponding payment month;
- (2) use the policies and procedures that were in effect for the payment month; and
- (3) do not allow employment disregards in section 256J.21, subdivision 3 or 4, in the calculation of the overpayment when the unit has not reported within two calendar months following the end of the month in which the income was received.

32.1 (b) Establishment of an overpayment is limited to 12 months prior to the month of
32.2 discovery due to agency error and six years prior to the month of discovery due to client
32.3 error or an intentional program violation determined under section 256.046.

32.4 Sec. 16. Minnesota Statutes 2008, section 256J.49, subdivision 13, is amended to read:

32.5 Subd. 13. **Work activity.** (a) "Work activity" means any activity in a participant's
32.6 approved employment plan that leads to employment. For purposes of the MFIP program,
32.7 this includes activities that meet the definition of work activity under the participation
32.8 requirements of TANF. Work activity includes:

32.9 (1) unsubsidized employment, including work study and paid apprenticeships or
32.10 internships;

32.11 (2) subsidized private sector or public sector employment, including grant diversion
32.12 as specified in section 256J.69, on-the-job training as specified in section 256J.66, paid
32.13 work experience, and supported work when a wage subsidy is provided;

32.14 (3) unpaid work experience, including community service, volunteer work,
32.15 the community work experience program as specified in section 256J.67, unpaid
32.16 apprenticeships or internships, and supported work when a wage subsidy is not provided.
32.17 Unpaid work experience is only an option if the participant has been unable to obtain or
32.18 maintain paid employment in the competitive labor market, and no paid work experience
32.19 programs are available to the participant. Prior to placing a participant in unpaid work,
32.20 the county must inform the participant that the participant will be notified if a paid work
32.21 experience or supported work position becomes available. Unless a participant consents in
32.22 writing to participate in unpaid work experience, the participant's employment plan may
32.23 only include unpaid work experience if including the unpaid work experience in the plan
32.24 will meet the following criteria:

32.25 (i) the unpaid work experience will provide the participant specific skills or
32.26 experience that cannot be obtained through other work activity options where the
32.27 participant resides or is willing to reside; and

32.28 (ii) the skills or experience gained through the unpaid work experience will result
32.29 in higher wages for the participant than the participant could earn without the unpaid
32.30 work experience;

32.31 (4) job search including job readiness assistance, job clubs, job placement,
32.32 job-related counseling, and job retention services;

32.33 (5) job readiness education, including English as a second language (ESL) or
32.34 functional work literacy classes as limited by the provisions of section 256J.531,
32.35 subdivision 2, general educational development (GED) course work, high school

33.1 completion, and adult basic education as limited by the provisions of section 256J.531,
33.2 subdivision 1;

33.3 (6) job skills training directly related to employment, including education and
33.4 training that can reasonably be expected to lead to employment, as limited by the
33.5 provisions of section 256J.53;

33.6 (7) providing child care services to a participant who is working in a community
33.7 service program;

33.8 (8) activities included in the employment plan that is developed under section
33.9 256J.521, subdivision 3; and

33.10 (9) preemployment activities including chemical and mental health assessments,
33.11 treatment, and services; learning disabilities services; child protective services; family
33.12 stabilization services; or other programs designed to enhance employability.

33.13 (b) "Work activity" does not include activities done for partisan political purposes as
33.14 defined in section 211B.01, subdivision 6.

33.15 Sec. 17. Minnesota Statutes 2008, section 256J.575, subdivision 3, is amended to read:

33.16 Subd. 3. **Eligibility.** (a) The following MFIP ~~or diversionary work program (DWP)~~
33.17 participants are eligible for the services under this section:

33.18 (1) a participant who meets the requirements for or has been granted a hardship
33.19 extension under section 256J.425, subdivision 2 or 3, except that it is not necessary for
33.20 the participant to have reached or be approaching 60 months of eligibility for this section
33.21 to apply;

33.22 (2) a participant who is applying for Supplemental Security Income or Social
33.23 Security disability insurance; and

33.24 (3) a participant who is a noncitizen who has been in the United States for 12 or
33.25 fewer months.

33.26 (b) Families must meet all other eligibility requirements for MFIP established in
33.27 this chapter. Families are eligible for financial assistance to the same extent as if they
33.28 were participating in MFIP.

33.29 (c) A participant under paragraph (a), clause (3), must be provided with English as a
33.30 second language opportunities and skills training for up to 12 months. After 12 months,
33.31 the case manager and participant must determine whether the participant should continue
33.32 with English as a second language classes or skills training, or both, and continue to
33.33 receive family stabilization services.

33.34 **EFFECTIVE DATE.** This section is effective March 1, 2010.

34.1 Sec. 18. Minnesota Statutes 2008, section 256J.575, subdivision 6, is amended to read:

34.2 Subd. 6. **Cooperation with services requirements.** (a) ~~To be eligible,~~ A participant
34.3 who is eligible for family stabilization services under this section shall comply with
34.4 paragraphs (b) to (d).

34.5 (b) Participants shall engage in family stabilization plan services for the appropriate
34.6 number of hours per week that the activities are scheduled and available, unless good
34.7 cause exists for not doing so, as defined in section 256J.57, subdivision 1. The appropriate
34.8 number of hours must be based on the participant's plan.

34.9 (c) The case manager shall review the participant's progress toward the goals in the
34.10 family stabilization plan every six months to determine whether conditions have changed,
34.11 including whether revisions to the plan are needed.

34.12 (d) A participant's requirement to comply with any or all family stabilization plan
34.13 requirements under this subdivision is excused when the case management services,
34.14 training and educational services, or family support services identified in the participant's
34.15 family stabilization plan are unavailable for reasons beyond the control of the participant,
34.16 including when money appropriated is not sufficient to provide the services.

34.17 Sec. 19. Minnesota Statutes 2008, section 256J.575, subdivision 7, is amended to read:

34.18 Subd. 7. **Sanctions.** (a) The county agency or employment services provider must
34.19 follow the requirements of this subdivision at the time the county agency or employment
34.20 services provider has information that an MFIP recipient may meet the eligibility criteria
34.21 in subdivision 3.

34.22 (b) The financial assistance grant of a participating family is reduced according to
34.23 section 256J.46, if a participating adult fails without good cause to comply or continue
34.24 to comply with the family stabilization plan requirements in this subdivision, unless
34.25 compliance has been excused under subdivision 6, paragraph (d).

34.26 ~~(b)~~ (c) Given the purpose of the family stabilization services in this section and the
34.27 nature of the underlying family circumstances that act as barriers to both employment and
34.28 full compliance with program requirements, there must be a review by the county agency
34.29 prior to imposing a sanction to determine whether the plan was appropriated to the needs
34.30 of the participant and family, ~~and~~ There must be a current assessment by a behavioral
34.31 health or medical professional confirming that the participant in all ways had the ability to
34.32 comply with the plan, ~~as confirmed by a behavioral health or medical professional.~~

34.33 ~~(c)~~ (d) Prior to the imposition of a sanction, the county agency or employment
34.34 services provider shall review the participant's case to determine if the family stabilization
34.35 plan is still appropriate and meet with the participant face-to-face. ~~The participant may~~

~~bring an advocate~~ The county agency or employment services provider must inform the participant of the right to bring an advocate to the face-to-face meeting.

During the face-to-face meeting, the county agency shall:

(1) determine whether the continued noncompliance can be explained and mitigated by providing a needed family stabilization service, as defined in subdivision 2, paragraph (d);

(2) determine whether the participant qualifies for a good cause exception under section 256J.57, or if the sanction is for noncooperation with child support requirements, determine if the participant qualifies for a good cause exemption under section 256.741, subdivision 10;

(3) determine whether activities in the family stabilization plan are appropriate based on the family's circumstances;

(4) explain the consequences of continuing noncompliance;

(5) identify other resources that may be available to the participant to meet the needs of the family; and

(6) inform the participant of the right to appeal under section 256J.40.

If the lack of an identified activity or service can explain the noncompliance, the county shall work with the participant to provide the identified activity.

(d) If the participant fails to come to the face-to-face meeting, the case manager or a designee shall attempt at least one home visit. If a face-to-face meeting is not conducted, the county agency shall send the participant a written notice that includes the information under paragraph (c).

(e) After the requirements of paragraphs (c) and (d) are met and prior to imposition of a sanction, the county agency shall provide a notice of intent to sanction under section 256J.57, subdivision 2, and, when applicable, a notice of adverse action under section 256J.31.

(f) Section 256J.57 applies to this section except to the extent that it is modified by this subdivision.

Sec. 20. Minnesota Statutes 2008, section 256J.621, is amended to read:

256J.621 WORK PARTICIPATION CASH BENEFITS.

(a) Effective October 1, 2009, upon exiting the diversionary work program (DWP) or upon terminating the Minnesota family investment program with earnings, a participant who is employed may be eligible for work participation cash benefits of ~~\$75~~ \$50 per month to assist in meeting the family's basic needs as the participant continues to move toward self-sufficiency.

(b) To be eligible for work participation cash benefits, the participant shall not receive MFIP or diversionary work program assistance during the month and the participant or participants must meet the following work requirements:

(1) if the participant is a single caregiver and has a child under six years of age, the participant must be employed at least 87 hours per month;

(2) if the participant is a single caregiver and does not have a child under six years of age, the participant must be employed at least 130 hours per month; or

(3) if the household is a two-parent family, at least one of the parents must be employed an average of at least 130 hours per month.

Whenever a participant exits the diversionary work program or is terminated from MFIP and meets the other criteria in this section, work participation cash benefits are available for up to 24 consecutive months.

(c) Expenditures on the program are maintenance of effort state funds under a separate state program for participants under paragraph (b), clauses (1) and (2). Expenditures for participants under paragraph (b), clause (3), are nonmaintenance of effort funds. Months in which a participant receives work participation cash benefits under this section do not count toward the participant's MFIP 60-month time limit.

Sec. 21. Minnesota Statutes 2008, section 256J.626, subdivision 6, is amended to read:

Subd. 6. **Base allocation to counties and tribes; definitions.** (a) For purposes of this section, the following terms have the meanings given.

(1) "2002 historic spending base" means the commissioner's determination of the sum of the reimbursement related to fiscal year 2002 of county or tribal agency expenditures for the base programs listed in clause ~~(6)~~ (5), items (i) through (iv), and earnings related to calendar year 2002 in the base program listed in clause ~~(6)~~ (5), item (v), and the amount of spending in fiscal year 2002 in the base program listed in clause ~~(6)~~ (5), item (vi), issued to or on behalf of persons residing in the county or tribal service delivery area.

(2) "Adjusted caseload factor" means a factor weighted:

(i) 47 percent on the MFIP cases in each county at four points in time in the most recent 12-month period for which data is available multiplied by the county's caseload difficulty factor; and

(ii) 53 percent on the count of adults on MFIP in each county and tribe at four points in time in the most recent 12-month period for which data is available multiplied by the county or tribe's caseload difficulty factor.

(3) "Caseload difficulty factor" means a factor determined by the commissioner for each county and tribe based upon the self-support index described in section 256J.751, subdivision 2, clause (6).

~~(4) "Initial allocation" means the amount potentially available to each county or tribe based on the formula in paragraphs (b) through (d).~~

~~(5) (4) "Final allocation" means the amount available to each county or tribe based on the formula in paragraphs (b) through (d), after adjustment by subdivision 7 and (c).~~

~~(6) (5) "Base programs" means the:~~

(i) MFIP employment and training services under Minnesota Statutes 2002, section 256J.62, subdivision 1, in effect June 30, 2002;

(ii) bilingual employment and training services to refugees under Minnesota Statutes 2002, section 256J.62, subdivision 6, in effect June 30, 2002;

(iii) work literacy language programs under Minnesota Statutes 2002, section 256J.62, subdivision 7, in effect June 30, 2002;

(iv) supported work program authorized in Laws 2001, First Special Session chapter 9, article 17, section 2, in effect June 30, 2002;

(v) administrative aid program under section 256J.76 in effect December 31, 2002; and

(vi) emergency assistance program under Minnesota Statutes 2002, section 256J.48, in effect June 30, 2002.

(b) The commissioner shall:

~~(1) beginning July 1, 2003, determine the initial allocation of funds available under this section according to clause (2);~~

~~(2) allocate all of the funds available for the period beginning July 1, 2003, and ending December 31, 2004, to each county or tribe in proportion to the county's or tribe's share of the statewide 2002 historic spending base;~~

~~(3) determine for calendar year 2005 the initial allocation of funds to be made available under this section in proportion to the county or tribe's initial allocation for the period of July 1, 2003, to December 31, 2004;~~

~~(4) determine for calendar year 2006 the initial allocation of funds to be made available under this section based 90 percent on the proportion of the county or tribe's share of the statewide 2002 historic spending base and ten percent on the proportion of the county or tribe's share of the adjusted caseload factor;~~

~~(5) determine for calendar year 2007 the initial allocation of funds to be made available under this section based 70 percent on the proportion of the county or tribe's~~

~~share of the statewide 2002 historic spending base and 30 percent on the proportion of the county or tribe's share of the adjusted caseload factor; and~~

~~(6) determine for calendar year 2008 and subsequent years the initial allocation of allocate funds to be made available under this section based 50 percent on the proportion of the county or tribe's share of the statewide 2002 historic spending base and 50 percent on the proportion of the county or tribe's share of the adjusted caseload factor.~~

(c) With the commencement of a new or expanded tribal TANF program or an agreement under section 256.01, subdivision 2, paragraph (g), in which some or all of the responsibilities of particular counties under this section are transferred to a tribe, the commissioner shall:

(1) in the case where all responsibilities under this section are transferred to a tribal program, determine the percentage of the county's current caseload that is transferring to a tribal program and adjust the affected county's allocation accordingly; and

(2) in the case where a portion of the responsibilities under this section are transferred to a tribal program, the commissioner shall consult with the affected county or counties to determine an appropriate adjustment to the allocation.

~~(d) Effective January 1, 2005, counties and tribes will have their final allocations adjusted based on the performance provisions of subdivision 7.~~

EFFECTIVE DATE. This section is effective July 1, 2010.

Sec. 22. Minnesota Statutes 2008, section 256J.751, is amended by adding a subdivision to read:

Subd. 2a. County performance standards. (a) For the purpose of this section, the following terms have the meanings given:

(1) "Caseload reduction credit" (CRC) means the measure of how much the Minnesota TANF caseload, including the separate state program caseload, has fallen relative to the federal fiscal year 2005 caseload based on caseload data from October 1 to September 30.

(2) "TANF participation rate target" means a 50 percent participation rate reduced by the CRC as calculated by the Department of Human Services.

(b) A county or tribe shall negotiate a multiyear improvement plan with the commissioner if the county or tribe does not:

(1) achieve the TANF participation rate target or a five percentage point improvement over the county or tribe's previous year's TANF participation rate under subdivision 2, clause (7), as averaged across 12 consecutive months for the most recent year for which the measurements are available; or

(2) perform within or above its range of expected performance on the annualized three-year self-support index under subdivision 2, clause (6).

(c) A county or tribe that has successfully negotiated an improvement plan must provide a semiannual report indicating that the plan has been implemented, the impact of the plan, and any anticipated changes to the plan.

Sec. 23. Minnesota Statutes 2008, section 256J.95, subdivision 12, is amended to read:

Subd. 12. **Conversion or referral to MFIP.** (a) If at any time during the DWP application process or during the four-month DWP eligibility period, it is determined that a participant is unlikely to benefit from the diversionary work program, the county shall convert or refer the participant to MFIP as specified in paragraph (d). Participants who are determined to be unlikely to benefit from the diversionary work program must develop and sign an employment plan. ~~Participants who meet any one of the criteria in paragraph (b) shall be considered to be unlikely to benefit from DWP, provided the necessary documentation is available to support the determination.~~

(b) A participant who ~~meets the eligibility requirements under section 256J.575, subdivision 3, must be considered to be unlikely to benefit from DWP, provided the necessary documentation is available to support the determination.~~

~~(1) has been determined by a qualified professional as being unable to obtain or retain employment due to an illness, injury, or incapacity that is expected to last at least 60 days;~~

~~(2) is required in the home as a caregiver because of the illness, injury, or incapacity, of a family member, or a relative in the household, or a foster child, and the illness, injury, or incapacity and the need for a person to provide assistance in the home has been certified by a qualified professional and is expected to continue more than 60 days;~~

~~(3) is determined by a qualified professional as being needed in the home to care for a child or adult meeting the special medical criteria in section 256J.561, subdivision 2, paragraph (d), clause (3);~~

~~(4) is pregnant and is determined by a qualified professional as being unable to obtain or retain employment due to the pregnancy; or~~

~~(5) has applied for SSI or SSDI.~~

(c) In a two-parent family unit, ~~both parents must be~~ if one parent is determined to be unlikely to benefit from the diversionary work program ~~before,~~ the family unit ~~can~~ must be converted or referred to MFIP.

(d) A participant who is determined to be unlikely to benefit from the diversionary work program shall be converted to MFIP and, if the determination was made within 30 days of the initial application for benefits, no additional application form is required.

A participant who is determined to be unlikely to benefit from the diversionary work program shall be referred to MFIP and, if the determination is made more than 30 days after the initial application, the participant must submit a program change request form. The county agency shall process the program change request form by the first of the following month to ensure that no gap in benefits is due to delayed action by the county agency. In processing the program change request form, the county must follow section 256J.32, subdivision 1, except that the county agency shall not require additional verification of the information in the case file from the DWP application unless the information in the case file is inaccurate, questionable, or no longer current.

(e) The county shall not request a combined application form for a participant who has exhausted the four months of the diversionary work program, has continued need for cash and food assistance, and has completed, signed, and submitted a program change request form within 30 days of the fourth month of the diversionary work program. The county must process the program change request according to section 256J.32, subdivision 1, except that the county agency shall not require additional verification of information in the case file unless the information is inaccurate, questionable, or no longer current. When a participant does not request MFIP within 30 days of the diversionary work program benefits being exhausted, a new combined application form must be completed for any subsequent request for MFIP.

EFFECTIVE DATE. This section is effective March 1, 2010.

Sec. 24. Minnesota Statutes 2008, section 393.07, subdivision 10, is amended to read:

Subd. 10. Food stamp program; Maternal and Child Nutrition Act. (a) The local social services agency shall establish and administer the food stamp program according to rules of the commissioner of human services, the supervision of the commissioner as specified in section 256.01, and all federal laws and regulations. The commissioner of human services shall monitor food stamp program delivery on an ongoing basis to ensure that each county complies with federal laws and regulations. Program requirements to be monitored include, but are not limited to, number of applications, number of approvals, number of cases pending, length of time required to process each application and deliver benefits, number of applicants eligible for expedited issuance, length of time required to process and deliver expedited issuance, number of terminations and reasons for terminations, client profiles by age, household composition and income level and sources, and the use of phone certification and home visits. The commissioner shall determine the county-by-county and statewide participation rate.

(b) On July 1 of each year, the commissioner of human services shall determine a statewide and county-by-county food stamp program participation rate. The commissioner may designate a different agency to administer the food stamp program in a county if the agency administering the program fails to increase the food stamp program participation rate among families or eligible individuals, or comply with all federal laws and regulations governing the food stamp program. The commissioner shall review agency performance annually to determine compliance with this paragraph.

(c) A person who commits any of the following acts has violated section 256.98 or 609.821, or both, and is subject to both the criminal and civil penalties provided under those sections:

(1) obtains or attempts to obtain, or aids or abets any person to obtain by means of a willful statement or misrepresentation, or intentional concealment of a material fact, food stamps or vouchers issued according to sections 145.891 to 145.897 to which the person is not entitled or in an amount greater than that to which that person is entitled or which specify nutritional supplements to which that person is not entitled; or

(2) presents or causes to be presented, coupons or vouchers issued according to sections 145.891 to 145.897 for payment or redemption knowing them to have been received, transferred or used in a manner contrary to existing state or federal law; or

(3) willfully uses, possesses, or transfers food stamp coupons, authorization to purchase cards or vouchers issued according to sections 145.891 to 145.897 in any manner contrary to existing state or federal law, rules, or regulations; or

(4) buys or sells food stamp coupons, authorization to purchase cards, other assistance transaction devices, vouchers issued according to sections 145.891 to 145.897, or any food obtained through the redemption of vouchers issued according to sections 145.891 to 145.897 for cash or consideration other than eligible food.

(d) A peace officer or welfare fraud investigator may confiscate food stamps, authorization to purchase cards, or other assistance transaction devices found in the possession of any person who is neither a recipient of the food stamp program nor otherwise authorized to possess and use such materials. Confiscated property shall be disposed of as the commissioner may direct and consistent with state and federal food stamp law. The confiscated property must be retained for a period of not less than 30 days to allow any affected person to appeal the confiscation under section 256.045.

~~(e) Food stamp overpayment claims which are due in whole or in part to client error shall be established by the county agency for a period of six years from the date of any resultant overpayment. Establishment of a food stamp overpayment is limited to 12 months prior to the month of discovery due to an agency error and six years prior to the~~

month of discovery due to a client error or an intentional program violation determined under section 256.046.

(f) With regard to the federal tax revenue offset program only, recovery incentives authorized by the federal food and consumer service shall be retained at the rate of 50 percent by the state agency and 50 percent by the certifying county agency.

(g) A peace officer, welfare fraud investigator, federal law enforcement official, or the commissioner of health may confiscate vouchers found in the possession of any person who is neither issued vouchers under sections 145.891 to 145.897, nor otherwise authorized to possess and use such vouchers. Confiscated property shall be disposed of as the commissioner of health may direct and consistent with state and federal law. The confiscated property must be retained for a period of not less than 30 days.

(h) The commissioner of human services may seek a waiver from the United States Department of Agriculture to allow the state to specify foods that may and may not be purchased in Minnesota with benefits funded by the federal Food Stamp Program. The commissioner shall consult with the members of the house of representatives and senate policy committees having jurisdiction over food support issues in developing the waiver. The commissioner, in consultation with the commissioners of health and education, shall develop a broad public health policy related to improved nutrition and health status. The commissioner must seek legislative approval prior to implementing the waiver.

Sec. 25. AMERICAN INDIAN CHILD WELFARE PROJECTS.

Notwithstanding Minnesota Statutes, section 16A.28, the commissioner of human services shall extend payment of state fiscal year 2009 funds in state fiscal year 2010 to tribes participating in the American Indian child welfare projects under Minnesota Statutes, section 256.01, subdivision 14b. Future extensions of payment for a tribe participating in the Indian child welfare projects under Minnesota Statutes, section 256.01, subdivision 14b, must be granted according to the commissioner's authority under Minnesota Statutes, section 16A.28.

Sec. 26. REPEALER.

(a) Minnesota Statutes 2008, sections 256D.46; 256I.06, subdivision 9; and 256J.626, subdivision 7, are repealed.

(b) Minnesota Rules, parts 9500.1243, subpart 3; and 9500.1261, subparts 3, 4, 5, and 6, are repealed.

ARTICLE 3

CHILD SUPPORT

Section 1. Minnesota Statutes 2008, section 518A.53, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) For the purpose of this section, the following terms have the meanings provided in this subdivision unless otherwise stated.

(b) "Payor of funds" means any person or entity that provides funds to an obligor, including an employer as defined under chapter 24 of the Internal Revenue Code, section 3401(d), an independent contractor, payor of worker's compensation benefits or unemployment benefits, or a financial institution as defined in section 13B.06.

(c) "Business day" means a day on which state offices are open for regular business.

(d) The term "arrear" means amounts owed under a support order that are past due as used in this section has the meaning provided in section 518A.26.

EFFECTIVE DATE. This section is effective April 1, 2010.

Sec. 2. Minnesota Statutes 2008, section 518A.53, subdivision 4, is amended to read:

Subd. 4. **Collection services.** (a) The commissioner of human services shall prepare and make available to the courts a notice of services that explains child support and maintenance collection services available through the public authority, including income withholding, and the fees for such services. Upon receiving a petition for dissolution of marriage or legal separation, the court administrator shall promptly send the notice of services to the petitioner and respondent at the addresses stated in the petition.

(b) Either the obligee or obligor may at any time apply to the public authority for either full IV-D services or for income withholding only services.

(c) For those persons applying for income withholding only services, a monthly service fee of \$15 must be charged to the obligor. This fee is in addition to the amount of the support order and shall be withheld through income withholding. The public authority shall explain the service options in this section to the affected parties and encourage the application for full child support collection services.

(d) If the obligee is not a current recipient of public assistance as defined in section 256.741, the person who applied for services may at any time choose to terminate either full IV-D services or income withholding only services regardless of whether income withholding is currently in place. The obligee or obligor may reapply for either full IV-D services or income withholding only services at any time. Unless the applicant is a

recipient of public assistance as defined in section 256.741, a \$25 application fee shall be charged at the time of each application.

(e) When a person terminates IV-D services, if an arrearage for public assistance as defined in section 256.741 exists, the public authority may continue income withholding, as well as use any other enforcement remedy for the collection of child support, until all public assistance arrears are paid in full. Income withholding shall be in an amount equal to 20 percent of the support order in effect at the time the services terminated~~-, unless the support order includes a specific monthly payback amount. If the support order includes a specific monthly payback amount, income withholding shall be in the specific amount ordered. The provisions of this paragraph apply to all support orders in effect on or before April 1, 2010, and to all support orders in effect after April 1, 2010.~~

EFFECTIVE DATE. This section is effective April 1, 2010.

Sec. 3. Minnesota Statutes 2008, section 518A.53, subdivision 10, is amended to read:

Subd. 10. **Arrearage order.** (a) This section does not prevent the court from ordering the payor of funds to withhold amounts to satisfy the obligor's previous arrearage in support order payments. This remedy shall not operate to exclude availability of other remedies to enforce judgments. The employer or payor of funds shall withhold from the obligor's income an additional amount equal to 20 percent of the monthly child support or maintenance obligation until the arrearage is paid~~-, unless the support order includes a specific monthly payback amount. If the support order includes a specific monthly payback amount, income withholding shall be in the specific amount ordered. The provisions of this paragraph apply to all support orders in effect on or before April 1, 2010, and to all support orders in effect after April 1, 2010.~~

(b) Notwithstanding any law to the contrary, funds from income sources included in section 518A.26, subdivision 8, whether periodic or lump sum, are not exempt from attachment or execution upon a judgment for child support arrearage.

(c) Absent an order to the contrary, if an arrearage exists at the time a support order would otherwise terminate, income withholding shall continue in effect or may be implemented in an amount equal to the support order plus an additional 20 percent of the monthly child support obligation, until all arrears have been paid in full.

EFFECTIVE DATE. This section is effective April 1, 2010.

ARTICLE 4

STATE-OPERATED SERVICES

Section 1. Minnesota Statutes 2008, section 246.50, subdivision 5, is amended to read:

Subd. 5. **Cost of care.** "Cost of care" means the commissioner's charge for services provided to any person admitted to a state facility.

For purposes of this subdivision, "charge for services" means the ~~cost of services, treatment, maintenance, bonds issued for capital improvements, depreciation of buildings and equipment, and indirect costs related to the operation of state facilities. The commissioner may determine the charge for services on an anticipated average per diem basis as an all-inclusive charge per facility, per disability group, or per treatment program. The commissioner may determine a charge per service, using a method that includes direct and indirect costs.~~ usual and customary fee charged for services provided to clients. The usual and customary fee shall be established in a manner required to appropriately bill services to all payers and shall include the costs related to the operations of any program offered by the state.

Sec. 2. Minnesota Statutes 2008, section 246.50, is amended by adding a subdivision to read:

Subd. 10. **State-operated community-based program.** "State-operated community-based program" means any program operated in the community including community behavioral health hospitals, crisis centers, residential facilities, outpatient services, and other community-based services developed and operated by the state and under the commissioner's control.

Sec. 3. Minnesota Statutes 2008, section 246.50, is amended by adding a subdivision to read:

Subd. 11. **Health plan company.** "Health plan company" has the meaning given it in section 62Q.01, subdivision 4, and also includes a demonstration provider as defined in section 256B.69, subdivision 2, paragraph (b), a county or group of counties participating in county-based purchasing according to section 256B.692, and a children's mental health collaborative under contract to provide medical assistance for individuals enrolled in the prepaid medical assistance and MinnesotaCare programs under sections 245.493 to 245.495.

Sec. 4. Minnesota Statutes 2008, section 246.51, is amended by adding a subdivision to read:

Subd. 1a. Clients in state-operated community-based programs; determination.

For clients admitted to a state-operated community-based program, the commissioner shall make an investigation to determine the available health plan coverage for services being provided. If the health plan coverage requires a co-pay or deductible, or if there is no available health plan coverage, the commission shall make an investigation as necessary to determine, and as circumstances require redetermine, what part of the noncovered cost of care, if any, the client is able to pay. If the client is unable to pay the uncovered cost of care, the commissioner shall make a determination as to the ability of the client's relatives to pay. The client and relatives shall provide the commissioner documents and proof necessary to determine their ability to pay. Failure to provide the commissioner with sufficient information to determine ability to pay may make the client or relatives liable for the full cost of care until the time when sufficient information is provided. If it is determined that the responsible party does not have the ability to pay, the commissioner shall waive payment of the portion that exceeds ability to pay under the determination.

Sec. 5. Minnesota Statutes 2008, section 246.51, is amended by adding a subdivision to read:

Subd. 1b. Clients served by regional treatment centers or nursing homes; determination. For clients served in regional treatment centers or nursing homes operated by state-operated services, the commissioner shall make investigation as necessary to determine, and as circumstances require redetermine, what part of the cost of care, if any, the client is able to pay. If the client is unable to pay the full cost of care, the commissioner shall determine whether the client's relatives have the ability to pay. The client and relatives shall provide the commissioner documents and proof necessary to determine their ability to pay. Failure to provide the commissioner with sufficient information to determine ability to pay may make the client or relatives liable for the full cost of care until the time when sufficient information is provided. No parent shall be liable for the cost of care given a client at a regional treatment center after the client has reached the age of 18 years.

Sec. 6. Minnesota Statutes 2008, section 246.511, is amended to read:

246.511 RELATIVE RESPONSIBILITY.

Except for chemical dependency services paid for with funds provided under chapter 254B, a client's relatives shall not, pursuant to the commissioner's authority under section 246.51, be ordered to pay more than ~~ten percent of the cost of~~ the following: (1) for

services provided in a community-based service, the noncovered cost of care as determined
under the ability to pay determination; and (2) for services provided at a regional treatment
center operated by state-operated services, 20 percent of the cost of care, unless they
reside outside the state. Parents of children in state facilities shall have their responsibility
to pay determined according to section 252.27, subdivision 2, or in rules adopted under
chapter 254B if the cost of care is paid under chapter 254B. The commissioner may
accept voluntary payments in excess of ~~ten~~ 20 percent. The commissioner may require
full payment of the full per capita cost of care in state facilities for clients whose parent,
parents, spouse, guardian, or conservator do not reside in Minnesota.

Sec. 7. Minnesota Statutes 2008, section 246.52, is amended to read:

246.52 PAYMENT FOR CARE; ORDER; ACTION.

The commissioner shall issue an order to the client or the guardian of the estate, if
there be one, and relatives determined able to pay requiring them to pay ~~monthly~~ to the
state of Minnesota the amounts so determined the total of which shall not exceed the full
cost of care. Such order shall specifically state the commissioner's determination and shall
be conclusive unless appealed from as herein provided. When a client or relative fails to
pay the amount due hereunder the attorney general, upon request of the commissioner,
may institute, or direct the appropriate county attorney to institute, civil action to recover
such amount.

Sec. 8. Minnesota Statutes 2008, section 246B.01, is amended by adding a subdivision
to read:

Subd. 1a. **Client.** "Client" means a person who is admitted to the Minnesota sex
offender program or subject to a court hold order under section 253B.185 for the purpose
of assessment, diagnosis, care, treatment, supervision, or other services provided by the
Minnesota sex offender program.

Sec. 9. Minnesota Statutes 2008, section 246B.01, is amended by adding a subdivision
to read:

Subd. 1b. **Client's county.** "Client's county" means the county of the client's
legal settlement for poor relief purposes at the time of commitment. If the client has no
legal settlement for poor relief in this state, it means the county of commitment, except
that when a client with no legal settlement for poor relief is committed while serving a
sentence at a penal institution, it means the county from which the client was sentenced.

Sec. 10. Minnesota Statutes 2008, section 246B.01, is amended by adding a subdivision to read:

Subd. 2a. **Cost of care.** "Cost of care" means the commissioner's charge for housing and treatment services provided to any person admitted to the Minnesota sex offender program.

For purposes of this subdivision, "charge for housing and treatment services" means the cost of services, treatment, maintenance, bonds issued for capital improvements, depreciation of buildings and equipment, and indirect costs related to the operation of state facilities. The commissioner may determine the charge for services on an anticipated average per diem basis as an all-inclusive charge per facility.

Sec. 11. Minnesota Statutes 2008, section 246B.01, is amended by adding a subdivision to read:

Subd. 2b. **Local social services agency.** "Local social services agency" means the local social services agency of the client's county as defined in subdivision 1b and of the county of commitment, and any other local social services agency possessing information regarding, or requested by the commissioner to investigate, the financial circumstances of a client.

Sec. 12. **[246B.07] PAYMENT FOR CARE AND TREATMENT: DETERMINATION.**

Subdivision 1. **Procedures.** The commissioner shall make investigation as necessary to determine, and as circumstances require redetermine, what part of the cost of care, if any, the client is able to pay. The client shall provide the commissioner documents and proof necessary to determine the ability to pay. Failure to provide the commissioner with sufficient information to determine ability to pay may make the client liable for the full cost of care until the time when sufficient information is provided.

Subd. 2. **Rules.** The commissioner shall adopt, pursuant to the Administrative Procedure Act, rules establishing uniform standards for determination of client liability for care provided by the Minnesota sex offender program. These rules shall have the force and effect of law.

Subd. 3. **Applicability.** The commissioner may recover, under sections 246B.07 to 246B.10, the cost of any care provided by the Minnesota sex offender program.

Sec. 13. **[246B.08] PAYMENT FOR CARE; ORDER; ACTION.**

The commissioner shall issue an order to the client or the guardian of the estate, if there is one, requiring them to pay to the state the amounts so determined, the total of which shall not exceed the full cost of care. The order shall specifically state the commissioner's determination and must be conclusive, unless appealed. When a client fails to pay the amount due, the attorney general, upon request of the commissioner, may institute, or direct the appropriate county attorney to institute, civil action to recover the amount.

Sec. 14. [246B.09] CLAIM AGAINST ESTATE OF DECEASED CLIENT.

Subdivision 1. **Client's estate.** Upon the death of a client, or a former client, the total cost of care given the client, less the amount actually paid toward the cost of care by the client, shall be filed by the commissioner as a claim against the estate of the client with the court having jurisdiction to probate the estate and all proceeds collected by the state in the case shall be divided between the state and county in proportion to the cost of care each has borne.

Subd. 2. **Preferred status.** An estate claim in subdivision 1 shall be considered an expense of the last illness for purposes of section 524.3-805.

If the commissioner of human services determines that the property or estate of a client is not more than needed to care for and maintain the spouse and minor or dependent children of a deceased client, the commissioner has the power to compromise the claim of the state in a manner deemed just and proper.

Subd. 3. **Exception from statute of limitations.** Any statute of limitations that limits the commissioner in recovering the cost of care obligation incurred by a client or former client must not apply to any claim against an estate made under this section to recover cost of care.

Sec. 15. [246B.10] LIABILITY OF COUNTY; REIMBURSEMENT.

The client's county shall pay to the state a portion of the cost of care provided in the Minnesota sex offender program to a client legally settled in that county. A county's payment shall be made from the county's own sources of revenue and payments shall equal ten percent of the cost of care, as determined by the commissioner, for each day or portion of a day, that the client spends at the facility. If payments received by the state under sections 246.50 to 246.53 exceed 90 percent of the cost of care, the county shall be responsible for paying the state only the remaining amount. The county shall not be entitled to reimbursement from the client, the client's estate, or from the client's relatives, except as provided in section 246B.07.

Sec. 16. **REPEALER.**

Minnesota Statutes 2008, sections 246.51, subdivision 1; and 246.53, subdivision 3, are repealed.

ARTICLE 5

DEPARTMENT OF HEALTH

Section 1. **[62A.3094] COVERAGE FOR AUTISM SPECTRUM DISORDERS.**

Subdivision 1. Definitions. (a) For purposes of this section, the terms defined in paragraphs (b) to (e) have the meanings given.

(b) "Autism spectrum disorders" means one or more of the following conditions as determined by criteria set forth in the most recent edition of the Diagnostic and Statistical Manual of Mental Disorders of the American Psychiatric Association:

(1) autism or autistic disorder;

(2) Asperger's syndrome; or

(3) pervasive developmental disorder - not otherwise specified.

(c) "Health plan" has the meaning given in section 62Q.01, subdivision 3.

(d) "Medically necessary care" means health care services appropriate, in terms of type, frequency, level, setting, and duration, to the enrollee's condition, and diagnostic testing and preventative services. Medically necessary care must be consistent with generally accepted practice parameters as determined by physicians and licensed psychologists who typically manage patients who have autism spectrum disorders.

(e) "Mental health professional" has the meaning given in section 245.4871, subdivision 27.

Subd. 2. Coverage required. (a) A health plan must provide coverage for the diagnosis, evaluation, assessment, and medically necessary care of autism spectrum disorders, including but not limited to the following:

(1) intensive behavior therapy, such as applied behavior analysis, intensive early intervention behavior therapy, intensive behavior intervention, and Lovaas therapy;

(2) behavior services, instruction, and management;

(3) speech therapy;

(4) occupational therapy;

(5) physical therapy; and

(6) medications.

(b) Coverage required under this section shall include treatment that is in accordance with an individualized treatment plan prescribed by the insured's treating physician or mental health professional.

51.1 (c) A health plan may not refuse to renew or reissue, or otherwise terminate or
51.2 restrict, coverage of an individual solely because the individual is diagnosed with an
51.3 autism spectrum disorder.

51.4 (d) A health plan may request an updated treatment plan only once every six months,
51.5 unless the health plan and the treating physician or mental health professional agree that a
51.6 more frequent review is necessary due to emerging circumstances.

51.7 Subd. 3. **No effect on other law.** Nothing in this section limits in any way the
51.8 coverage required under section 62Q.47.

51.9 Subd. 4. **State health care programs.** This section does not affect benefits
51.10 available under the medical assistance, MinnesotaCare, and general assistance medical
51.11 care programs, and the state employee group insurance plan (SEGIP). These programs and
51.12 SEGIP must maintain current levels of coverage.

51.13 **EFFECTIVE DATE.** This section is effective August 1, 2009, and applies to
51.14 coverage offered; issued; sold; renewed; or continued as defined in Minnesota Statutes,
51.15 section 60A.02, subdivision 2a; on or after that date.

51.16 Sec. 2. Minnesota Statutes 2008, section 62J.495, is amended to read:

51.17 **62J.495 HEALTH INFORMATION TECHNOLOGY AND**
51.18 **INFRASTRUCTURE.**

51.19 Subdivision 1. **Implementation.** By January 1, 2015, all hospitals and health care
51.20 providers must have in place an interoperable electronic health records system within their
51.21 hospital system or clinical practice setting. The commissioner of health, in consultation
51.22 with the ~~e-Health Information Technology and Infrastructure~~ Advisory Committee,
51.23 shall develop a statewide plan to meet this goal, including uniform standards to be used
51.24 for the interoperable system for sharing and synchronizing patient data across systems.
51.25 The standards must be compatible with federal efforts. The uniform standards must be
51.26 developed by January 1, 2009, ~~with a status report on the development of these standards~~
51.27 ~~submitted to the legislature by January 15, 2008~~ and updated on an ongoing basis. The
51.28 commissioner shall include an update on standards development as part of an annual
51.29 report to the legislature.

51.30 Subd. 1a. **Definitions.** (a) "Certified electronic health record technology" means an
51.31 electronic health record that is certified pursuant to section 3001(c)(5) of the HITECH
51.32 Act to meet the standards and implementation specifications adopted under section 3004
51.33 as applicable.

51.34 (b) "Commissioner" means the commissioner of health.

(c) "Pharmaceutical electronic data intermediary" means any entity that provides the infrastructure to connect computer systems or other electronic devices utilized by prescribing practitioners with those used by pharmacies, health plans, third party administrators, and pharmacy benefit manager in order to facilitate the secure transmission of electronic prescriptions, refill authorization requests, communications, and other prescription-related information between such entities.

(d) "HITECH Act" means the Health Information Technology for Economic and Clinical Health Act in division A, title XIII and division B, title IV of the American Recovery and Reinvestment Act of 2009, including federal regulations adopted under that act.

(e) "Interoperable electronic health record" means an electronic health record that securely exchanges health information with another electronic health record system that meets national requirements for certification under the HITECH Act.

(f) "Qualified electronic health record" means an electronic record of health-related information on an individual that includes patient demographic and clinical health information and has the capacity to:

(1) provide clinical decision support;

(2) support physician order entry;

(3) capture and query information relevant to health care quality; and

(4) exchange electronic health information with, and integrate such information from, other sources.

Subd. 2. ~~E-Health Information Technology and Infrastructure Advisory Committee.~~ (a) The commissioner shall establish ~~a~~ an e-Health Information Technology and Infrastructure Advisory Committee governed by section 15.059 to advise the commissioner on the following matters:

(1) assessment of the adoption and effective use of health information technology by the state, licensed health care providers and facilities, and local public health agencies;

(2) recommendations for implementing a statewide interoperable health information infrastructure, to include estimates of necessary resources, and for determining standards for ~~administrative~~ clinical data exchange, clinical support programs, patient privacy requirements, and maintenance of the security and confidentiality of individual patient data;

(3) recommendations for encouraging use of innovative health care applications using information technology and systems to improve patient care and reduce the cost of care, including applications relating to disease management and personal health

management that enable remote monitoring of patients' conditions, especially those with chronic conditions; and

(4) other related issues as requested by the commissioner.

(b) The members of the ~~e-Health Information Technology and Infrastructure~~ Advisory Committee shall include the commissioners, or commissioners' designees, of health, human services, administration, and commerce and additional members to be appointed by the commissioner to include persons representing Minnesota's local public health agencies, licensed hospitals and other licensed facilities and providers, private purchasers, the medical and nursing professions, health insurers and health plans, the state quality improvement organization, academic and research institutions, consumer advisory organizations with an interest and expertise in health information technology, and other stakeholders as identified by the ~~Health Information Technology and Infrastructure Advisory Committee~~ commissioner to fulfill the requirements of section 3013, paragraph (g) of the HITECH Act.

(c) The commissioner shall prepare and issue an annual report not later than January 30 of each year outlining progress to date in implementing a statewide health information infrastructure and recommending future projects action on policy and necessary resources to continue the promotion of adoption and effective use of health information technology.

(d) Notwithstanding section 15.059, this subdivision expires June 30, 2015.

Subd. 3. **Interoperable electronic health record requirements.** ~~(a)~~ To meet the requirements of subdivision 1, hospitals and health care providers must meet the following criteria when implementing an interoperable electronic health records system within their hospital system or clinical practice setting.

(a) The electronic health record must be a qualified electronic health record.

(b) The electronic health record must be certified by the ~~Certification Commission for Healthcare Information Technology, or its successor~~ Office of the National Coordinator pursuant to the HITECH Act. This criterion only applies to hospitals and health care providers ~~whose practice setting is a practice setting covered by the Certification Commission for Healthcare Information Technology certifications~~ only if a certified electronic health record product for the provider's particular practice setting is available.

This criterion shall be considered met if a hospital or health care provider is using an electronic health records system that has been certified within the last three years, even if a more current version of the system has been certified within the three-year period.

(c) The electronic health record must meet the standards established according to section 3004 of the HITECH Act as applicable.

(d) The electronic health record must have the ability to generate information on clinical quality measures and other measures reported under sections 4101, 4102, and 4201 of the HITECH Act.

~~(e)~~ (e) A health care provider who is a prescriber or dispenser of ~~controlled substances~~ legend drugs must have an electronic health record system that meets the requirements of section 62J.497.

Subd. 4. Coordination with national HIT activities. (a) The commissioner, in consultation with the e-Health Advisory Committee, shall update the statewide implementation plan required under subdivision 2 and released June 2008, to be consistent with the updated Federal HIT Strategic Plan released by the Office of the National Coordinator in accordance with section 3001 of the HITECH Act. The statewide plan shall meet the requirements for a plan required under section 3013 of the HITECH Act.

(b) The commissioner, in consultation with the e-Health Advisory Committee, shall work to ensure coordination between state, regional, and national efforts to support and accelerate efforts to effectively use health information technology to improve the quality and coordination of health care and continuity of patient care among health care providers, to reduce medical errors, to improve population health, to reduce health disparities, and to reduce chronic disease. The commissioner's coordination efforts shall include but not be limited to:

(1) assisting in the development and support of health information technology regional extension centers established under section 3012(c) of the HITECH Act to provide technical assistance and disseminate best practices; and

(2) providing supplemental information to the best practices gathered by regional centers to ensure that the information is relayed in a meaningful way to the Minnesota health care community.

(c) The commissioner, in consultation with the e-Health Advisory Committee, shall monitor national activity related to health information technology and shall coordinate statewide input on policy development. The commissioner shall coordinate statewide responses to proposed federal health information technology regulations in order to ensure that the needs of the Minnesota health care community are adequately and efficiently addressed in the proposed regulations. The commissioner's responses may include, but are not limited to:

(1) reviewing and evaluating any standard, implementation specification, or certification criteria proposed by the national HIT standards committee;

55.1 (2) reviewing and evaluating policy proposed by the national HIT policy
55.2 committee relating to the implementation of a nationwide health information technology
55.3 infrastructure;

55.4 (3) monitoring and responding to activity related to the development of quality
55.5 measures and other measures as required by section 4101 of the HITECH Act. Any
55.6 response related to quality measures shall consider and address the quality efforts required
55.7 under chapter 62U; and

55.8 (4) monitoring and responding to national activity related to privacy, security, and
55.9 data stewardship of electronic health information and individually identifiable health
55.10 information.

55.11 (d) To the extent that the state is either required or allowed to apply, or designate an
55.12 entity to apply for or carry out activities and programs under section 3013 of the HITECH
55.13 Act, the commissioner of health, in consultation with the e-Health Advisory Committee
55.14 and the commissioner of human services, shall be the lead applicant or sole designating
55.15 authority. The commissioner shall make such designations consistent with the goals and
55.16 objectives of sections 62J.495 to 62J.497, and sections 62J.50 to 62J.61.

55.17 (e) The commissioner of human services shall apply for funding necessary to
55.18 administer the incentive payments to providers authorized under title IV of the American
55.19 Recovery and Reinvestment Act.

55.20 (f) The commissioner shall include in the report to the legislature information on the
55.21 activities of this subdivision and provide recommendations on any relevant policy changes
55.22 that should be considered in Minnesota.

55.23 Subd. 5. **Collection of data for assessment and eligibility determination.** (a)
55.24 The commissioner of health, in consultation with the commissioner of human services,
55.25 may require providers, dispensers, group purchasers, and pharmaceutical electronic data
55.26 intermediaries to submit data in a form and manner specified by the commissioner to
55.27 assess the status of adoption, effective use, and interoperability of electronic health
55.28 records for the purpose of:

55.29 (1) demonstrating Minnesota's progress on goals established by the Office of the
55.30 National Coordinator to accelerate the adoption and effective use of health information
55.31 technology established under the HITECH Act;

55.32 (2) assisting the Center for Medicare and Medicaid Services and Department of
55.33 Human Services in determining eligibility of health care professionals and hospitals
55.34 to receive federal incentives for the adoption and effective use of health information
55.35 technology under the HITECH Act or other federal incentive programs;

(3) assisting the Office of the National Coordinator in completing required assessments of the impact of the implementation and effective use of health information technology in achieving goals identified in the national strategic plan, and completing studies required by the HITECH Act;

(4) providing the data necessary to assist the Office of the National Coordinator in conducting evaluations of regional extension centers as required by the HITECH Act; and

(5) other purposes as necessary to support the implementation of the HITECH Act.

(b) The commissioner shall coordinate with the commissioner of human services and other state agencies in the collection of data required under this section to:

(1) avoid duplicative reporting requirements;

(2) maximize efficiencies in the development of reports on state activities as required by HITECH; and

(3) determine health professional and hospital eligibility for incentives available under the HITECH Act.

Subd. 6. **Data classification.** (a) Data collected on providers, dispensers, group purchasers, and electronic data intermediaries under this section are private data on individuals or nonpublic data, as defined in section 13.02. Notwithstanding the definition of summary data in section 13.02, subdivision 19, summary data prepared under this subdivision may be derived from nonpublic data.

(b) Nothing in this section authorizes the collection of individual patient data.

Sec. 3. Minnesota Statutes 2008, section 62J.496, is amended to read:

62J.496 ELECTRONIC HEALTH RECORD SYSTEM REVOLVING ACCOUNT AND LOAN PROGRAM.

~~Subdivision 1. **Account establishment.** (a) An account is established to: provide loans to eligible borrowers to assist in financing the installation or support of an interoperable health record system. The system must provide for the interoperable exchange of health care information between the applicant and, at a minimum, a hospital system, pharmacy, and a health care clinic or other physician group.~~

(1) finance the purchase of certified electronic health records or qualified electronic health records as defined in section 62J.495, subdivision 1a;

(2) enhance the utilization of electronic health record technology, which may include costs associated with upgrading the technology to meet the criteria necessary to be a certified electronic health record or a qualified electronic health record;

(3) train personnel in the use of electronic health record technology; and

(4) improve the secure electronic exchange of health information.

57.1 (b) Amounts deposited in the account, including any grant funds obtained through
57.2 federal or other sources, loan repayments, and interest earned on the amounts shall be
57.3 used only for awarding loans or loan guarantees, as a source of reserve and security for
57.4 leveraged loans, or for the administration of the account.

57.5 (c) The commissioner may accept contributions to the account from private sector
57.6 entities subject to the following provisions:

57.7 (1) the contributing entity may not specify the recipient or recipients of any loan
57.8 issued under this subdivision;

57.9 (2) the commissioner shall make public the identity of any private contributor to the
57.10 loan fund, as well as the amount of the contribution provided; and

57.11 (3) the commissioner may issue letters of commendation or make other awards that
57.12 have no financial value to any such entity.

57.13 A contributing entity may not specify that the recipient or recipients of any loan use
57.14 specific products or services, nor may the contributing entity imply that a contribution is
57.15 an endorsement of any specific product or service.

57.16 (d) The commissioner may use the loan funds to reimburse private sector entities
57.17 for any contribution made to the loan fund. Reimbursement to private entities may not
57.18 exceed the principle amount contributed to the loan fund.

57.19 (e) The commissioner may use funds deposited in the account to guarantee, or
57.20 purchase insurance for, a local obligation if the guarantee or purchase would improve
57.21 credit market access or reduce the interest rate applicable to the obligation involved.

57.22 (f) The commissioner may use funds deposited in the account as a source of revenue
57.23 or security for the payment of principal and interest on revenue or bonds issued by the
57.24 state if the proceeds of the sale of the bonds will be deposited into the loan fund.

57.25 Subd. 2. **Eligibility.** (a) "Eligible borrower" means one of the following:

57.26 (1) federally qualified health centers;

57.27 ~~(1)~~ (2) community clinics, as defined under section 145.9268;

57.28 ~~(2)~~ (3) nonprofit hospitals eligible for rural hospital capital improvement grants, as
57.29 ~~defined in section 144.148~~ licensed under sections 144.50 to 144.56;

57.30 ~~(3) physician clinics located in a community with a population of less than 50,000~~
57.31 ~~according to United States Census Bureau statistics and outside the seven-county~~
57.32 ~~metropolitan area;~~

57.33 (4) individual or small group physician practices that are focused primarily on
57.34 primary care;

57.35 ~~(4)~~ (5) nursing facilities licensed under sections 144A.01 to 144A.27; and

57.36 (6) local public health departments as defined in chapter 145A; and

~~(5)~~ (7) other providers of health or health care services approved by the commissioner for which interoperable electronic health record capability would improve quality of care, patient safety, or community health.

(b) The commissioner shall administer the loan fund to prioritize support and assistance to:

(1) critical access hospitals;

(2) federally qualified health centers;

(3) entities that serve uninsured, underinsured, and medically underserved individuals, regardless of whether such area is urban or rural; and

(4) individual or small group practices that are primarily focused on primary care.

~~(b) To be eligible for a loan under this section, the~~ (c) An eligible applicant must submit a loan application to the commissioner of health on forms prescribed by the commissioner. The application must include, at a minimum:

(1) the amount of the loan requested and a description of the purpose or project for which the loan proceeds will be used;

(2) a quote from a vendor;

(3) a description of the health care entities and other groups participating in the project;

(4) evidence of financial stability and a demonstrated ability to repay the loan; and

(5) a description of how the system to be financed ~~interconnects~~ interoperates or plans in the future to ~~interconnect~~ interoperate with other health care entities and provider groups located in the same geographical area;

(6) a plan on how the certified electronic health record technology will be maintained and supported over time; and

(7) any other requirements for applications included or developed pursuant to section 3014 of the HITECH Act.

Subd. 3. **Loans and grants.** (a) The commissioner of health may make a ~~no interest grant, or a no interest loan or low interest~~ loan to a provider or provider group who is eligible under subdivision 2 ~~on a first-come, first-served basis provided that the applicant is able to comply with this section~~ consistent with the priorities established in subdivision 2. The total accumulative loan principal must not exceed ~~\$1,500,000~~ \$3,000,000 per loan. The interest rate for each loan, if imposed, shall not exceed the current market interest rate. The commissioner of health has discretion over the size, interest rate, and number of loans made. Nothing in this section shall require the commissioner to make a loan to an eligible borrower under subdivision 2.

(b) The commissioner of health may prescribe forms and establish an application process and, notwithstanding section 16A.1283, may impose a reasonable nonrefundable application fee to cover the cost of administering the loan program. Any application fees imposed and collected under the electronic health records system revolving account and loan program in this section are appropriated to the commissioner of health for the duration of the loan program. The commissioner may apply for and use all federal funds available through the HITECH Act to administer the loan program.

(c) For loans approved prior to July 1, 2009, the borrower must begin repaying the principal no later than two years from the date of the loan. Loans must be amortized no later than six years from the date of the loan.

(d) For loans granted on January 1, 2010, or thereafter, the borrower must begin repaying the principle no later than one year from the date of the loan. Loans must be amortized no later than six years after the date of the loan.

~~(d) Repayments~~ (e) All repayments and interest paid on each loan must be credited to the account.

(f) The loan agreement shall include the assurances that borrower meets requirements included or developed pursuant to section 3014 of the HITECH Act. The requirements shall include, but are not limited to:

(1) submitting reports on quality measures in compliance with regulations adopted by the federal government;

(2) demonstrating that any certified electronic health record technology purchased, improved, or otherwise financially supported by this loan program is used to exchange health information in a manner that, in accordance with law and standards applicable to the exchange of information, improves the quality of health care;

(3) including a plan on how the borrower intends to maintain and support the certified electronic health record technology over time and the resources expected to be used to maintain and support the technology purchased with the loan; and

(4) complying with other requirements the secretary may require to use loans funds under the HITECH Act.

Subd. 4. **Data classification.** Data collected by the commissioner of health on the application to determine eligibility under subdivision 2 and to monitor borrowers' default risk or collect payments owed under subdivision 3 are (1) private data on individuals as defined in section 13.02, subdivision 12; and (2) nonpublic data as defined in section 13.02, subdivision 9. The names of borrowers and the amounts of the loans granted are public data.

Sec. 4. Minnesota Statutes 2008, section 62J.497, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** For the purposes of this section, the following terms have the meanings given.

(a) "Backward compatible" means that the newer version of a data transmission standard would retain, at a minimum, the full functionality of the versions previously adopted, and would permit the successful completion of the applicable transactions with entities that continue to use the older versions.

~~(a)~~ (b) "Dispense" or "dispensing" has the meaning given in section 151.01, subdivision 30. Dispensing does not include the direct administering of a controlled substance to a patient by a licensed health care professional.

~~(b)~~ (c) "Dispenser" means a person authorized by law to dispense a controlled substance, pursuant to a valid prescription.

~~(c)~~ (d) "Electronic media" has the meaning given under Code of Federal Regulations, title 45, part 160.103.

~~(d)~~ (e) "E-prescribing" means the transmission using electronic media of prescription or prescription-related information between a prescriber, dispenser, pharmacy benefit manager, or group purchaser, either directly or through an intermediary, including an e-prescribing network. E-prescribing includes, but is not limited to, two-way transmissions between the point of care and the dispenser and two-way transmissions related to eligibility, formulary, and medication history information.

~~(e)~~ (f) "Electronic prescription drug program" means a program that provides for e-prescribing.

~~(f)~~ (g) "Group purchaser" has the meaning given in section 62J.03, subdivision 6.

~~(g)~~ (h) "HL7 messages" means a standard approved by the standards development organization known as Health Level Seven.

~~(h)~~ (i) "National Provider Identifier" or "NPI" means the identifier described under Code of Federal Regulations, title 45, part 162.406.

~~(i)~~ (j) "NCPDP" means the National Council for Prescription Drug Programs, Inc.

~~(j)~~ (k) "NCPDP Formulary and Benefits Standard" means the National Council for Prescription Drug Programs Formulary and Benefits Standard, Implementation Guide, Version 1, Release 0, October 2005.

~~(k)~~ (l) "NCPDP SCRIPT Standard" means the National Council for Prescription Drug Programs Prescriber/Pharmacist Interface SCRIPT Standard, Implementation Guide Version 8, Release 1 (Version 8.1), October 2005, or the most recent standard adopted by the Centers for Medicare and Medicaid Services for e-prescribing under Medicare Part D as required by section 1860D-4(e)(4)(D) of the Social Security Act, and

61.1 regulations adopted under it. The standards shall be implemented according to the Centers
61.2 for Medicare and Medicaid Services schedule for compliance. Subsequently released
61.3 versions of the NCPDP SCRIPT Standard may be used, provided that the new version
61.4 of the standard is backward compatible to the current version adopted by the Centers for
61.5 Medicare and Medicaid Services.

61.6 ~~(t)~~ (m) "Pharmacy" has the meaning given in section 151.01, subdivision 2.

61.7 ~~(m)~~ (n) "Prescriber" means a licensed health care professional who is authorized to
61.8 ~~prescribe a controlled substance under section 152.12, subdivision 1.~~ practitioner, other
61.9 than a veterinarian, as defined in section 151.01, subdivision 23.

61.10 ~~(n)~~ (o) "Prescription-related information" means information regarding eligibility for
61.11 drug benefits, medication history, or related health or drug information.

61.12 ~~(o)~~ (p) "Provider" or "health care provider" has the meaning given in section 62J.03,
61.13 subdivision 8.

61.14 Sec. 5. Minnesota Statutes 2008, section 62J.497, subdivision 2, is amended to read:

61.15 Subd. 2. **Requirements for electronic prescribing.** (a) Effective January 1, 2011,
61.16 all providers, group purchasers, prescribers, and dispensers must establish ~~and~~ maintain
61.17 and use an electronic prescription drug program ~~that complies.~~ This program must comply
61.18 with the applicable standards in this section for transmitting, directly or through an
61.19 intermediary, prescriptions and prescription-related information using electronic media.

61.20 ~~(b) Nothing in this section requires providers, group purchasers, prescribers, or~~
61.21 ~~dispensers to conduct the transactions described in this section.~~ If transactions described in
61.22 this section are conducted, they must be done electronically using the standards described
61.23 in this section. Nothing in this section requires providers, group purchasers, prescribers,
61.24 or dispensers to electronically conduct transactions that are expressly prohibited by other
61.25 sections or federal law.

61.26 (c) Providers, group purchasers, prescribers, and dispensers must use either HL7
61.27 messages or the NCPDP SCRIPT Standard to transmit prescriptions or prescription-related
61.28 information internally when the sender and the recipient are part of the same legal entity. If
61.29 an entity sends prescriptions outside the entity, it must use the NCPDP SCRIPT Standard
61.30 or other applicable standards required by this section. Any pharmacy within an entity
61.31 must be able to receive electronic prescription transmittals from outside the entity using
61.32 the adopted NCPDP SCRIPT Standard. This exemption does not supersede any Health
61.33 Insurance Portability and Accountability Act (HIPAA) requirement that may require the
61.34 use of a HIPAA transaction standard within an organization.

~~(d) Entities transmitting prescriptions or prescription-related information where the prescriber is required by law to issue a prescription for a patient to a nonprescribing provider that in turn forwards the prescription to a dispenser are exempt from the requirement to use the NCPDP SCRIPT Standard when transmitting prescriptions or prescription-related information.~~

Sec. 6. Minnesota Statutes 2008, section 62J.497, is amended by adding a subdivision to read:

Subd. 4. Development and use of uniform formulary exception form. (a) The commissioner of health, in consultation with the Minnesota Administrative Uniformity Committee, shall develop by July 1, 2009, or six weeks after enactment of this subdivision, whichever is later, a uniform formulary exception form that allows health care providers to request exceptions from group purchaser formularies using a uniform form. Upon development of the form, all health care providers must submit requests for formulary exceptions using the uniform form, and all group purchasers must accept this form from health care providers.

(b) No later than January 1, 2011, the uniform formulary exception form must be accessible and submitted by health care providers, and accepted and processed by group purchasers, through secure electronic transmissions. Facsimile shall not be considered secure electronic transmissions.

Sec. 7. Minnesota Statutes 2008, section 62J.497, is amended by adding a subdivision to read:

Subd. 5. Electronic drug prior authorization standardization and transmission. (a) The commissioner of health, in consultation with the Minnesota e-Health Advisory Committee and the Minnesota Administrative Uniformity Committee, shall, by February 15, 2010, identify an outline on how best to standardize drug prior authorization request transactions between providers and group purchasers with the goal of maximizing administrative simplification and efficiency in preparation for electronic transmissions.

(b) No later than January 1, 2011, drug prior authorization requests must be accessible and submitted by health care providers, and accepted and processed by group purchasers, electronically through secure electronic transmissions. Facsimile shall not be considered electronic transmission.

Sec. 8. **[62Q.676] MEDICATION THERAPY MANAGEMENT.**

A pharmacy benefit manager that provides prescription drug services must make available medication therapy management services for enrollees taking four or more prescriptions to treat or prevent two or more chronic medical conditions. For purposes of this section, "medication therapy management" means the provision of the following pharmaceutical care services by a licensed pharmacist to optimize the therapeutic outcomes of the patient's medications:

(1) performing a comprehensive medication review to identify, resolve, and prevent medication-related problems, including adverse drug events;

(2) communicating essential information to the patient's other primary care providers; and

(3) providing verbal education and training designed to enhance patient understanding and appropriate use of the patient's medications.

Nothing in this section shall be construed to expand or modify the scope of practice of the pharmacist as defined in section 151.01, subdivision 27.

Sec. 9. Minnesota Statutes 2008, section 144.122, is amended to read:

144.122 LICENSE, PERMIT, AND SURVEY FEES.

(a) The state commissioner of health, by rule, may prescribe procedures and fees for filing with the commissioner as prescribed by statute and for the issuance of original and renewal permits, licenses, registrations, and certifications issued under authority of the commissioner. The expiration dates of the various licenses, permits, registrations, and certifications as prescribed by the rules shall be plainly marked thereon. Fees may include application and examination fees and a penalty fee for renewal applications submitted after the expiration date of the previously issued permit, license, registration, and certification. The commissioner may also prescribe, by rule, reduced fees for permits, licenses, registrations, and certifications when the application therefor is submitted during the last three months of the permit, license, registration, or certification period. Fees proposed to be prescribed in the rules shall be first approved by the Department of Finance. All fees proposed to be prescribed in rules shall be reasonable. The fees shall be in an amount so that the total fees collected by the commissioner will, where practical, approximate the cost to the commissioner in administering the program. All fees collected shall be deposited in the state treasury and credited to the state government special revenue fund unless otherwise specifically appropriated by law for specific purposes.

(b) The commissioner may charge a fee for voluntary certification of medical laboratories and environmental laboratories, and for environmental and medical laboratory services provided by the department, without complying with paragraph (a) or chapter 14.

64.1 Fees charged for environment and medical laboratory services provided by the department
64.2 must be approximately equal to the costs of providing the services.

64.3 (c) The commissioner may develop a schedule of fees for diagnostic evaluations
64.4 conducted at clinics held by the services for children with disabilities program. All
64.5 receipts generated by the program are annually appropriated to the commissioner for use
64.6 in the maternal and child health program.

64.7 (d) The commissioner shall set license fees for hospitals and nursing homes that are
64.8 not boarding care homes at the following levels:

64.9	Joint Commission on Accreditation of	\$7,555 <u>\$7,655</u> plus \$13 <u>\$16</u> per bed
64.10	Healthcare Organizations (JCAHO) and	
64.11	American Osteopathic Association (AOA)	
64.12	hospitals	
64.13	Non-JCAHO and non-AOA hospitals	\$5,180 <u>\$5,280</u> plus \$247 <u>\$250</u> per bed
64.14	Nursing home	\$183 plus \$91 per bed

64.15 The commissioner shall set license fees for outpatient surgical centers, boarding care
64.16 homes, and supervised living facilities at the following levels:

64.17	Outpatient surgical centers	\$3,349 <u>\$3,712</u>
64.18	Boarding care homes	\$183 plus \$91 per bed
64.19	Supervised living facilities	\$183 plus \$91 per bed.

64.20 (e) Unless prohibited by federal law, the commissioner of health shall charge
64.21 applicants the following fees to cover the cost of any initial certification surveys required
64.22 to determine a provider's eligibility to participate in the Medicare or Medicaid program:

64.23	Prospective payment surveys for hospitals	\$	900
64.24	Swing bed surveys for nursing homes	\$	1,200
64.25	Psychiatric hospitals	\$	1,400
64.26	Rural health facilities	\$	1,100
64.27	Portable x-ray providers	\$	500
64.28	Home health agencies	\$	1,800
64.29	Outpatient therapy agencies	\$	800
64.30	End stage renal dialysis providers	\$	2,100
64.31	Independent therapists	\$	800
64.32	Comprehensive rehabilitation outpatient facilities	\$	1,200
64.33	Hospice providers	\$	1,700
64.34	Ambulatory surgical providers	\$	1,800
64.35	Hospitals	\$	4,200
64.36	Other provider categories or additional	Actual surveyor costs: average surveyor cost x number of hours for the survey process.	
64.37	resurveys required to complete initial		
64.38	certification		

64.39 These fees shall be submitted at the time of the application for federal certification
64.40 and shall not be refunded. All fees collected after the date that the imposition of fees is not

65.1 prohibited by federal law shall be deposited in the state treasury and credited to the state
65.2 government special revenue fund.

65.3 Sec. 10. Minnesota Statutes 2008, section 144.226, subdivision 4, is amended to read:

65.4 Subd. 4. **Vital records surcharge.** (a) In addition to any fee prescribed under
65.5 subdivision 1, there is a nonrefundable surcharge of \$2 for each certified and noncertified
65.6 birth, stillbirth, or death record, and for a certification that the record cannot be found.
65.7 The local or state registrar shall forward this amount to the commissioner of finance to
65.8 be deposited into the state government special revenue fund. This surcharge shall not be
65.9 charged under those circumstances in which no fee for a birth, stillbirth, or death record is
65.10 permitted under subdivision 1, paragraph (a).

65.11 (b) Effective August 1, 2005, ~~to June 30, 2009~~, the surcharge in paragraph (a) ~~shall~~
65.12 ~~be~~ is \$4.

65.13 Sec. 11. Minnesota Statutes 2008, section 148.6445, is amended by adding a
65.14 subdivision to read:

65.15 Subd. 2a. **Duplicate license fee.** The fee for a duplicate license is \$25.

65.16 Sec. 12. **REPEALER.**

65.17 Minnesota Statutes 2008, section 62U.08, is repealed.

65.18 ARTICLE 6

65.19 HEALTH CARE PROGRAMS

65.20 Section 1. Minnesota Statutes 2008, section 62J.692, subdivision 7, is amended to read:

65.21 Subd. 7. **Transfers from the commissioner of human services.** ~~(a) The amount~~
65.22 ~~transferred according to section 256B.69, subdivision 5c, paragraph (a), clause (1), shall~~
65.23 ~~be distributed by the commissioner annually to clinical medical education programs that~~
65.24 ~~meet the qualifications of subdivision 3 based on the formula in subdivision 4, paragraph~~
65.25 ~~(a).~~ Of the amount transferred according to section 256B.69, subdivision 5c, paragraph
65.26 (a), clauses (1) to (4), \$21,714,000 must be distributed as follows:

65.27 (1) \$2,157,000 by the commissioner to the University of Minnesota Board of
65.28 Regents for the purposes described in sections 137.38 to 137.40;

65.29 (2) \$1,035,360 by the commissioner to the Hennepin County Medical Center for
65.30 clinical medical education;

65.31 (3) \$17,400,000 by the commissioner to the University of Minnesota Board of
65.32 Regents for purposes of medical education;

(4) \$1,121,640 by the commissioner to clinical medical education dental innovation grants in accordance with subdivision 7a; and

(5) the remainder of the amount transferred according to section 256B.69, subdivision 5c, paragraph (a), clauses (1) to (4), must be distributed by the commissioner annually to clinical medical education programs that meet the qualifications of subdivision 3 based on the formula in subdivision 4, paragraph (a).

~~(b) Fifty percent of the amount transferred according to section 256B.69, subdivision 5c, paragraph (a), clause (2), shall be distributed by the commissioner to the University of Minnesota Board of Regents for the purposes described in sections 137.38 to 137.40. Of the remaining amount transferred according to section 256B.69, subdivision 5c, paragraph (a), clause (2), 24 percent of the amount shall be distributed by the commissioner to the Hennepin County Medical Center for clinical medical education. The remaining 26 percent of the amount transferred shall be distributed by the commissioner in accordance with subdivision 7a. If the federal approval is not obtained for the matching funds under section 256B.69, subdivision 5c, paragraph (a), clause (2), 100 percent of the amount transferred under this paragraph shall be distributed by the commissioner to the University of Minnesota Board of Regents for the purposes described in sections 137.38 to 137.40.~~

~~(c) The amount transferred according to section 256B.69, subdivision 5c, paragraph (a), clauses (3) and (4), shall be distributed by the commissioner upon receipt to the University of Minnesota Board of Regents for the purposes of clinical graduate medical education.~~

Sec. 2. Minnesota Statutes 2008, section 125A.744, subdivision 3, is amended to read:

Subd. 3. **Implementation.** Consistent with section 256B.0625, subdivision 26, school districts may enroll as medical assistance providers or subcontractors and bill the Department of Human Services under the medical assistance fee for service claims processing system for special education services which are covered services under chapter 256B, which are provided in the school setting for a medical assistance recipient, and for whom the district has secured informed consent consistent with section 13.05, subdivision 4, paragraph (d), and section 256B.77, subdivision 2, paragraph (p), to bill for each type of covered service. School districts shall be reimbursed by the commissioner of human services for the federal share of individual education plan health-related services that qualify for reimbursement by medical assistance, minus up to five percent retained by the commissioner of human services for administrative costs, ~~not to exceed \$350,000 per fiscal year~~. The commissioner may withhold up to five percent of each payment to a school district. Following the end of each fiscal year, the commissioner shall settle up with

67.1 each school district in order to ensure that collections from each district for departmental
67.2 administrative costs are made on a pro rata basis according to federal earnings for these
67.3 services in each district. A school district is not eligible to enroll as a home care provider
67.4 or a personal care provider organization for purposes of billing home care services under
67.5 sections 256B.0651 and 256B.0653 to 256B.0656 until the commissioner of human
67.6 services issues a bulletin instructing county public health nurses on how to assess for the
67.7 needs of eligible recipients during school hours. To use private duty nursing services or
67.8 personal care services at school, the recipient or responsible party must provide written
67.9 authorization in the care plan identifying the chosen provider and the daily amount
67.10 of services to be used at school.

67.11 Sec. 3. Minnesota Statutes 2008, section 256.01, subdivision 2b, is amended to read:

67.12 Subd. 2b. **Performance payments; performance measurement.** (a) The
67.13 commissioner shall develop and implement a pay-for-performance system to provide
67.14 performance payments to eligible medical groups and clinics that demonstrate optimum
67.15 care in serving individuals with chronic diseases who are enrolled in health care
67.16 programs administered by the commissioner under chapters 256B, 256D, and 256L.
67.17 The commissioner may receive any federal matching money that is made available
67.18 through the medical assistance program for managed care oversight contracted through
67.19 vendors, including consumer surveys, studies, and external quality reviews as required
67.20 by the federal Balanced Budget Act of 1997, Code of Federal Regulations, title 42, part
67.21 438-managed care, subpart E-external quality review. Any federal money received
67.22 for managed care oversight is appropriated to the commissioner for this purpose. The
67.23 commissioner may expend the federal money received in either year of the biennium.

67.24 (b) ~~Effective July 1, 2008, or upon federal approval, whichever is later, the~~
67.25 ~~commissioner shall develop and implement a patient incentive health program to provide~~
67.26 ~~incentives and rewards to patients who are enrolled in health care programs administered~~
67.27 ~~by the commissioner under chapters 256B, 256D, and 256L, and who have agreed to and~~
67.28 ~~have met personal health goals established with the patients' primary care providers to~~
67.29 ~~manage a chronic disease or condition, including but not limited to diabetes, high blood~~
67.30 ~~pressure, and coronary artery disease. The commissioner, in consultation with the Health~~
67.31 and Human Services Policy Committee, shall develop and provide to the legislature by
67.32 December 15, 2009, a methodology and any draft legislation necessary to allow for the
67.33 release, upon request, of summary data as defined in section 13.02, subdivision 19,
67.34 on claims and utilization for medical assistance, general assistance medical care, and
67.35 MinnesotaCare enrollees at no charge to the University of Minnesota Medical School, the

68.1 Mayo Medical School, Northwestern Health Sciences University, the Institute for Clinical
68.2 Systems Improvement, and other research institutions, to conduct analyses of health care
68.3 outcomes and treatment effectiveness, provided the research institutions do not release
68.4 private or nonpublic data, or data for which dissemination is prohibited by law.

68.5 Sec. 4. Minnesota Statutes 2008, section 256.01, is amended by adding a subdivision
68.6 to read:

68.7 Subd. 18a. **Public Assistance Reporting Information System.** (a) Effective
68.8 October 1, 2009, the commissioner shall comply with the federal requirements in Public
68.9 Law 110-379 in implementing the Public Assistance Reporting Information System
68.10 (PARIS) to determine eligibility for all individuals applying for:

68.11 (1) health care benefits under chapters 256B, 256D, and 256L; and

68.12 (2) public benefits under chapters 119B, 256D, 256I, and the supplemental nutrition
68.13 assistance program.

68.14 (b) The commissioner shall determine eligibility under paragraph (a) by performing
68.15 data matches, including matching with medical assistance, cash, child care, and
68.16 supplemental assistance programs operated by other states.

68.17 **EFFECTIVE DATE.** This section is effective October 1, 2009.

68.18 Sec. 5. Minnesota Statutes 2008, section 256.01, is amended by adding a subdivision
68.19 to read:

68.20 Subd. 29. **Report to the Department of Revenue.** The commissioner or the
68.21 county agency may report to the Department of Revenue any applicant or recipient of any
68.22 program administered by the Department of Human Services in which income is reported
68.23 for purposes of eligibility, renewal, or to determine benefit amounts, including, but not
68.24 limited to, general assistance medical care, MinnesotaCare, medical assistance, MFIP,
68.25 food support, and general assistance, who is found to have understated their income.

68.26 Sec. 6. Minnesota Statutes 2008, section 256.962, subdivision 2, is amended to read:

68.27 Subd. 2. **Outreach grants.** (a) The commissioner shall award grants to public and
68.28 private organizations, regional collaboratives, and regional health care outreach centers
68.29 for outreach activities, including, but not limited to:

68.30 (1) providing information, applications, and assistance in obtaining coverage
68.31 through Minnesota public health care programs;

68.32 (2) collaborating with public and private entities such as hospitals, providers, health
68.33 plans, legal aid offices, pharmacies, insurance agencies, and faith-based organizations to

69.1 develop outreach activities and partnerships to ensure the distribution of information
69.2 and applications and provide assistance in obtaining coverage through Minnesota health
69.3 care programs; ~~and~~

69.4 (3) providing or collaborating with public and private entities to provide multilingual
69.5 and culturally specific information and assistance to applicants in areas of high
69.6 uninsurance in the state or populations with high rates of uninsurance; and

69.7 (4) targeting geographic areas with high rates of (i) eligible but unenrolled children,
69.8 including children who reside in rural areas, or (ii) racial and ethnic minorities and health
69.9 disparity populations.

69.10 (b) The commissioner shall ensure that all outreach materials are available in
69.11 languages other than English.

69.12 (c) The commissioner shall establish an outreach trainer program to provide
69.13 training to designated individuals from the community and public and private entities on
69.14 application assistance in order for these individuals to provide training to others in the
69.15 community on an as-needed basis.

69.16 Sec. 7. Minnesota Statutes 2008, section 256.962, subdivision 6, is amended to read:

69.17 Subd. 6. **School districts and charter schools.** (a) At the beginning of each school
69.18 year, a school district or charter school shall provide information to each student on the
69.19 availability of health care coverage through the Minnesota health care programs and how
69.20 to obtain an application for the Minnesota health care programs.

69.21 ~~(b) For each child who is determined to be eligible for the free and reduced-price~~
69.22 ~~school lunch program, the district shall provide the child's family with information on how~~
69.23 ~~to obtain an application for the Minnesota health care programs and application assistance.~~

69.24 ~~(c)~~ A school district or charter school shall also ensure that applications and
69.25 information on application assistance are available at early childhood education sites and
69.26 public schools located within the district's jurisdiction.

69.27 ~~(d)~~ (c) Each district shall designate an enrollment specialist to provide application
69.28 assistance and follow-up services with families who have indicated an interest in receiving
69.29 information or an application for the Minnesota health care program. A district is eligible
69.30 for the application assistance bonus described in subdivision 5.

69.31 ~~(e) Each~~ (d) If a school district or charter school maintains a district Web site, the
69.32 school district or charter school shall provide on ~~their~~ its Web site a link to information on
69.33 how to obtain an application and application assistance.

70.1 Sec. 8. Minnesota Statutes 2008, section 256.963, is amended by adding a subdivision
70.2 to read:

70.3 Subd. 3. **Urgent dental care services.** The commissioner of human services shall
70.4 authorize pilot projects to reduce the total costs to the state for dental services provided
70.5 to persons enrolled in Minnesota health care programs by reducing hospital emergency
70.6 room costs for preventable and nonemergency dental services. The commissioner may
70.7 provide start-up funding and establish special payment rates for urgent dental care services
70.8 provided as an alternative to emergency room services and may change or waive existing
70.9 payment policies in order to adequately reimburse providers for providing cost-effective
70.10 alternative services in outpatient or urgent care settings. The commissioner may establish
70.11 a project in conjunction with the initiative authorized under subdivisions 1 and 2, or
70.12 establish new initiatives, or may implement both approaches.

70.13 Sec. 9. Minnesota Statutes 2008, section 256.969, subdivision 3a, is amended to read:

70.14 Subd. 3a. **Payments.** (a) Acute care hospital billings under the medical
70.15 assistance program must not be submitted until the recipient is discharged. However,
70.16 the commissioner shall establish monthly interim payments for inpatient hospitals that
70.17 have individual patient lengths of stay over 30 days regardless of diagnostic category.
70.18 Except as provided in section 256.9693, medical assistance reimbursement for treatment
70.19 of mental illness shall be reimbursed based on diagnostic classifications. Individual
70.20 hospital payments established under this section and sections 256.9685, 256.9686, and
70.21 256.9695, in addition to third party and recipient liability, for discharges occurring during
70.22 the rate year shall not exceed, in aggregate, the charges for the medical assistance covered
70.23 inpatient services paid for the same period of time to the hospital. This payment limitation
70.24 shall be calculated separately for medical assistance and general assistance medical
70.25 care services. The limitation on general assistance medical care shall be effective for
70.26 admissions occurring on or after July 1, 1991. Services that have rates established under
70.27 subdivision 11 or 12, must be limited separately from other services. After consulting with
70.28 the affected hospitals, the commissioner may consider related hospitals one entity and
70.29 may merge the payment rates while maintaining separate provider numbers. The operating
70.30 and property base rates per admission or per day shall be derived from the best Medicare
70.31 and claims data available when rates are established. The commissioner shall determine
70.32 the best Medicare and claims data, taking into consideration variables of recency of the
70.33 data, audit disposition, settlement status, and the ability to set rates in a timely manner.
70.34 The commissioner shall notify hospitals of payment rates by December 1 of the year
70.35 preceding the rate year. The rate setting data must reflect the admissions data used to

71.1 establish relative values. Base year changes from 1981 to the base year established for the
71.2 rate year beginning January 1, 1991, and for subsequent rate years, shall not be limited
71.3 to the limits ending June 30, 1987, on the maximum rate of increase under subdivision
71.4 1. The commissioner may adjust base year cost, relative value, and case mix index data
71.5 to exclude the costs of services that have been discontinued by the October 1 of the year
71.6 preceding the rate year or that are paid separately from inpatient services. Inpatient stays
71.7 that encompass portions of two or more rate years shall have payments established based
71.8 on payment rates in effect at the time of admission unless the date of admission preceded
71.9 the rate year in effect by six months or more. In this case, operating payment rates for
71.10 services rendered during the rate year in effect and established based on the date of
71.11 admission shall be adjusted to the rate year in effect by the hospital cost index.

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

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

71.20 (d) In addition to the reduction in paragraphs (b) and (c), the total payment for
71.21 fee-for-service admissions occurring on or after July 1, 2005, made to hospitals for
71.22 inpatient services before third-party liability and spenddown, is reduced 6.0 percent
71.23 from the current statutory rates. Mental health services within diagnosis related groups
71.24 424 to 432 and facilities defined under subdivision 16 are excluded from this paragraph.
71.25 Notwithstanding section 256.9686, subdivision 7, for purposes of this paragraph, medical
71.26 assistance does not include general assistance medical care. Payments made to managed
71.27 care plans shall be reduced for services provided on or after January 1, 2006, to reflect
71.28 this reduction.

71.29 (e) In addition to the reductions in paragraphs (b), (c), and (d), the total payment for
71.30 fee-for-service admissions occurring on or after July 1, 2008, through June 30, 2009, made
71.31 to hospitals for inpatient services before third-party liability and spenddown, is reduced
71.32 3.46 percent from the current statutory rates. Mental health services with diagnosis related
71.33 groups 424 to 432 and facilities defined under subdivision 16 are excluded from this
71.34 paragraph. Payments made to managed care plans shall be reduced for services provided
71.35 on or after January 1, 2009, through June 30, 2009, to reflect this reduction.

(f) In addition to the reductions in paragraphs (b), (c), and (d), the total payment for fee-for-service admissions occurring on or after July 1, 2009, through June 30, 2010, made to hospitals for inpatient services before third-party liability and spenddown, is reduced 1.9 percent from the current statutory rates. Mental health services with diagnosis related groups 424 to 432 and facilities defined under subdivision 16 are excluded from this paragraph. Payments made to managed care plans shall be reduced for services provided on or after July 1, 2009, through June 30, 2010, to reflect this reduction.

(g) In addition to the reductions in paragraphs (b), (c), and (d), the total payment for fee-for-service admissions occurring on or after July 1, 2010, made to hospitals for inpatient services before third-party liability and spenddown, is reduced 1.79 percent from the current statutory rates. Mental health services with diagnosis related groups 424 to 432 and facilities defined under subdivision 16 are excluded from this paragraph. Payments made to managed care plans shall be reduced for services provided on or after July 1, 2010, to reflect this reduction.

(h) In addition to the reductions in paragraphs (b), (c), (d), (f), and (g), the total payment for fee-for-service admissions occurring on or after July 1, 2009, made to hospitals for inpatient services before third-party liability and spenddown, is reduced 3.0 percent from the current statutory rates. Facilities defined under subdivision 16 are excluded from this paragraph. Payments made to managed care plans shall be reduced for services provided on or after January 1, 2010, to reflect this reduction.

(i) In addition to the reductions in paragraphs (b) and (h), the total payment for fee-for-service admissions occurring on or after July 1, 2009, made to hospitals for mental health services within diagnosis-related groups 424 to 432 before third-party liability and spenddown, is reduced 5.2 percent from the current statutory rates. Facilities defined under subdivision 16 are excluded from this paragraph. Payments made to managed care plans shall be reduced for services provided on or after January 1, 2010, to reflect this reduction.

Sec. 10. Minnesota Statutes 2008, section 256B.056, subdivision 3, is amended to read:

Subd. 3. **Asset limitations for individuals and families.** To be eligible for medical assistance, a person must not individually own more than \$3,000 in assets, or if a member of a household with two family members, husband and wife, or parent and child, the household must not own more than \$6,000 in assets, plus \$200 for each additional legal dependent. In addition to these maximum amounts, an eligible individual or family may accrue interest on these amounts, but they must be reduced to the maximum at the time of an eligibility redetermination. The accumulation of the clothing and personal needs allowance according to section 256B.35 must also be reduced to the maximum at the

time of the eligibility redetermination. The value of assets that are not considered in determining eligibility for medical assistance is the value of those assets excluded under the supplemental security income program for aged, blind, and disabled persons, with the following exceptions:

(1) household goods and personal effects are not considered;

(2) capital and operating assets of a trade or business that the local agency determines are necessary to the person's ability to earn an income are not considered. A bank account that contains personal income or assets, or is used to pay personal expenses, is not considered a capital or operating asset of a trade or business;

(3) motor vehicles are excluded to the same extent excluded by the supplemental security income program;

(4) assets designated as burial expenses are excluded to the same extent excluded by the supplemental security income program. Burial expenses funded by annuity contracts or life insurance policies must irrevocably designate the individual's estate as contingent beneficiary to the extent proceeds are not used for payment of selected burial expenses; and

(5) effective upon federal approval, for a person who no longer qualifies as an employed person with a disability due to loss of earnings, assets allowed while eligible for medical assistance under section 256B.057, subdivision 9, are not considered for 12 months, beginning with the first month of ineligibility as an employed person with a disability, to the extent that the person's total assets remain within the allowed limits of section 256B.057, subdivision 9, paragraph (c).

The assets specified in clause (2) must be disclosed to the local agency at the time of application and at the time of an eligibility redetermination, and must be verified upon request of the local agency.

EFFECTIVE DATE. This section is effective January 1, 2011, or upon federal approval, whichever is later.

Sec. 11. Minnesota Statutes 2008, section 256B.056, subdivision 3b, is amended to read:

Subd. 3b. **Treatment of trusts.** (a) A "medical assistance qualifying trust" is a revocable or irrevocable trust, or similar legal device, established on or before August 10, 1993, by a person or the person's spouse under the terms of which the person receives or could receive payments from the trust principal or income and the trustee has discretion in making payments to the person from the trust principal or income. Notwithstanding that definition, a medical assistance qualifying trust does not include:

(1) a trust set up by will; (2) a trust set up before April 7, 1986, solely to benefit a person with a developmental disability living in an intermediate care facility for persons with developmental disabilities; or (3) a trust set up by a person with payments made by the Social Security Administration pursuant to the United States Supreme Court decision in *Sullivan v. Zebley*, 110 S. Ct. 885 (1990). The maximum amount of payments that a trustee of a medical assistance qualifying trust may make to a person under the terms of the trust is considered to be available assets to the person, without regard to whether the trustee actually makes the maximum payments to the person and without regard to the purpose for which the medical assistance qualifying trust was established.

(b) Except as provided in paragraphs (c) and (d), trusts established after August 10, 1993, are treated according to section 13611(b) of the Omnibus Budget Reconciliation Act of 1993 (OBRA), Public Law 103-66.

(c) For purposes of paragraph (d), a pooled trust means a trust established under United States Code, title 42, section 1396p(d)(4)(C).

(d) A beneficiary's interest in a pooled trust is considered an available asset unless the trust provides that upon the death of the beneficiary or termination of the trust during the beneficiary's lifetime, whichever is sooner, the department receives any amount, up to the amount of medical assistance benefits paid on behalf of the beneficiary, remaining in the beneficiary's trust account after a deduction for reasonable administrative fees and expenses, and an additional remainder amount. The retained remainder amount of the subaccount must not exceed ten percent of the account value at the time of the beneficiary's death or termination of the trust, and must only be used for the benefit of disabled individuals who have a beneficiary interest in the pooled trust.

EFFECTIVE DATE. This section is effective for pooled trust accounts established on or after January 1, 2011.

Sec. 12. Minnesota Statutes 2008, section 256B.056, subdivision 3c, is amended to read:

Subd. 3c. **Asset limitations for families and children.** A household of two or more persons must not own more than \$20,000 in total net assets, and a household of one person must not own more than \$10,000 in total net assets. In addition to these maximum amounts, an eligible individual or family may accrue interest on these amounts, but they must be reduced to the maximum at the time of an eligibility redetermination. The value of assets that are not considered in determining eligibility for medical assistance for families and children is the value of those assets excluded under the AFDC state plan as of July 16,

1996, as required by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), Public Law 104-193, with the following exceptions:

(1) household goods and personal effects are not considered;

(2) capital and operating assets of a trade or business up to \$200,000 are not considered, except that a bank account that contains personal income or assets, or is used to pay personal expenses, is not considered a capital or operating asset of a trade or business;

(3) one motor vehicle is excluded for each person of legal driving age who is employed or seeking employment;

(4) one burial plot and all other burial expenses equal to the supplemental security income program asset limit are not considered for each individual;

(5) court-ordered settlements up to \$10,000 are not considered;

(6) individual retirement accounts and funds are not considered; and

(7) assets owned by children are not considered.

The assets specified in clause (2) must be disclosed to the local agency at the time of application and at the time of an eligibility redetermination, and must be verified upon request of the local agency.

EFFECTIVE DATE. This section is effective January 1, 2011, or upon federal approval, whichever is later.

Sec. 13. Minnesota Statutes 2008, section 256B.056, is amended by adding a subdivision to read:

Subd. 10a. Presumptive eligibility. Medical assistance is available during a presumptive period of eligibility that meets the requirements of United States Code, title 42, section 1396r-1a. Presumptive eligibility shall be determined by the state or local agency for children under age 19 who appear to meet income requirements of section 256B.057, subdivisions 1, 2, and 8, on the basis of preliminary information. The presumptive period begins on the first day of the month in which presumptive eligibility is determined. The agency must provide notice of presumptive eligibility and information on the procedures for completing the eligibility process. The presumptive period ends on the earlier of the date of the determination for medical assistance eligibility, or the last day of the month following the presumptive eligibility determination if a complete application with requested verifications is not submitted by that date. Enrollees who are terminated for failure to complete an application or provide verifications cannot be granted presumptive eligibility again for 12 months.

EFFECTIVE DATE. This section is effective July 1, 2011, or upon federal approval, whichever is later.

Sec. 14. Minnesota Statutes 2008, section 256B.057, subdivision 3, is amended to read:

Subd. 3. **Qualified Medicare beneficiaries.** A person who is entitled to Part A Medicare benefits, whose income is equal to or less than 100 percent of the federal poverty guidelines, and whose assets are no more than ~~\$10,000 for a single individual and \$18,000 for a married couple or family of two or more~~ the maximum resource level applied for the year for an individual or an individual and the individual's spouse according to United States Code, title 42, section 1396d(p)(1)(C), is eligible for medical assistance reimbursement of Part A and Part B premiums, Part A and Part B coinsurance and deductibles, and cost-effective premiums for enrollment with a health maintenance organization or a competitive medical plan under section 1876 of the Social Security Act. Reimbursement of the Medicare coinsurance and deductibles, when added to the amount paid by Medicare, must not exceed the total rate the provider would have received for the same service or services if the person were a medical assistance recipient with Medicare coverage. Increases in benefits under Title II of the Social Security Act shall not be counted as income for purposes of this subdivision until July 1 of each year.

EFFECTIVE DATE. This section is effective January 1, 2012.

Sec. 15. Minnesota Statutes 2008, section 256B.057, subdivision 9, is amended to read:

Subd. 9. **Employed persons with disabilities.** (a) Medical assistance may be paid for a person who is employed and who:

- (1) meets the definition of disabled under the supplemental security income program;
- (2) is at least 16 but less than 65 years of age;
- (3) meets the asset limits in paragraph (c); and
- (4) effective November 1, 2003, pays a premium and other obligations under paragraph (e).

Any spousal income or assets shall be disregarded for purposes of eligibility and premium determinations.

(b) After the month of enrollment, a person enrolled in medical assistance under this subdivision who:

- (1) is temporarily unable to work and without receipt of earned income due to a medical condition, as verified by a physician, may retain eligibility for up to four calendar months; or

(2) effective January 1, 2004, loses employment for reasons not attributable to the enrollee, may retain eligibility for up to four consecutive months after the month of job loss. To receive a four-month extension, enrollees must verify the medical condition or provide notification of job loss. All other eligibility requirements must be met and the enrollee must pay all calculated premium costs for continued eligibility.

(c) For purposes of determining eligibility under this subdivision, a person's assets must not exceed \$20,000, excluding:

(1) all assets excluded under section 256B.056;

(2) retirement accounts, including individual accounts, 401(k) plans, 403(b) plans, Keogh plans, and pension plans; and

(3) medical expense accounts set up through the person's employer.

(d)(1) Effective January 1, 2004, for purposes of eligibility, there will be a \$65 earned income disregard. To be eligible, a person applying for medical assistance under this subdivision must have earned income above the disregard level.

(2) Effective January 1, 2004, to be considered earned income, Medicare, Social Security, and applicable state and federal income taxes must be withheld. To be eligible, a person must document earned income tax withholding.

(e)(1) A person whose earned and unearned income is equal to or greater than 100 percent of federal poverty guidelines for the applicable family size must pay a premium to be eligible for medical assistance under this subdivision. The premium shall be based on the person's gross earned and unearned income and the applicable family size using a sliding fee scale established by the commissioner, which begins at one percent of income at 100 percent of the federal poverty guidelines and increases to 7.5 percent of income for those with incomes at or above 300 percent of the federal poverty guidelines. Annual adjustments in the premium schedule based upon changes in the federal poverty guidelines shall be effective for premiums due in July of each year.

(2) Effective January 1, 2004, all enrollees must pay a premium to be eligible for medical assistance under this subdivision. An enrollee shall pay the greater of a ~~\$35~~ \$50 premium or the premium calculated in clause (1).

(3) Effective November 1, 2003, all enrollees who receive unearned income must pay ~~one-half of one~~ 2.5 percent of unearned income in addition to the premium amount.

(4) Effective November 1, 2003, for enrollees whose income does not exceed 200 percent of the federal poverty guidelines and who are also enrolled in Medicare, the commissioner must reimburse the enrollee for Medicare Part B premiums under section 256B.0625, subdivision 15, paragraph (a).

(5) Increases in benefits under title II of the Social Security Act shall not be counted as income for purposes of this subdivision until July 1 of each year.

(f) A person's eligibility and premium shall be determined by the local county agency. Premiums must be paid to the commissioner. All premiums are dedicated to the commissioner.

(g) Any required premium shall be determined at application and redetermined at the enrollee's six-month income review or when a change in income or household size is reported. Enrollees must report any change in income or household size within ten days of when the change occurs. A decreased premium resulting from a reported change in income or household size shall be effective the first day of the next available billing month after the change is reported. Except for changes occurring from annual cost-of-living increases, a change resulting in an increased premium shall not affect the premium amount until the next six-month review.

(h) Premium payment is due upon notification from the commissioner of the premium amount required. Premiums may be paid in installments at the discretion of the commissioner.

(i) Nonpayment of the premium shall result in denial or termination of medical assistance unless the person demonstrates good cause for nonpayment. Good cause exists if the requirements specified in Minnesota Rules, part 9506.0040, subpart 7, items B to D, are met. Except when an installment agreement is accepted by the commissioner, all persons disenrolled for nonpayment of a premium must pay any past due premiums as well as current premiums due prior to being reenrolled. Nonpayment shall include payment with a returned, refused, or dishonored instrument. The commissioner may require a guaranteed form of payment as the only means to replace a returned, refused, or dishonored instrument.

EFFECTIVE DATE. This section is effective January 1, 2011.

Sec. 16. Minnesota Statutes 2008, section 256B.057, is amended by adding a subdivision to read:

Subd. 11. Treatment for colorectal cancer. (a) State-only funded medical assistance may be paid for an individual who:

(1) has been screened for colorectal cancer by the colorectal cancer prevention demonstration project;

(2) according to the individual's treating health professional, needs treatment for colorectal cancer;

(3) meets income eligibility guidelines for the colorectal cancer prevention demonstration project;

(4) is under the age of 65; and

(5) is not otherwise eligible for federally funded medical assistance or covered under creditable coverage as defined under United States Code, title 42, section 1396a(aa).

(b) Medical assistance provided under this subdivision shall be limited to services provided during the period that the individual receives treatment for colorectal cancer.

(c) An individual meeting the criteria in paragraph (a) is eligible for state-only funded medical assistance without meeting the eligibility criteria relating to income and assets in section 256B.056, subdivisions 1a to 5b.

Sec. 17. Minnesota Statutes 2008, section 256B.0575, is amended to read:

256B.0575 AVAILABILITY OF INCOME FOR INSTITUTIONALIZED PERSONS.

Subdivision 1. Income deductions. When an institutionalized person is determined eligible for medical assistance, the income that exceeds the deductions in paragraphs (a) and (b) must be applied to the cost of institutional care.

(a) The following amounts must be deducted from the institutionalized person's income in the following order:

(1) the personal needs allowance under section 256B.35 or, for a veteran who does not have a spouse or child, or a surviving spouse of a veteran having no child, the amount of an improved pension received from the veteran's administration not exceeding \$90 per month;

(2) the personal allowance for disabled individuals under section 256B.36;

(3) if the institutionalized person has a legally appointed guardian or conservator, five percent of the recipient's gross monthly income up to \$100 as reimbursement for guardianship or conservatorship services;

(4) a monthly income allowance determined under section 256B.058, subdivision 2, but only to the extent income of the institutionalized spouse is made available to the community spouse;

(5) a monthly allowance for children under age 18 which, together with the net income of the children, would provide income equal to the medical assistance standard for families and children according to section 256B.056, subdivision 4, for a family size that includes only the minor children. This deduction applies only if the children do not live with the community spouse and only to the extent that the deduction is not included

in the personal needs allowance under section 256B.35, subdivision 1, as child support garnished under a court order;

(6) a monthly family allowance for other family members, equal to one-third of the difference between 122 percent of the federal poverty guidelines and the monthly income for that family member;

(7) reparations payments made by the Federal Republic of Germany and reparations payments made by the Netherlands for victims of Nazi persecution between 1940 and 1945;

(8) all other exclusions from income for institutionalized persons as mandated by federal law; and

(9) amounts for reasonable expenses, as specified in subdivision 2, incurred for necessary medical or remedial care for the institutionalized person that are recognized under state law, not medical assistance covered expenses, and ~~that are~~ not subject to payment by a third party.

~~Reasonable expenses are limited to expenses that have not been previously used as a deduction from income and are incurred during the enrollee's current period of eligibility, including retroactive months associated with the current period of eligibility, for medical assistance payment of long-term care services.~~

For purposes of clause (6), "other family member" means a person who resides with the community spouse and who is a minor or dependent child, dependent parent, or dependent sibling of either spouse. "Dependent" means a person who could be claimed as a dependent for federal income tax purposes under the Internal Revenue Code.

(b) Income shall be allocated to an institutionalized person for a period of up to three calendar months, in an amount equal to the medical assistance standard for a family size of one if:

(1) a physician certifies that the person is expected to reside in the long-term care facility for three calendar months or less;

(2) if the person has expenses of maintaining a residence in the community; and

(3) if one of the following circumstances apply:

(i) the person was not living together with a spouse or a family member as defined in paragraph (a) when the person entered a long-term care facility; or

(ii) the person and the person's spouse become institutionalized on the same date, in which case the allocation shall be applied to the income of one of the spouses.

For purposes of this paragraph, a person is determined to be residing in a licensed nursing home, regional treatment center, or medical institution if the person is expected to remain for a period of one full calendar month or more.

Subd. 2. **Reasonable expenses.** (a) For the purposes of subdivision 1, paragraph (a), clause (9), reasonable expenses are limited to expenses that have not been previously used as a deduction from income and were not:

(1) for long-term care expenses incurred during a period of ineligibility as defined in section 256B.0595, subdivision 2;

(2) incurred more than three months before the month of application associated with the current period of eligibility;

(3) for expenses incurred by a recipient that are duplicative of services that are covered under chapter 256B; or

(4) nursing facility expenses incurred without a timely assessment as required under section 256B.0911.

Sec. 18. Minnesota Statutes 2008, section 256B.0595, subdivision 1, is amended to read:

Subdivision 1. **Prohibited transfers.** (a) For transfers of assets made on or before August 10, 1993, if an institutionalized person or the institutionalized person's spouse has given away, sold, or disposed of, for less than fair market value, any asset or interest therein, except assets other than the homestead that are excluded under the supplemental security program, within 30 months before or any time after the date of institutionalization if the person has been determined eligible for medical assistance, or within 30 months before or any time after the date of the first approved application for medical assistance if the person has not yet been determined eligible for medical assistance, the person is ineligible for long-term care services for the period of time determined under subdivision 2.

(b) Effective for transfers made after August 10, 1993, an institutionalized person, an institutionalized person's spouse, or any person, court, or administrative body with legal authority to act in place of, on behalf of, at the direction of, or upon the request of the institutionalized person or institutionalized person's spouse, may not give away, sell, or dispose of, for less than fair market value, any asset or interest therein, except assets other than the homestead that are excluded under the Supplemental Security Income program, for the purpose of establishing or maintaining medical assistance eligibility. This applies to all transfers, including those made by a community spouse after the month in which the institutionalized spouse is determined eligible for medical assistance. For purposes of determining eligibility for long-term care services, any transfer of such assets within 36 months before or any time after an institutionalized person requests medical assistance payment of long-term care services, or 36 months before or any time after a medical

82.1 assistance recipient becomes an institutionalized person, for less than fair market value
82.2 may be considered. Any such transfer is presumed to have been made for the purpose
82.3 of establishing or maintaining medical assistance eligibility and the institutionalized
82.4 person is ineligible for long-term care services for the period of time determined under
82.5 subdivision 2, unless the institutionalized person furnishes convincing evidence to
82.6 establish that the transaction was exclusively for another purpose, or unless the transfer is
82.7 permitted under subdivision 3 or 4. In the case of payments from a trust or portions of a
82.8 trust that are considered transfers of assets under federal law, or in the case of any other
82.9 disposal of assets made on or after February 8, 2006, any transfers made within 60 months
82.10 before or any time after an institutionalized person requests medical assistance payment of
82.11 long-term care services and within 60 months before or any time after a medical assistance
82.12 recipient becomes an institutionalized person, may be considered.

82.13 (c) This section applies to transfers, for less than fair market value, of income
82.14 or assets, including assets that are considered income in the month received, such as
82.15 inheritances, court settlements, and retroactive benefit payments or income to which the
82.16 institutionalized person or the institutionalized person's spouse is entitled but does not
82.17 receive due to action by the institutionalized person, the institutionalized person's spouse,
82.18 or any person, court, or administrative body with legal authority to act in place of, on
82.19 behalf of, at the direction of, or upon the request of the institutionalized person or the
82.20 institutionalized person's spouse.

82.21 (d) This section applies to payments for care or personal services provided by a
82.22 relative, unless the compensation was stipulated in a notarized, written agreement which
82.23 was in existence when the service was performed, the care or services directly benefited
82.24 the person, and the payments made represented reasonable compensation for the care
82.25 or services provided. A notarized written agreement is not required if payment for the
82.26 services was made within 60 days after the service was provided.

82.27 (e) This section applies to the portion of any asset or interest that an institutionalized
82.28 person, an institutionalized person's spouse, or any person, court, or administrative body
82.29 with legal authority to act in place of, on behalf of, at the direction of, or upon the request
82.30 of the institutionalized person or the institutionalized person's spouse, transfers to any
82.31 annuity that exceeds the value of the benefit likely to be returned to the institutionalized
82.32 person or institutionalized person's spouse while alive, based on estimated life expectancy
82.33 as determined according to the current actuarial tables published by the Office of the
82.34 Chief Actuary of the Social Security Administration. The commissioner may adopt rules
82.35 reducing life expectancies based on the need for long-term care. This section applies to an
82.36 annuity purchased on or after March 1, 2002, that:

(1) is not purchased from an insurance company or financial institution that is subject to licensing or regulation by the Minnesota Department of Commerce or a similar regulatory agency of another state;

(2) does not pay out principal and interest in equal monthly installments; or

(3) does not begin payment at the earliest possible date after annuitization.

(f) Effective for transactions, including the purchase of an annuity, occurring on or after February 8, 2006, by or on behalf of an institutionalized person who has applied for or is receiving long-term care services or the institutionalized person's spouse shall be treated as the disposal of an asset for less than fair market value unless the department is named a preferred remainder beneficiary as described in section 256B.056, subdivision 11. Any subsequent change to the designation of the department as a preferred remainder beneficiary shall result in the annuity being treated as a disposal of assets for less than fair market value. The amount of such transfer shall be the maximum amount the institutionalized person or the institutionalized person's spouse could receive from the annuity or similar financial instrument. Any change in the amount of the income or principal being withdrawn from the annuity or other similar financial instrument at the time of the most recent disclosure shall be deemed to be a transfer of assets for less than fair market value unless the institutionalized person or the institutionalized person's spouse demonstrates that the transaction was for fair market value. In the event a distribution of income or principal has been improperly distributed or disbursed from an annuity or other retirement planning instrument of an institutionalized person or the institutionalized person's spouse, a cause of action exists against the individual receiving the improper distribution for the cost of medical assistance services provided or the amount of the improper distribution, whichever is less.

(g) Effective for transactions, including the purchase of an annuity, occurring on or after February 8, 2006, by or on behalf of an institutionalized person applying for or receiving long-term care services shall be treated as a disposal of assets for less than fair market value unless it is:

(i) an annuity described in subsection (b) or (q) of section 408 of the Internal Revenue Code of 1986; or

(ii) purchased with proceeds from:

(A) an account or trust described in subsection (a), (c), or (p) of section 408 of the Internal Revenue Code;

(B) a simplified employee pension within the meaning of section 408(k) of the Internal Revenue Code; or

(C) a Roth IRA described in section 408A of the Internal Revenue Code; or

(iii) an annuity that is irrevocable and nonassignable; is actuarially sound as determined in accordance with actuarial publications of the Office of the Chief Actuary of the Social Security Administration; and provides for payments in equal amounts during the term of the annuity, with no deferral and no balloon payments made.

(h) For purposes of this section, long-term care services include services in a nursing facility, services that are eligible for payment according to section 256B.0625, subdivision 2, because they are provided in a swing bed, intermediate care facility for persons with developmental disabilities, and home and community-based services provided pursuant to sections 256B.0915, 256B.092, and 256B.49. For purposes of this subdivision and subdivisions 2, 3, and 4, "institutionalized person" includes a person who is an inpatient in a nursing facility or in a swing bed, or intermediate care facility for persons with developmental disabilities or who is receiving home and community-based services under sections 256B.0915, 256B.092, and 256B.49.

(i) This section applies to funds used to purchase a promissory note, loan, or mortgage unless the note, loan, or mortgage:

(1) has a repayment term that is actuarially sound;

(2) provides for payments to be made in equal amounts during the term of the loan, with no deferral and no balloon payments made; and

(3) prohibits the cancellation of the balance upon the death of the lender.

In the case of a promissory note, loan, or mortgage that does not meet an exception in clauses (1) to (3), the value of such note, loan, or mortgage shall be the outstanding balance due as of the date of the institutionalized person's request for medical assistance payment of long-term care services.

(j) This section applies to the purchase of a life estate interest in another person's home unless the purchaser resides in the home for a period of at least one year after the date of purchase.

(k) This section applies to transfers into a pooled trust that qualifies under United States Code, title 42, section 1396p(d)(4)(C), by:

(1) a person age 65 or older or the person's spouse; or

(2) any person, court, or administrative body with legal authority to act in place of, on behalf of, at the direction of, or upon the request of a person age 65 or older or the person's spouse.

Sec. 19. Minnesota Statutes 2008, section 256B.0595, subdivision 2, is amended to read:

85.1 Subd. 2. **Period of ineligibility for long-term care services.** (a) For any
85.2 uncompensated transfer occurring on or before August 10, 1993, the number of months
85.3 of ineligibility for long-term care services shall be the lesser of 30 months, or the
85.4 uncompensated transfer amount divided by the average medical assistance rate for nursing
85.5 facility services in the state in effect on the date of application. The amount used to
85.6 calculate the average medical assistance payment rate shall be adjusted each July 1 to
85.7 reflect payment rates for the previous calendar year. The period of ineligibility begins
85.8 with the month in which the assets were transferred. If the transfer was not reported to
85.9 the local agency at the time of application, and the applicant received long-term care
85.10 services during what would have been the period of ineligibility if the transfer had been
85.11 reported, a cause of action exists against the transferee for the cost of long-term care
85.12 services provided during the period of ineligibility, or for the uncompensated amount of
85.13 the transfer, whichever is less. The uncompensated transfer amount is the fair market
85.14 value of the asset at the time it was given away, sold, or disposed of, less the amount of
85.15 compensation received.

85.16 (b) For uncompensated transfers made after August 10, 1993, the number of months
85.17 of ineligibility for long-term care services shall be the total uncompensated value of the
85.18 resources transferred divided by the average medical assistance rate for nursing facility
85.19 services in the state in effect on the date of application. The amount used to calculate
85.20 the average medical assistance payment rate shall be adjusted each July 1 to reflect
85.21 payment rates for the previous calendar year. The period of ineligibility begins with the
85.22 first day of the month after the month in which the assets were transferred except that
85.23 if one or more uncompensated transfers are made during a period of ineligibility, the
85.24 total assets transferred during the ineligibility period shall be combined and a penalty
85.25 period calculated to begin on the first day of the month after the month in which the first
85.26 uncompensated transfer was made. If the transfer was reported to the local agency after
85.27 the date that advance notice of a period of ineligibility that affects the next month could
85.28 be provided to the recipient and the recipient received medical assistance services or the
85.29 transfer was not reported to the local agency, and the applicant or recipient received
85.30 medical assistance services during what would have been the period of ineligibility if
85.31 the transfer had been reported, a cause of action exists against the transferee for that
85.32 portion of long-term care services provided during the period of ineligibility, or for the
85.33 uncompensated amount of the transfer, whichever is less. The uncompensated transfer
85.34 amount is the fair market value of the asset at the time it was given away, sold, or disposed
85.35 of, less the amount of compensation received. Effective for transfers made on or after

March 1, 1996, involving persons who apply for medical assistance on or after April 13, 1996, no cause of action exists for a transfer unless:

(1) the transferee knew or should have known that the transfer was being made by a person who was a resident of a long-term care facility or was receiving that level of care in the community at the time of the transfer;

(2) the transferee knew or should have known that the transfer was being made to assist the person to qualify for or retain medical assistance eligibility; or

(3) the transferee actively solicited the transfer with intent to assist the person to qualify for or retain eligibility for medical assistance.

(c) For uncompensated transfers made on or after February 8, 2006, the period of ineligibility:

(1) for uncompensated transfers by or on behalf of individuals receiving medical assistance payment of long-term care services, begins the first day of the month following advance notice of the ~~penalty~~ period of ineligibility, but no later than the first day of the month that follows three full calendar months from the date of the report or discovery of the transfer; or

(2) for uncompensated transfers by individuals requesting medical assistance payment of long-term care services, begins the date on which the individual is eligible for medical assistance under the Medicaid state plan and would otherwise be receiving long-term care services based on an approved application for such care but for the ~~application of the penalty~~ period of ineligibility resulting from the uncompensated transfer; and

(3) cannot begin during any other period of ineligibility.

(d) If a calculation of a ~~penalty~~ period of ineligibility results in a partial month, payments for long-term care services shall be reduced in an amount equal to the fraction.

(e) In the case of multiple fractional transfers of assets in more than one month for less than fair market value on or after February 8, 2006, the period of ineligibility is calculated by treating the total, cumulative, uncompensated value of all assets transferred during all months on or after February 8, 2006, as one transfer.

(f) A period of ineligibility established under paragraph (c) may be eliminated if all of the assets transferred for less than fair market value used to calculate the period of ineligibility, or cash equal to the value of the assets at the time of the transfer, are returned within 12 months after the date the period of ineligibility began. A period of ineligibility must not be adjusted if less than the full amount of the transferred assets or the full cash value of the transferred assets are returned.

87.1 **EFFECTIVE DATE.** This section is effective for periods of ineligibility established
87.2 on or after January 1, 2011.

87.3 Sec. 20. Minnesota Statutes 2008, section 256B.06, subdivision 4, is amended to read:

87.4 Subd. 4. **Citizenship requirements.** (a) Eligibility for medical assistance is limited
87.5 to citizens of the United States, qualified noncitizens as defined in this subdivision, and
87.6 other persons residing lawfully in the United States. Citizens or nationals of the United
87.7 States must cooperate in obtaining satisfactory documentary evidence of citizenship or
87.8 nationality according to the requirements of the federal Deficit Reduction Act of 2005,
87.9 Public Law 109-171.

87.10 (b) "Qualified noncitizen" means a person who meets one of the following
87.11 immigration criteria:

87.12 (1) admitted for lawful permanent residence according to United States Code, title 8;

87.13 (2) admitted to the United States as a refugee according to United States Code,
87.14 title 8, section 1157;

87.15 (3) granted asylum according to United States Code, title 8, section 1158;

87.16 (4) granted withholding of deportation according to United States Code, title 8,
87.17 section 1253(h);

87.18 (5) paroled for a period of at least one year according to United States Code, title 8,
87.19 section 1182(d)(5);

87.20 (6) granted conditional entrant status according to United States Code, title 8,
87.21 section 1153(a)(7);

87.22 (7) determined to be a battered noncitizen by the United States Attorney General
87.23 according to the Illegal Immigration Reform and Immigrant Responsibility Act of 1996,
87.24 title V of the Omnibus Consolidated Appropriations Bill, Public Law 104-200;

87.25 (8) is a child of a noncitizen determined to be a battered noncitizen by the United
87.26 States Attorney General according to the Illegal Immigration Reform and Immigrant
87.27 Responsibility Act of 1996, title V, of the Omnibus Consolidated Appropriations Bill,
87.28 Public Law 104-200; or

87.29 (9) determined to be a Cuban or Haitian entrant as defined in section 501(e) of Public
87.30 Law 96-422, the Refugee Education Assistance Act of 1980.

87.31 (c) All qualified noncitizens who were residing in the United States before August
87.32 22, 1996, who otherwise meet the eligibility requirements of this chapter, are eligible for
87.33 medical assistance with federal financial participation.

(d) All qualified noncitizens who entered the United States on or after August 22, 1996, and who otherwise meet the eligibility requirements of this chapter, are eligible for medical assistance with federal financial participation through November 30, 1996.

Beginning December 1, 1996, qualified noncitizens who entered the United States on or after August 22, 1996, and who otherwise meet the eligibility requirements of this chapter are eligible for medical assistance with federal participation for five years if they meet one of the following criteria:

(i) refugees admitted to the United States according to United States Code, title 8, section 1157;

(ii) persons granted asylum according to United States Code, title 8, section 1158;

(iii) persons granted withholding of deportation according to United States Code, title 8, section 1253(h);

(iv) veterans of the United States armed forces with an honorable discharge for a reason other than noncitizen status, their spouses and unmarried minor dependent children; or

(v) persons on active duty in the United States armed forces, other than for training, their spouses and unmarried minor dependent children.

Beginning December 1, 1996, qualified noncitizens who do not meet one of the criteria in items (i) to (v) are eligible for medical assistance without federal financial participation as described in paragraph (j).

Notwithstanding paragraph (j), beginning July 1, 2010, children and pregnant women who are qualified noncitizens, as described in paragraph (b), are eligible for medical assistance with federal financial participation as provided by the federal Children's Health Insurance Program Reauthorization Act of 2009, Public Law 111-3.

(e) Noncitizens who are not qualified noncitizens as defined in paragraph (b), who are lawfully present in the United States, as defined in Code of Federal Regulations, title 8, section 103.12, and who otherwise meet the eligibility requirements of this chapter, are eligible for medical assistance under clauses (1) to (3). These individuals must cooperate with the United States Citizenship and Immigration Services to pursue any applicable immigration status, including citizenship, that would qualify them for medical assistance with federal financial participation.

(1) Persons who were medical assistance recipients on August 22, 1996, are eligible for medical assistance with federal financial participation through December 31, 1996.

(2) Beginning January 1, 1997, persons described in clause (1) are eligible for medical assistance without federal financial participation as described in paragraph (j).

(3) Beginning December 1, 1996, persons residing in the United States prior to August 22, 1996, who were not receiving medical assistance and persons who arrived on or after August 22, 1996, are eligible for medical assistance without federal financial participation as described in paragraph (j).

(f) Nonimmigrants who otherwise meet the eligibility requirements of this chapter are eligible for the benefits as provided in paragraphs (g) to (i). For purposes of this subdivision, a "nonimmigrant" is a person in one of the classes listed in United States Code, title 8, section 1101(a)(15).

(g) Payment shall also be made for care and services that are furnished to noncitizens, regardless of immigration status, who otherwise meet the eligibility requirements of this chapter, if such care and services are necessary for the treatment of an emergency medical condition, except for organ transplants and related care and services and routine prenatal care.

(h) For purposes of this subdivision, the term "emergency medical condition" means a medical condition that meets the requirements of United States Code, title 42, section 1396b(v).

(i) Beginning July 1, 2009, pregnant noncitizens who are undocumented, nonimmigrants, or ~~eligible for medical assistance as described in paragraph (j)~~, lawfully present as designated in paragraph (e) and who are not covered by a group health plan or health insurance coverage according to Code of Federal Regulations, title 42, section 457.310, and who otherwise meet the eligibility requirements of this chapter, are eligible for medical assistance through the period of pregnancy, including labor and delivery, and 60 days postpartum, to the extent federal funds are available under title XXI of the Social Security Act, and the state children's health insurance program, ~~followed by 60 days postpartum without federal financial participation.~~

(j) Qualified noncitizens as described in paragraph (d), and all other noncitizens lawfully residing in the United States as described in paragraph (e), who are ineligible for medical assistance with federal financial participation and who otherwise meet the eligibility requirements of chapter 256B and of this paragraph, are eligible for medical assistance without federal financial participation. Qualified noncitizens as described in paragraph (d) are only eligible for medical assistance without federal financial participation for five years from their date of entry into the United States.

(k) Beginning October 1, 2003, persons who are receiving care and rehabilitation services from a nonprofit center established to serve victims of torture and are otherwise ineligible for medical assistance under this chapter are eligible for medical assistance without federal financial participation. These individuals are eligible only for the period

during which they are receiving services from the center. Individuals eligible under this paragraph shall not be required to participate in prepaid medical assistance.

EFFECTIVE DATE. This section is effective July 1, 2009.

Sec. 21. Minnesota Statutes 2008, section 256B.06, subdivision 5, is amended to read:

Subd. 5. **Deeming of sponsor income and resources.** When determining eligibility for any federal or state funded medical assistance under this section, the income and resources of all noncitizens shall be deemed to include their sponsors' income and resources as required under the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, title IV, Public Law 104-193, sections 421 and 422, and subsequently set out in federal rules. This section is effective May 1, 1997. Beginning July 1, 2010, sponsor deeming does not apply to pregnant women and children who are qualified noncitizens, as described in section 256B.06, subdivision 4, paragraph (b).

EFFECTIVE DATE. This section is effective July 1, 2010.

Sec. 22. Minnesota Statutes 2008, section 256B.0625, subdivision 3c, is amended to read:

Subd. 3c. **Health Services Policy Committee.** (a) The commissioner, after receiving recommendations from professional physician associations, professional associations representing licensed nonphysician health care professionals, and consumer groups, shall establish a 13-member Health Services Policy Committee, which consists of 12 voting members and one nonvoting member. The Health Services Policy Committee shall advise the commissioner regarding health services pertaining to the administration of health care benefits covered under the medical assistance, general assistance medical care, and MinnesotaCare programs. The Health Services Policy Committee shall meet at least quarterly. The Health Services Policy Committee shall annually elect a physician chair from among its members, who shall work directly with the commissioner's medical director, to establish the agenda for each meeting. The Health Services Policy Committee shall also recommend criteria for verifying centers of excellence for specific aspects of medical care where a specific set of combined services, a volume of patients necessary to maintain a high level of competency, or a specific level of technical capacity is associated with improved health outcomes.

(b) The commissioner shall establish a dental subcommittee to operate under the Health Services Policy Committee. The dental subcommittee consists of general dentists, dental specialists, safety net providers, dental hygienists, health plan company and

91.1 county and public health representatives, health researchers, consumers, and a designee
91.2 of the commissioner of health. The dental subcommittee shall advise the commissioner
91.3 regarding:

91.4 (1) the critical access dental program under section 256B.76, subdivision 4;

91.5 (2) any changes to the critical access dental provider program necessary to comply
91.6 with program expenditure limits;

91.7 (3) dental coverage policy based on evidence, quality, continuity of care, and best
91.8 practices;

91.9 (4) the development of dental delivery models; and

91.10 (5) dental services to be added or eliminated from subdivision 9, paragraph (b).

91.11 (c) The Health Services Policy Committee shall study approaches to making
91.12 provider reimbursement under the medical assistance, MinnesotaCare, and general
91.13 assistance medical care programs contingent on patient participation in a patient-centered
91.14 decision-making process, and shall evaluate the impact of these approaches on health
91.15 care quality, patient satisfaction, and health care costs. The committee shall present
91.16 findings and recommendations to the commissioner and the legislative committees with
91.17 jurisdiction over health care by January 15, 2010.

91.18 (d) The Health Services Policy Committee shall monitor and track the practice
91.19 patterns of physicians providing services to medical assistance, MinnesotaCare, and
91.20 general assistance medical care enrollees under fee-for-service, managed care, and
91.21 county-based purchasing. The committee shall focus on services or specialties for which
91.22 there is a high variation in utilization across physicians, or which are associated with
91.23 high medical costs. The commissioner, based upon the findings of the committee, shall
91.24 regularly notify physicians whose practice patterns indicate higher than average utilization
91.25 or costs. Managed care and county-based purchasing plans shall provide the committee
91.26 with utilization and cost data necessary to implement this paragraph.

91.27 (e) The Health Services Policy Committee shall review caesarean section rates
91.28 for the fee-for-service medical assistance population. The committee may develop best
91.29 practices policies related to the minimization of caesarean sections, including but not
91.30 limited to standards and guidelines for health care providers and health care facilities.

91.31 Sec. 23. Minnesota Statutes 2008, section 256B.0625, subdivision 9, is amended to
91.32 read:

91.33 Subd. 9. **Dental services.** (a) Medical assistance covers dental services. Dental
91.34 ~~services include, with prior authorization, fixed bridges that are cost-effective for persons~~
91.35 ~~who cannot use removable dentures because of their medical condition.~~

- 92.1 (b) Medical assistance dental coverage for nonpregnant adults is limited to the
92.2 following services:
- 92.3 (1) comprehensive exams, limited to once every five years;
92.4 (2) periodic exams, limited to one per year;
92.5 (3) limited exams;
92.6 (4) bitewing x-rays, limited to one per year;
92.7 (5) periapical x-rays;
92.8 (6) panoramic x-rays, limited to one every five years, and only if provided in
92.9 conjunction with a posterior extraction or scheduled outpatient facility procedure, or as
92.10 medically necessary for the diagnosis and follow-up of oral and maxillofacial pathology
92.11 and trauma. Panoramic x-rays may be taken once every two years for patients who cannot
92.12 cooperate for intraoral film due to a developmental disability or medical condition that
92.13 does not allow for intraoral film placement;
- 92.14 (7) prophylaxis, limited to one per year;
92.15 (8) application of fluoride varnish, limited to one per year;
92.16 (9) posterior fillings, all at the amalgam rate;
92.17 (10) anterior fillings;
92.18 (11) endodontics, limited to root canals on the anterior and premolars only;
92.19 (12) removable prostheses, each dental arch limited to one every six years;
92.20 (13) oral surgery, limited to extractions, biopsies, and incision and drainage of
92.21 abscesses;
- 92.22 (14) palliative treatment and sedative fillings for relief of pain; and
92.23 (15) full-mouth debridement, limited to one every five years.
- 92.24 (c) In addition to the services specified in paragraph (b), medical assistance
92.25 covers the following services for adults, if provided in an outpatient hospital setting or
92.26 freestanding ambulatory surgical center as part of outpatient dental surgery:
- 92.27 (1) periodontics, limited to periodontal scaling and root planing once every two
92.28 years;
- 92.29 (2) general anesthesia; and
92.30 (3) full-mouth survey once every five years.
- 92.31 (d) Medical assistance covers dental services for children that are medically
92.32 necessary. The following guidelines apply:
- 92.33 (1) posterior fillings are paid at the amalgam rate;
92.34 (2) application of sealants once every five years per permanent molar; and
92.35 (3) application of fluoride varnish once every six months.
- 92.36 **EFFECTIVE DATE.** This section is effective January 1, 2010.

93.1 Sec. 24. Minnesota Statutes 2008, section 256B.0625, subdivision 13e, is amended to
93.2 read:

93.3 Subd. 13e. **Payment rates.** (a) The basis for determining the amount of payment
93.4 shall be the lower of the actual acquisition costs of the drugs plus a fixed dispensing fee;
93.5 the maximum allowable cost set by the federal government or by the commissioner plus
93.6 the fixed dispensing fee; or the usual and customary price charged to the public. The
93.7 amount of payment basis must be reduced to reflect all discount amounts applied to the
93.8 charge by any provider/insurer agreement or contract for submitted charges to medical
93.9 assistance programs. The net submitted charge may not be greater than the patient liability
93.10 for the service. The pharmacy dispensing fee shall be \$3.65, except that the dispensing fee
93.11 for intravenous solutions which must be compounded by the pharmacist shall be \$8 per
93.12 bag, \$14 per bag for cancer chemotherapy products, and \$30 per bag for total parenteral
93.13 nutritional products dispensed in one liter quantities, or \$44 per bag for total parenteral
93.14 nutritional products dispensed in quantities greater than one liter. Actual acquisition
93.15 cost includes quantity and other special discounts except time and cash discounts.
93.16 Effective July 1, 2008, the actual acquisition cost of a drug shall be estimated by the
93.17 commissioner, at average wholesale price minus ~~14~~ 15 percent. The actual acquisition
93.18 cost of antihemophilic factor drugs shall be estimated at the average wholesale price
93.19 minus 30 percent. The maximum allowable cost of a multisource drug may be set by the
93.20 commissioner and it shall be comparable to, but no higher than, the maximum amount
93.21 paid by other third-party payors in this state who have maximum allowable cost programs.
93.22 Establishment of the amount of payment for drugs shall not be subject to the requirements
93.23 of the Administrative Procedure Act.

93.24 (b) An additional dispensing fee of \$.30 may be added to the dispensing fee paid
93.25 to pharmacists for legend drug prescriptions dispensed to residents of long-term care
93.26 facilities when a unit dose blister card system, approved by the department, is used. Under
93.27 this type of dispensing system, the pharmacist must dispense a 30-day supply of drug.
93.28 The National Drug Code (NDC) from the drug container used to fill the blister card must
93.29 be identified on the claim to the department. The unit dose blister card containing the
93.30 drug must meet the packaging standards set forth in Minnesota Rules, part 6800.2700,
93.31 that govern the return of unused drugs to the pharmacy for reuse. The pharmacy provider
93.32 will be required to credit the department for the actual acquisition cost of all unused
93.33 drugs that are eligible for reuse. Over-the-counter medications must be dispensed in the
93.34 manufacturer's unopened package. The commissioner may permit the drug clozapine to be
93.35 dispensed in a quantity that is less than a 30-day supply.

(c) Whenever a generically equivalent product is available, payment shall be on the basis of the actual acquisition cost of the generic drug, or on the maximum allowable cost established by the commissioner.

(d) The basis for determining the amount of payment for drugs administered in an outpatient setting shall be the lower of the usual and customary cost submitted by the provider or the amount established for Medicare by the United States Department of Health and Human Services pursuant to title XVIII, section 1847a of the federal Social Security Act.

(e) The commissioner may negotiate lower reimbursement rates for specialty pharmacy products than the rates specified in paragraph (a). The commissioner may require individuals enrolled in the health care programs administered by the department to obtain specialty pharmacy products from providers with whom the commissioner has negotiated lower reimbursement rates. Specialty pharmacy products are defined as those used by a small number of recipients or recipients with complex and chronic diseases that require expensive and challenging drug regimens. Examples of these conditions include, but are not limited to: multiple sclerosis, HIV/AIDS, transplantation, hepatitis C, growth hormone deficiency, Crohn's Disease, rheumatoid arthritis, and certain forms of cancer. Specialty pharmaceutical products include injectable and infusion therapies, biotechnology drugs, high-cost therapies, and therapies that require complex care. The commissioner shall consult with the formulary committee to develop a list of specialty pharmacy products subject to this paragraph. In consulting with the formulary committee in developing this list, the commissioner shall take into consideration the population served by specialty pharmacy products, the current delivery system and standard of care in the state, and access to care issues. The commissioner shall have the discretion to adjust the reimbursement rate to prevent access to care issues.

EFFECTIVE DATE. This section is effective July 1, 2009.

Sec. 25. Minnesota Statutes 2008, section 256B.0625, subdivision 17, is amended to read:

Subd. 17. Transportation costs. (a) Medical assistance covers transportation costs incurred solely for obtaining emergency medical care or transportation costs incurred by eligible persons in obtaining emergency or nonemergency medical care when paid directly to an ambulance company, common carrier, or other recognized providers of transportation services.

(b) Medical assistance covers special transportation, as defined in Minnesota Rules, part 9505.0315, subpart 1, item F, if the recipient has a physical or mental impairment that

95.1 would prohibit the recipient from safely accessing and using a bus, taxi, other commercial
95.2 transportation, or private automobile.

95.3 The commissioner may use an order by the recipient's attending physician to certify that
95.4 the recipient requires special transportation services. Special transportation includes
95.5 driver-assisted service to eligible individuals. Driver-assisted service includes passenger
95.6 pickup at and return to the individual's residence or place of business, assistance with
95.7 admittance of the individual to the medical facility, and assistance in passenger securement
95.8 or in securing of wheelchairs or stretchers in the vehicle. Special transportation providers
95.9 must obtain written documentation from the health care service provider who is serving
95.10 the recipient being transported, identifying the time that the recipient arrived. Special
95.11 transportation providers may not bill for separate base rates for the continuation of a trip
95.12 beyond the original destination. Special transportation providers must take recipients to
95.13 the nearest appropriate health care provider, using the most direct route available. The
95.14 maximum medical assistance reimbursement rates for special transportation services are:

95.15 (1) \$17 for the base rate and ~~\$1.35~~ \$1.65 per mile for services to eligible persons
95.16 who need a wheelchair-accessible van;

95.17 (2) ~~\$11.50~~ \$8.50 for the base rate and \$1.30 per mile for services to eligible persons
95.18 who do not need a wheelchair-accessible van; and

95.19 (3) \$60 for the base rate and \$2.40 per mile, and an attendant rate of \$9 per trip, for
95.20 services to eligible persons who need a stretcher-accessible vehicle.

95.21 Sec. 26. Minnesota Statutes 2008, section 256B.0625, subdivision 26, is amended to
95.22 read:

95.23 Subd. 26. **Special education services.** (a) Medical assistance covers medical
95.24 services identified in a recipient's individualized education plan and covered under the
95.25 medical assistance state plan. Covered services include occupational therapy, physical
95.26 therapy, speech-language therapy, clinical psychological services, nursing services,
95.27 school psychological services, school social work services, personal care assistants
95.28 serving as management aides, assistive technology devices, transportation services,
95.29 health assessments, and other services covered under the medical assistance state plan.
95.30 Mental health services eligible for medical assistance reimbursement must be provided or
95.31 coordinated through a children's mental health collaborative where a collaborative exists if
95.32 the child is included in the collaborative operational target population. The provision or
95.33 coordination of services does not require that the individual education plan be developed
95.34 by the collaborative.

The services may be provided by a Minnesota school district that is enrolled as a medical assistance provider or its subcontractor, and only if the services meet all the requirements otherwise applicable if the service had been provided by a provider other than a school district, in the following areas: medical necessity, physician's orders, documentation, personnel qualifications, and prior authorization requirements. The nonfederal share of costs for services provided under this subdivision is the responsibility of the local school district as provided in section 125A.74. Services listed in a child's individual education plan are eligible for medical assistance reimbursement only if those services meet criteria for federal financial participation under the Medicaid program.

(b) Approval of health-related services for inclusion in the individual education plan does not require prior authorization for purposes of reimbursement under this chapter. The commissioner may require physician review and approval of the plan not more than once annually or upon any modification of the individual education plan that reflects a change in health-related services.

(c) Services of a speech-language pathologist provided under this section are covered notwithstanding Minnesota Rules, part 9505.0390, subpart 1, item L, if the person:

(1) holds a masters degree in speech-language pathology;

(2) is licensed by the Minnesota Board of Teaching as an educational speech-language pathologist; and

(3) either has a certificate of clinical competence from the American Speech and Hearing Association, has completed the equivalent educational requirements and work experience necessary for the certificate or has completed the academic program and is acquiring supervised work experience to qualify for the certificate.

(d) Medical assistance coverage for medically necessary services provided under other subdivisions in this section may not be denied solely on the basis that the same or similar services are covered under this subdivision.

(e) The commissioner shall develop and implement package rates, bundled rates, or per diem rates for special education services under which separately covered services are grouped together and billed as a unit in order to reduce administrative complexity.

(f) The commissioner shall develop a cost-based payment structure for payment of these services. The commissioner shall reimburse claims submitted based on an interim rate, and shall settle at a final rate once the department has determined it. The commissioner shall notify the school district of the final rate. The school district has 60 days to appeal the final rate. To appeal the final rate, the school district shall file a written appeal request to the commissioner within 60 days of the date the final rate determination

97.1 was mailed. The appeal request shall specify (1) the disputed items and (2) the name and
97.2 address of the person to contact regarding the appeal.

97.3 (g) Effective July 1, 2000, medical assistance services provided under an individual
97.4 education plan or an individual family service plan by local school districts shall not count
97.5 against medical assistance authorization thresholds for that child.

97.6 (h) Nursing services as defined in section 148.171, subdivision 15, and provided
97.7 as an individual education plan health-related service, are eligible for medical assistance
97.8 payment if they are otherwise a covered service under the medical assistance program.
97.9 Medical assistance covers the administration of prescription medications by a licensed
97.10 nurse who is employed by or under contract with a school district when the administration
97.11 of medications is identified in the child's individualized education plan. The simple
97.12 administration of medications alone is not covered under medical assistance when
97.13 administered by a provider other than a school district or when it is not identified in the
97.14 child's individualized education plan.

97.15 Sec. 27. Minnesota Statutes 2008, section 256B.0631, subdivision 1, is amended to
97.16 read:

97.17 Subdivision 1. **Co-payments.** (a) Except as provided in subdivision 2, the medical
97.18 assistance benefit plan shall include the following co-payments for all recipients, effective
97.19 for services provided on or after ~~October 1, 2003, and before January 1, 2009~~ July 1, 2009:

97.20 (1) \$3 per nonpreventive visit. For purposes of this subdivision, a visit means an
97.21 episode of service which is required because of a recipient's symptoms, diagnosis, or
97.22 established illness, and which is delivered in an ambulatory setting by a physician or
97.23 physician ancillary, chiropractor, podiatrist, nurse midwife, advanced practice nurse,
97.24 audiologist, optician, or optometrist;

97.25 (2) \$3 for eyeglasses;

97.26 (3) \$6 for nonemergency visits to a hospital-based emergency room; ~~and~~

97.27 ~~(4) \$3 per brand-name drug prescription and \$1 per generic drug prescription,~~
97.28 ~~subject to a \$12 per month maximum for prescription drug co-payments. No co-payments~~
97.29 ~~shall apply to antipsychotic drugs when used for the treatment of mental illness.~~

97.30 ~~(b) Except as provided in subdivision 2, the medical assistance benefit plan shall~~
97.31 ~~include the following co-payments for all recipients, effective for services provided on~~
97.32 ~~or after January 1, 2009:~~

97.33 ~~(1) \$6 for nonemergency visits to a hospital-based emergency room;~~

~~(2)~~ (4) \$3 per brand-name drug prescription and \$1 per generic drug prescription, subject to a \$7 per month maximum for prescription drug co-payments. No co-payments shall apply to antipsychotic drugs when used for the treatment of mental illness; and

~~(3)~~ (5) for individuals identified by the commissioner with income at or below 100 percent of the federal poverty guidelines, total monthly co-payments must not exceed five percent of family income. For purposes of this paragraph, family income is the total earned and unearned income of the individual and the individual's spouse, if the spouse is enrolled in medical assistance and also subject to the five percent limit on co-payments.

~~(e)~~ (b) Recipients of medical assistance are responsible for all co-payments in this subdivision.

Sec. 28. **[256B.0755] PAYMENT REFORM DEMONSTRATION PROJECT FOR SPECIAL PATIENT POPULATIONS.**

Subdivision 1. **Demonstration project.** (a) The commissioner of human services, in consultation with the commissioner of health, shall establish a payment reform demonstration project implementing an alternative payment system for health care providers serving an identified group of patients who are enrolled in a state health care program, and are either high utilizers of high-cost health care services or have characteristics that put them at high risk of becoming high utilizers. The purpose of the demonstration project is to implement and evaluate methods of reducing hospitalizations, emergency room use, high-cost medications and specialty services, admissions to nursing facilities, or use of long-term home and community-based services, in order to reduce the total cost of care and services for the patients.

(b) The commissioner shall give the highest priority to projects that will serve patients who have chronic medical conditions or complex medical needs that are complicated by a physical disability, serious mental illness, or serious socioeconomic factors such as poverty, homelessness, or language or cultural barriers. The commissioner shall also give the highest priority to providers or groups of providers who have the highest concentrations of patients with these characteristics.

(c) The commissioner must implement this payment reform demonstration project in a manner consistent with the payment reform initiative provided in sections 62U.02 to 62U.04.

(d) For purposes of this section, "state health care program" means the medical assistance, MinnesotaCare, and general assistance medical care programs.

Subd. 2. **Participation.** (a) The commissioner shall request eligible providers or groups of providers to submit a proposal to participate in the demonstration project by

99.1 September 1, 2009. The providers who are interested in participating shall negotiate with
99.2 the commissioner to determine:

- 99.3 (1) the identified group of patients who are to be enrolled in the program;
99.4 (2) the services that are to be included in the total cost of care calculation;
99.5 (3) the methodology for calculating the total cost of care, which may take into
99.6 consideration the impact on costs to other state or local government programs including,
99.7 but not limited to, social services and income maintenance programs;
99.8 (4) the time period to be covered under the bid;
99.9 (5) the implementation of a risk adjustment mechanism to adjust for factors that are
99.10 beyond the control of the provider including nonclinical factors that will affect the cost
99.11 or outcomes of treatment;
99.12 (6) the payment reforms and payment methods to be used under the project, which
99.13 may include but are not limited to adjustments in fee-for-service payments, payment of
99.14 care coordination fees, payments for start-up and implementation costs to be recovered or
99.15 repaid later in the project, payments adjusted based on a provider's proportion of patients
99.16 who are enrolled in state health care programs; payments adjusted for the clinical or
99.17 socioeconomic complexity of the patients served, payment incentives tied to use of
99.18 inpatient and emergency room services, and periodic settle-up adjustments;
99.19 (7) methods of sharing financial risk and benefit between the commissioner and
99.20 the provider or groups of providers, which may include but are not limited to stop-loss
99.21 arrangements to cover high-cost outlier cases or costs that are beyond the control of the
99.22 provider, and risk-sharing and benefit-sharing corridors; and
99.23 (8) performance and outcome benchmarks to be used to measure performance,
99.24 achievement of cost-savings targets, and quality of care provided.
99.25 (b) A provider or group of providers may submit a proposal for a demonstration
99.26 project in partnership with a health maintenance organization or county-based purchasing
99.27 plan for the purposes of sharing risk, claims processing, or administration of the project,
99.28 or to extend participation in the project to persons who are enrolled in prepaid health
99.29 care programs.
99.30 Subd. 3. **Total cost of care agreement.** Based on negotiations, the commissioner
99.31 must enter into an agreement with interested and eligible providers or groups of providers
99.32 to implement projects that are designed to reduce the total cost of care for the identified
99.33 patients. To the extent possible, the projects shall begin implementation on January 1,
99.34 2010, or upon federal approval, whichever is later.

Subd. 4. **Eligibility.** To be eligible to participate, providers or groups of providers must meet certification standards for health care homes established by the Department of Health and the Department of Human Services under section 256B.0751.

Subd. 5. **Alternative payments.** The commissioner shall seek all federal waivers and approvals necessary to implement this section and to obtain federal matching funds. To the extent authorized by federal law, the commissioner may waive existing fee-for-service payment rates, provider contract or performance requirements, consumer incentive policies, or other requirements in statute or rule in order to allow the providers or groups of providers to utilize alternative payment and financing methods that will appropriately fund necessary and cost-effective primary care and care coordination services; establish appropriate incentives for prevention, health promotion, and care coordination; and mitigate financial harm to participating providers caused by the successful reduction in preventable hospitalization, emergency room use, and other costly services.

Subd. 6. **Cost neutrality.** The total cost, including administrative costs, of this demonstration project must not exceed the costs that would otherwise be incurred by the state had services to the state health care program enrollees participating in the demonstration project been provided, as applicable for the enrollee, under fee-for-service or through managed care or county-based purchasing plans.

Sec. 29. Minnesota Statutes 2008, section 256B.08, is amended by adding a subdivision to read:

Subd. 4. **Data from Social Security.** The commissioner shall accept data from the Social Security Administration in accordance with United States Code, title 42, section 1396U-5(a).

EFFECTIVE DATE. This section is effective January 1, 2010.

Sec. 30. Minnesota Statutes 2008, section 256B.15, subdivision 1, is amended to read:

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

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

(2) the provisions of subdivisions 1c to 1k expanding the interests included in an estate for purposes of recovery under this section give effect to the provisions of United

States Code, title 42, section 1396p, governing recoveries, but do not give rise to any express or implied liens in favor of any other parties not named in these provisions;

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

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

(5) a deceased recipient's life estate and joint tenancy interests continued under this section shall be owned by the remaindermen or surviving joint tenants as their interests may appear on the date of the recipient's death. They shall not be merged into the remainder interest or the interests of the surviving joint tenants by reason of ownership. They shall be subject to the provisions of this section. Any conveyance, transfer, sale, assignment, or encumbrance by a remainderman, a surviving joint tenant, or their heirs, successors, and assigns shall be deemed to include all of their interest in the deceased recipient's life estate or joint tenancy interest continued under this section; and

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

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

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

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

Sec. 31. Minnesota Statutes 2008, section 256B.15, subdivision 1a, is amended to read:

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

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

(1) the person's probate estate;

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

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

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

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

(c) For the purpose of this section and recovery in a surviving spouse's estate for medical assistance paid for a predeceased spouse, the estate must consist of all of the legal title and interests the deceased individual's predeceased spouse had in jointly owned or

103.1 marital property at the time of the spouse's death, as defined in subdivision 2b, and the
103.2 proceeds of those interests, that passed to the deceased individual or another individual, a
103.3 survivor, an heir, or an assign of the predeceased spouse through a joint tenancy, tenancy
103.4 in common, survivorship, life estate, living trust, or other arrangement. A deceased
103.5 recipient who, at death, owned the property jointly with the surviving spouse shall have
103.6 an interest in the entire property.

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

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

103.14 ~~(a)~~ (1) the person was over 55 years of age, and received services under this chapter;

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

103.22 ~~(c)~~ (3) the person received general assistance medical care services under chapter
103.23 256D.

103.24 (f) The claim shall be considered an expense of the last illness of the decedent for the
103.25 purpose of section 524.3-805. Notwithstanding any law or rule to the contrary, a state or
103.26 county agency with a claim under this section must be a creditor under section 524.6-307.

103.27 Any statute of limitations that purports to limit any county agency or the state agency,
103.28 or both, to recover for medical assistance granted hereunder shall not apply to any claim
103.29 made hereunder for reimbursement for any medical assistance granted hereunder. Notice
103.30 of the claim shall be given to all heirs and devisees of the decedent whose identity can be
103.31 ascertained with reasonable diligence. The notice must include procedures and instructions
103.32 for making an application for a hardship waiver under subdivision 5; time frames for
103.33 submitting an application and determination; and information regarding appeal rights and
103.34 procedures. Counties are entitled to one-half of the nonfederal share of medical assistance
103.35 collections from estates that are directly attributable to county effort. Counties are entitled
103.36 to ten percent of the collections for alternative care directly attributable to county effort.

Sec. 32. Minnesota Statutes 2008, section 256B.15, subdivision 1h, is amended to read:

Subd. 1h. **Estates of specific persons receiving medical assistance.** (a) For purposes of this section, paragraphs (b) to ~~(k)~~ (j) apply if a person received medical assistance for which a claim may be filed under this section and died single, or the surviving spouse of the couple and was not survived by any of the persons described in subdivisions 3 and 4.

~~(b) For purposes of this section, the person's estate consists of: (1) the person's probate estate; (2) all of the person's interests or proceeds of those interests in real property the person owned as a life tenant or as a joint tenant with a right of survivorship at the time of the person's death; (3) all of the person's interests or proceeds of those interests in securities the person owned in beneficiary form as provided under sections 524.6-301 to 524.6-311 at the time of the person's death, to the extent they become part of the probate estate under section 524.6-307; (4) all of the person's interests in joint accounts, multiple party accounts, and pay on death accounts, or the proceeds of those accounts, as provided under sections 524.6-201 to 524.6-214 at the time of the person's death to the extent they become part of the probate estate under section 524.6-207; and (5) the person's legal title or interest at the time of the person's death in real property transferred under a transfer on death deed under section 507.071, or in the proceeds from the subsequent sale of the person's interest in the real property. Notwithstanding any law or rule to the contrary, a state or county agency with a claim under this section shall be a creditor under section 524.6-307.~~

~~(e)~~ (b) Notwithstanding any law or rule to the contrary, the person's life estate or joint tenancy interest in real property not subject to a medical assistance lien under sections 514.980 to 514.985 on the date of the person's death shall not end upon the person's death and shall continue as provided in this subdivision. The life estate in the person's estate shall be that portion of the interest in the real property subject to the life estate that is equal to the life estate percentage factor for the life estate as listed in the Life Estate Mortality Table of the health care program's manual for a person who was the age of the medical assistance recipient on the date of the person's death. The joint tenancy interest in real property in the estate shall be equal to the fractional interest the person would have owned in the jointly held interest in the property had they and the other owners held title to the property as tenants in common on the date the person died.

~~(d)~~ (c) The court upon its own motion, or upon motion by the personal representative or any interested party, may enter an order directing the remaindermen or surviving joint tenants and their spouses, if any, to sign all documents, take all actions, and otherwise fully cooperate with the personal representative and the court to liquidate the decedent's

105.1 life estate or joint tenancy interests in the estate and deliver the cash or the proceeds of
105.2 those interests to the personal representative and provide for any legal and equitable
105.3 sanctions as the court deems appropriate to enforce and carry out the order, including an
105.4 award of reasonable attorney fees.

105.5 ~~(e)~~ (d) The personal representative may make, execute, and deliver any conveyances
105.6 or other documents necessary to convey the decedent's life estate or joint tenancy interest
105.7 in the estate that are necessary to liquidate and reduce to cash the decedent's interest or
105.8 for any other purposes.

105.9 ~~(f)~~ (e) Subject to administration, all costs, including reasonable attorney fees,
105.10 directly and immediately related to liquidating the decedent's life estate or joint tenancy
105.11 interest in the decedent's estate, shall be paid from the gross proceeds of the liquidation
105.12 allocable to the decedent's interest and the net proceeds shall be turned over to the personal
105.13 representative and applied to payment of the claim presented under this section.

105.14 ~~(g)~~ (f) The personal representative shall bring a motion in the district court in which
105.15 the estate is being probated to compel the remaindermen or surviving joint tenants to
105.16 account for and deliver to the personal representative all or any part of the proceeds of any
105.17 sale, mortgage, transfer, conveyance, or any disposition of real property allocable to the
105.18 decedent's life estate or joint tenancy interest in the decedent's estate, and do everything
105.19 necessary to liquidate and reduce to cash the decedent's interest and turn the proceeds of
105.20 the sale or other disposition over to the personal representative. The court may grant any
105.21 legal or equitable relief including, but not limited to, ordering a partition of real estate
105.22 under chapter 558 necessary to make the value of the decedent's life estate or joint tenancy
105.23 interest available to the estate for payment of a claim under this section.

105.24 ~~(h)~~ (g) Subject to administration, the personal representative shall use all of the cash
105.25 or proceeds of interests to pay an allowable claim under this section. The remaindermen
105.26 or surviving joint tenants and their spouses, if any, may enter into a written agreement
105.27 with the personal representative or the claimant to settle and satisfy obligations imposed at
105.28 any time before or after a claim is filed.

105.29 ~~(i)~~ (h) The personal representative may, at their discretion, provide any or all of the
105.30 other owners, remaindermen, or surviving joint tenants with an affidavit terminating the
105.31 decedent's estate's interest in real property the decedent owned as a life tenant or as a joint
105.32 tenant with others, if the personal representative determines in good faith that neither the
105.33 decedent nor any of the decedent's predeceased spouses received any medical assistance
105.34 for which a claim could be filed under this section, or if the personal representative has
105.35 filed an affidavit with the court that the estate has other assets sufficient to pay a claim, as
105.36 presented, or if there is a written agreement under paragraph ~~(h)~~ (g), or if the claim, as

allowed, has been paid in full or to the full extent of the assets the estate has available to pay it. The affidavit may be recorded in the office of the county recorder or filed in the Office of the Registrar of Titles for the county in which the real property is located. Except as provided in section 514.981, subdivision 6, when recorded or filed, the affidavit shall terminate the decedent's interest in real estate the decedent owned as a life tenant or a joint tenant with others. The affidavit shall:

- (1) be signed by the personal representative;
- (2) identify the decedent and the interest being terminated;
- (3) give recording information sufficient to identify the instrument that created the interest in real property being terminated;
- (4) legally describe the affected real property;
- (5) state that the personal representative has determined that neither the decedent nor any of the decedent's predeceased spouses received any medical assistance for which a claim could be filed under this section;
- (6) state that the decedent's estate has other assets sufficient to pay the claim, as presented, or that there is a written agreement between the personal representative and the claimant and the other owners or remaindermen or other joint tenants to satisfy the obligations imposed under this subdivision; and
- (7) state that the affidavit is being given to terminate the estate's interest under this subdivision, and any other contents as may be appropriate.

The recorder or registrar of titles shall accept the affidavit for recording or filing. The affidavit shall be effective as provided in this section and shall constitute notice even if it does not include recording information sufficient to identify the instrument creating the interest it terminates. The affidavit shall be conclusive evidence of the stated facts.

~~(f)~~ (i) The holder of a lien arising under subdivision 1c shall release the lien at the holder's expense against an interest terminated under paragraph ~~(h)~~ (g) to the extent of the termination.

~~(k)~~ (j) If a lien arising under subdivision 1c is not released under paragraph ~~(f)~~ (i), prior to closing the estate, the personal representative shall deed the interest subject to the lien to the remaindermen or surviving joint tenants as their interests may appear. Upon recording or filing, the deed shall work a merger of the recipient's life estate or joint tenancy interest, subject to the lien, into the remainder interest or interest the decedent and others owned jointly. The lien shall attach to and run with the property to the extent of the decedent's interest at the time of the decedent's death.

Sec. 33. Minnesota Statutes 2008, section 256B.15, subdivision 2, is amended to read:

Subd. 2. **Limitations on claims.** The claim shall include only the total amount of medical assistance rendered after age 55 or during a period of institutionalization described in subdivision 1a, ~~clause (b)~~ paragraph (e), and the total amount of general assistance medical care rendered, and shall not include interest. Claims that have been allowed but not paid shall bear interest according to section 524.3-806, paragraph (d). A claim against the estate of a surviving spouse who did not receive medical assistance, for medical assistance rendered for the predeceased spouse, shall be payable from the full value of all of the predeceased spouse's assets and interests which are part of the surviving spouse's estate under subdivisions 1a and 2b. Recovery of medical assistance expenses in the nonrecipient surviving spouse's estate is limited to the value of the assets of the estate that were marital property or jointly owned property at any time during the marriage. The claim is not payable from the value of assets or proceeds of assets in the estate attributable to a predeceased spouse whom the individual married after the death of the predeceased recipient spouse for whom the claim is filed or from assets and the proceeds of assets in the estate which the nonrecipient decedent spouse acquired with assets which were not marital property or jointly owned property after the death of the predeceased recipient spouse. Claims for alternative care shall be net of all premiums paid under section 256B.0913, subdivision 12, on or after July 1, 2003, and shall be limited to services provided on or after July 1, 2003. Claims against marital property shall be limited to claims against recipients who died on or after July 1, 2009.

Sec. 34. Minnesota Statutes 2008, section 256B.15, is amended by adding a subdivision to read:

Subd. 2b. **Controlling provisions.** (a) For purposes of this subdivision and subdivisions 1a and 2, paragraphs (b) to (d) apply.

(b) At the time of death of a recipient spouse and solely for purpose of recovery of medical assistance benefits received, a predeceased recipient spouse shall have a legal title or interest in the undivided whole of all of the property which the recipient and the recipient's surviving spouse owned jointly or which was marital property at any time during their marriage regardless of the form of ownership and regardless of whether it was owned or titled in the names of one or both the recipient and the recipient's spouse. Title and interest in the property of a predeceased recipient spouse shall not end or extinguish upon the person's death and shall continue for the purpose of allowing recovery of medical assistance in the estate of the surviving spouse. Upon the death of the predeceased recipient spouse, title and interest in the predeceased spouse's property shall vest in the surviving spouse by operation of law and without the necessity for any

108.1 probate or decree of descent proceedings and shall continue to exist after the death of the
108.2 predeceased spouse and the surviving spouse to permit recovery of medical assistance.
108.3 The recipient spouse and the surviving spouse of a deceased recipient spouse shall not
108.4 encumber, disclaim, transfer, alienate, hypothecate, or otherwise divest themselves of
108.5 these interests before or upon death.

108.6 (c) For purposes of this section, "marital property" includes any and all real or
108.7 personal property of any kind or interests in such property the predeceased recipient
108.8 spouse and their spouse, or either of them, owned at the time of their marriage to each
108.9 other or acquired during their marriage regardless of whether it was owned or titled in
108.10 the names of one or both of them. If either or both spouses of a married couple received
108.11 medical assistance, all property owned during the marriage or which either or both spouses
108.12 acquired during their marriage shall be presumed to be marital property for purposes of
108.13 recovering medical assistance unless there is clear and convincing evidence to the contrary.

108.14 (d) The agency responsible for the claim for medical assistance for a recipient spouse
108.15 may, at its discretion, release specific real and personal property from the provisions of
108.16 this section. The release shall extinguish the interest created under paragraph (b) in the
108.17 land it describes upon filing or recording. The release need not be attested, certified, or
108.18 acknowledged as a condition of filing or recording and shall be filed or recorded in the
108.19 office of the county recorder or registrar of titles, as appropriate, in the county where the
108.20 real property is located. The party to whom the release is given shall be responsible for
108.21 paying all fees and costs necessary to record and file the release. If the property described
108.22 in the release is registered property, the registrar of titles shall accept it for recording and
108.23 shall record it on the certificate of title for each parcel of property described in the release.
108.24 If the property described in the release is abstract property, the recorder shall accept it
108.25 for filing and file it in the county's grantor-grantee indexes and any tract index the county
108.26 maintains for each parcel of property described in the release.

108.27 Sec. 35. Minnesota Statutes 2008, section 256B.15, is amended by adding a
108.28 subdivision to read:

108.29 Subd. 9. **Commissioner's intervention.** The commissioner shall be permitted to
108.30 intervene as a party in any proceeding involving recovery of medical assistance upon
108.31 filing a notice of intervention and serving such notice on the other parties.

108.32 Sec. 36. Minnesota Statutes 2008, section 256B.434, is amended by adding a
108.33 subdivision to read:

Subd. 21. **Payment of post-PERA pension benefit costs.** Nursing facilities that convert or converted after September 30, 2006, from public to private ownership shall have a portion of their post-PERA pension costs treated as a component of the historic operating rate. Effective for the rate years beginning on or after October 1, 2009, and prior to October 1, 2016, the commissioner shall determine the pension costs to be included in the facility's base for determining rates under this section by using the following formula: post-privatization pension benefit costs as a percent of salary shall be determined from either the cost report for the first full reporting year after privatization or the most recent report year available, whichever is later. This percentage shall be applied to the salary costs of the alternative payment system base rate year to determine the allowable amount of pension costs. The adjustments provided for in sections 256B.431, 256B.434, 256B.441, and any other law enacted after the base rate year and prior to the year for which rates are being determined shall be applied to the allowable amount. The adjusted allowable amount shall be added to the operating rate effective the first rate year PERA ceases to remain as a pass-through component of the rate.

Sec. 37. Minnesota Statutes 2008, section 256B.69, subdivision 5a, is amended to read:

Subd. 5a. **Managed care contracts.** (a) Managed care contracts under this section and sections 256L.12 and 256D.03, shall be entered into or renewed on a calendar year basis beginning January 1, 1996. Managed care contracts which were in effect on June 30, 1995, and set to renew on July 1, 1995, shall be renewed for the period July 1, 1995 through December 31, 1995 at the same terms that were in effect on June 30, 1995. The commissioner may issue separate contracts with requirements specific to services to medical assistance recipients age 65 and older.

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

(c) Effective for services rendered on or after January 1, 2003, the commissioner shall withhold five percent of managed care plan payments under this section and county-based purchasing plan's payment rate under section 256B.692 for the prepaid medical assistance and general assistance medical care programs pending completion of performance targets. Each performance target must be quantifiable, objective, measurable, and reasonably attainable, except in the case of a performance target based on a federal or state law or rule. Criteria for assessment of each performance target must be outlined in writing prior to the

contract effective date. The managed care plan must demonstrate, to the commissioner's satisfaction, that the data submitted regarding attainment of the performance target is accurate. The commissioner shall periodically change the administrative measures used as performance targets in order to improve plan performance across a broader range of administrative services. The performance targets must include measurement of plan efforts to contain spending on health care services and administrative activities. The commissioner may adopt plan-specific performance targets that take into account factors affecting only one plan, including characteristics of the plan's enrollee population. The withheld funds must be returned no sooner than July of the following year if performance targets in the contract are achieved. The commissioner may exclude special demonstration projects under subdivision 23. ~~A managed care plan or a county-based purchasing plan under section 256B.692 may include as admitted assets under section 62D.044 any amount withheld under this paragraph that is reasonably expected to be returned.~~

(d)(1) Effective for services rendered on or after January 1, 2009, the commissioner shall withhold three percent of managed care plan payments under this section and county-based purchasing plan payments under section 256B.692 for the prepaid medical assistance and general assistance medical care programs. The withheld funds must be returned no sooner than July 1 and no later than July 31 of the following year. The commissioner may exclude special demonstration projects under subdivision 23.

~~(2) A managed care plan or a county-based purchasing plan under section 256B.692 may include as admitted assets under section 62D.044 any amount withheld under this paragraph.~~ The return of the withhold under this paragraph is not subject to the requirements of paragraph (c).

(e) Effective for services rendered on or after January 1, 2010, the commissioner shall include as part of the performance targets described in paragraph (a) a reduction in the health plan's emergency room utilization rate for state health care program enrollees by a measurable rate of five percent from the plan's utilization rate for state health care program enrollees for the previous calendar year.

The withheld funds must be returned no sooner than July 1 and no later than July 31 of the following calendar year if the managed care plan or county-based purchasing plan demonstrates to the satisfaction of the commissioner that a reduction in the utilization rate was achieved.

The withhold described in this paragraph shall continue for each consecutive contract period until the health plan's emergency room utilization rate for state health care program enrollees is reduced by 25 percent of the health plan's emergency room utilization rate for state health care program enrollees for calendar year 2008.

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

111.4 Sec. 38. Minnesota Statutes 2008, section 256B.69, subdivision 5c, is amended to read:

111.5 Subd. 5c. **Medical education and research fund.** (a) Except as provided in
111.6 paragraph (c), the commissioner of human services shall transfer each year to the medical
111.7 education and research fund established under section 62J.692, the following:

111.8 (1) an amount equal to the reduction in the prepaid medical assistance and prepaid
111.9 general assistance medical care payments as specified in this clause. Until January 1,
111.10 2002, the county medical assistance and general assistance medical care capitation base
111.11 rate prior to plan specific adjustments and after the regional rate adjustments under section
111.12 256B.69, subdivision 5b, is reduced 6.3 percent for Hennepin County, two percent for
111.13 the remaining metropolitan counties, and no reduction for nonmetropolitan Minnesota
111.14 counties; and after January 1, 2002, the county medical assistance and general assistance
111.15 medical care capitation base rate prior to plan specific adjustments is reduced 6.3 percent
111.16 for Hennepin County, two percent for the remaining metropolitan counties, and 1.6 percent
111.17 for nonmetropolitan Minnesota counties. Nursing facility and elderly waiver payments
111.18 and demonstration project payments operating under subdivision 23 are excluded from
111.19 this reduction. The amount calculated under this clause shall not be adjusted for periods
111.20 already paid due to subsequent changes to the capitation payments;

111.21 (2) beginning July 1, 2003, ~~\$2,157,000~~ \$4,314,000 from the capitation rates paid
111.22 under this section ~~plus any federal matching funds on this amount;~~

111.23 (3) beginning July 1, 2002, an additional \$12,700,000 from the capitation rates
111.24 paid under this section; and

111.25 (4) beginning July 1, 2003, an additional \$4,700,000 from the capitation rates paid
111.26 under this section.

111.27 (b) This subdivision shall be effective upon approval of a federal waiver which
111.28 allows federal financial participation in the medical education and research fund. Effective
111.29 July 1, 2009, and thereafter, the transfers required by paragraph (a), clauses (1) to (4),
111.30 shall not exceed the total amount transferred for fiscal year 2009. Any excess shall first
111.31 reduce the amounts otherwise required to be transferred under paragraph (a), clauses (2),
111.32 (3), and (4). Any excess following this reduction shall proportionally reduce the transfers
111.33 under paragraph (a), clause (1).

112.1 (c) Effective July 1, 2003, the amount reduced from the prepaid general assistance
112.2 medical care payments under paragraph (a), clause (1), shall be transferred to the general
112.3 fund.

112.4 (d) Beginning July 1, 2009, of the amounts in paragraph (a), the commissioner shall
112.5 transfer \$21,714,000 each fiscal year to the medical education and research fund. The
112.6 balance of the transfers under paragraph (a) shall be transferred to the medical education
112.7 and research fund no earlier than July 1 of the following fiscal year.

112.8 Sec. 39. Minnesota Statutes 2008, section 256B.69, subdivision 5f, is amended to read:

112.9 Subd. 5f. **Capitation rates.** (a) Beginning July 1, 2002, the capitation rates paid
112.10 under this section are increased by \$12,700,000 per year. Beginning July 1, 2003, the
112.11 capitation rates paid under this section are increased by \$4,700,000 per year.

112.12 (b) Beginning July 1, 2009, the capitation rates paid under this section are increased
112.13 each year by the lesser of \$21,714,000 or an amount equal to the difference between the
112.14 estimated value of the reductions described in subdivision 5c, paragraph (a), clause (1),
112.15 and the amount of the limit described in subdivision 5c, paragraph (b).

112.16 Sec. 40. **[256B.695] PAYMENT FOR BASIC CARE SERVICES.**

112.17 Effective service date July 1, 2009, total payments for basic care services, except
112.18 prescription drugs, medical supplies, prosthetics, lab, radiology, medical transportation,
112.19 and services subject to or specifically exempted from section 256B.76, subdivision 1,
112.20 paragraph (c), shall be reduced by 3.0 percent, prior to third-party liability. Payments
112.21 made to managed care and county-based purchasing plans shall be reduced for services
112.22 provided on or after January 1, 2010, to reflect this reduction. The provider fee schedule
112.23 rates or payment rates negotiated by managed care and county-based purchasing plans
112.24 pursuant to sections 256B.69 and 256B.692 for the contract year beginning January 1,
112.25 2009, may not be modified or changed prior to January 1, 2012.

112.26 Sec. 41. Minnesota Statutes 2008, section 256B.76, subdivision 1, is amended to read:

112.27 Subdivision 1. **Physician reimbursement.** (a) Effective for services rendered on
112.28 or after October 1, 1992, the commissioner shall make payments for physician services
112.29 as follows:

112.30 (1) payment for level one Centers for Medicare and Medicaid Services' common
112.31 procedural coding system codes titled "office and other outpatient services," "preventive
112.32 medicine new and established patient," "delivery, antepartum, and postpartum care,"
112.33 "critical care," cesarean delivery and pharmacologic management provided to psychiatric

patients, and level three codes for enhanced services for prenatal high risk, shall be paid at the lower of (i) submitted charges, or (ii) 25 percent above the rate in effect on June 30, 1992. If the rate on any procedure code within these categories is different than the rate that would have been paid under the methodology in section 256B.74, subdivision 2, then the larger rate shall be paid;

(2) payments for all other services shall be paid at the lower of (i) submitted charges, or (ii) 15.4 percent above the rate in effect on June 30, 1992; and

(3) all physician rates shall be converted from the 50th percentile of 1982 to the 50th percentile of 1989, less the percent in aggregate necessary to equal the above increases except that payment rates for home health agency services shall be the rates in effect on September 30, 1992.

(b) Effective for services rendered on or after January 1, 2000, payment rates for physician and professional services shall be increased by three percent over the rates in effect on December 31, 1999, except for home health agency and family planning agency services. The increases in this paragraph shall be implemented January 1, 2000, for managed care.

(c) Effective for services rendered on or after July 1, 2009, payment rates for physician and professional services shall be reduced by three percent over the rates in effect on June 30, 2009, except for office or other outpatient services (procedure codes 99201 to 99215) and preventive medicine services (procedure codes 99381 to 99412) billed by the following primary care specialties: general practitioner, internal medicine, pediatrics, geriatric nurse practitioner, pediatric nurse practitioner, family practice nurse practitioner, adult nurse practitioner, geriatrics, and family practice. The commissioner, effective January 1, 2010, shall reduce capitation rates paid to managed care and county-based purchasing plans under sections 256B.69 and 256B.692 to reflect this payment reduction. The provider fee schedule rates or payment rates negotiated by managed care and county-based purchasing plans pursuant to sections 256B.69 and 256B.692 for the contract year beginning January 1, 2009, may not be modified or changed prior to January 1, 2012.

Sec. 42. Minnesota Statutes 2008, section 256B.76, subdivision 4, is amended to read:

Subd. 4. Critical access dental providers. Effective for dental services rendered on or after January 1, 2002, the commissioner shall increase reimbursements to dentists and dental clinics deemed by the commissioner to be critical access dental providers. For dental services rendered on or after July 1, 2007, the commissioner shall increase reimbursement by 30 percent above the reimbursement rate that would otherwise be paid to

the critical access dental provider. The commissioner shall pay the health plan companies in amounts sufficient to reflect increased reimbursements to critical access dental providers as approved by the commissioner. In determining which dentists and dental clinics shall be deemed critical access dental providers, the commissioner shall review:

(1) the utilization rate in the service area in which the dentist or dental clinic operates for dental services to patients covered by medical assistance, general assistance medical care, or MinnesotaCare as their primary source of coverage;

(2) the level of services provided by the dentist or dental clinic to patients covered by medical assistance, general assistance medical care, or MinnesotaCare as their primary source of coverage; and

(3) whether the level of services provided by the dentist or dental clinic is critical to maintaining adequate levels of patient access within the service area.

In the absence of a critical access dental provider in a service area, the commissioner may designate a dentist or dental clinic as a critical access dental provider if the dentist or dental clinic is willing to provide care to patients covered by medical assistance, general assistance medical care, or MinnesotaCare at a level which significantly increases access to dental care in the service area. The commissioner shall administer this subdivision within the limits of available appropriations.

Sec. 43. Minnesota Statutes 2008, section 256B.76, is amended by adding a subdivision to read:

Subd. 4a. Designation and termination of critical access dental providers. (a)
The commissioner shall not designate an individual dentist or clinic as a critical access dental provider under subdivision 4 or section 256L.11, subdivision 7, when the owner or any dentist employed by or under contract with the practice:

(1) has been subject to a corrective or disciplinary action by the Minnesota Board of Dentistry within the past five years or is currently subject to a corrective or disciplinary action by the board. Designation shall not be made until the provider is no longer subject to a corrective or disciplinary action;

(2) does not bill on a clinic-specific location basis;

(3) has been subject, within the past five years, to a postinvestigation action by the commissioner of human services or contracted health plan when investigating services provided to Minnesota health care program enrollees, including administrative sanctions, monetary recovery, referral to state regulatory agency, referral to the state attorney general or county attorney general, or issuance of a warning as specified in Minnesota Rules, parts 9505.2160 to 9505.2245. Designation shall not be considered until the January of the

year following documentation that the activity that resulted in postinvestigative action has stopped; or

(4) has not completed the application for critical access dental provider designation, has submitted the application after the due date, provided incorrect information, or has knowingly and willfully submitted a fraudulent designation form.

(b) The commissioner shall terminate a critical access designation of an individual dentist or clinic, if the owner or any dentist employed by or under contract with the practice:

(1) becomes subject to a disciplinary or corrective action by the Minnesota Board of Dentistry. The provider shall not be considered for critical access designation until the January following the year in which the action has ended; or

(2) becomes subject to a postinvestigation action by the commissioner of human services or contracted health plan including administrative sanctions, monetary recovery, referral to state regulatory agency, referral to the state attorney general or county attorney general, or issuance of a warning as specified in Minnesota Rules, parts 9505.2160 to 9505.2245. Designation shall not be considered until the January of the year following documentation that the activity that resulted in postinvestigative action has stopped.

(c) Any termination is retroactive to the date of the:

(1) postinvestigative action; or

(2) disciplinary or corrective action by the Minnesota Board of Dentistry.

(d) A provider who has been terminated or not designated may appeal only through the contested hearing process as defined in section 14.02, subdivision 3, by filing with the commissioner a written request of appeal. The appeal request must be received by the commissioner no later than 30 days after notification of termination or nondesignation.

(e) The commissioner may make an exception to paragraph (a), clauses (1) and (3), and paragraph (b), if an action taken by the Minnesota Board of Dentistry, commissioner of human services, or contracted health plan is the result of a onetime event by an individual employed or contracted by a group practice.

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

Sec. 44. Minnesota Statutes 2008, section 256D.03, subdivision 4, is amended to read:

Subd. 4. **General assistance medical care; services.** (a)(i) For a person who is eligible under subdivision 3, paragraph (a), clause (2), item (i), general assistance medical care covers, except as provided in paragraph (c):

(1) inpatient hospital services;

(2) outpatient hospital services;

- 116.1 (3) services provided by Medicare certified rehabilitation agencies;
116.2 (4) prescription drugs and other products recommended through the process
116.3 established in section 256B.0625, subdivision 13;
116.4 (5) equipment necessary to administer insulin and diagnostic supplies and equipment
116.5 for diabetics to monitor blood sugar level;
116.6 (6) eyeglasses and eye examinations provided by a physician or optometrist;
116.7 (7) hearing aids;
116.8 (8) prosthetic devices;
116.9 (9) laboratory and X-ray services;
116.10 (10) physician's services;
116.11 (11) medical transportation except special transportation;
116.12 (12) chiropractic services as covered under the medical assistance program;
116.13 (13) podiatric services;
116.14 (14) dental services as covered under the medical assistance program;
116.15 (15) mental health services covered under chapter 256B;
116.16 (16) prescribed medications for persons who have been diagnosed as mentally ill as
116.17 necessary to prevent more restrictive institutionalization;
116.18 (17) medical supplies and equipment, and Medicare premiums, coinsurance and
116.19 deductible payments;
116.20 (18) medical equipment not specifically listed in this paragraph when the use of
116.21 the equipment will prevent the need for costlier services that are reimbursable under
116.22 this subdivision;
116.23 (19) services performed by a certified pediatric nurse practitioner, a certified family
116.24 nurse practitioner, a certified adult nurse practitioner, a certified obstetric/gynecological
116.25 nurse practitioner, a certified neonatal nurse practitioner, or a certified geriatric nurse
116.26 practitioner in independent practice, if (1) the service is otherwise covered under this
116.27 chapter as a physician service, (2) the service provided on an inpatient basis is not included
116.28 as part of the cost for inpatient services included in the operating payment rate, and (3) the
116.29 service is within the scope of practice of the nurse practitioner's license as a registered
116.30 nurse, as defined in section 148.171;
116.31 (20) services of a certified public health nurse or a registered nurse practicing in
116.32 a public health nursing clinic that is a department of, or that operates under the direct
116.33 authority of, a unit of government, if the service is within the scope of practice of the
116.34 public health nurse's license as a registered nurse, as defined in section 148.171;
116.35 (21) telemedicine consultations, to the extent they are covered under section
116.36 256B.0625, subdivision 3b;

(22) care coordination and patient education services provided by a community health worker according to section 256B.0625, subdivision 49; and

(23) regardless of the number of employees that an enrolled health care provider may have, sign language interpreter services when provided by an enrolled health care provider during the course of providing a direct, person-to-person covered health care service to an enrolled recipient who has a hearing loss and uses interpreting services.

(ii) Effective October 1, 2003, for a person who is eligible under subdivision 3, paragraph (a), clause (2), item (ii), general assistance medical care coverage is limited to inpatient hospital services, including physician services provided during the inpatient hospital stay. A \$1,000 deductible is required for each inpatient hospitalization.

(b) Effective August 1, 2005, sex reassignment surgery is not covered under this subdivision.

(c) In order to contain costs, the commissioner of human services shall select vendors of medical care who can provide the most economical care consistent with high medical standards and shall where possible contract with organizations on a prepaid capitation basis to provide these services. The commissioner shall consider proposals by counties and vendors for prepaid health plans, competitive bidding programs, block grants, or other vendor payment mechanisms designed to provide services in an economical manner or to control utilization, with safeguards to ensure that necessary services are provided. Before implementing prepaid programs in counties with a county operated or affiliated public teaching hospital or a hospital or clinic operated by the University of Minnesota, the commissioner shall consider the risks the prepaid program creates for the hospital and allow the county or hospital the opportunity to participate in the program in a manner that reflects the risk of adverse selection and the nature of the patients served by the hospital, provided the terms of participation in the program are competitive with the terms of other participants considering the nature of the population served. Payment for services provided pursuant to this subdivision shall be as provided to medical assistance vendors of these services under sections 256B.02, subdivision 8, and 256B.0625. For payments made during fiscal year 1990 and later years, the commissioner shall consult with an independent actuary in establishing prepayment rates, but shall retain final control over the rate methodology.

(d) Effective January 1, 2008, drug coverage under general assistance medical care is limited to prescription drugs that:

(i) are covered under the medical assistance program as described in section 256B.0625, subdivisions 13 and 13d; and

118.1 (ii) are provided by manufacturers that have fully executed general assistance
118.2 medical care rebate agreements with the commissioner and comply with the agreements.
118.3 Prescription drug coverage under general assistance medical care must conform to
118.4 coverage under the medical assistance program according to section 256B.0625,
118.5 subdivisions 13 to 13g.

118.6 (e) Recipients eligible under subdivision 3, paragraph (a), shall pay the following
118.7 co-payments for services provided on or after October 1, 2003, and before January 1, 2009:

118.8 (1) \$25 for eyeglasses;

118.9 (2) \$25 for nonemergency visits to a hospital-based emergency room;

118.10 (3) \$3 per brand-name drug prescription and \$1 per generic drug prescription,
118.11 subject to a \$12 per month maximum for prescription drug co-payments. No co-payments
118.12 shall apply to antipsychotic drugs when used for the treatment of mental illness; and

118.13 (4) 50 percent coinsurance on restorative dental services.

118.14 (f) Recipients eligible under subdivision 3, paragraph (a), shall include the following
118.15 co-payments for services provided on or after January 1, 2009:

118.16 (1) \$25 for nonemergency visits to a hospital-based emergency room; and

118.17 (2) \$3 per brand-name drug prescription and \$1 per generic drug prescription,
118.18 subject to a \$7 per month maximum for prescription drug co-payments. No co-payments
118.19 shall apply to antipsychotic drugs when used for the treatment of mental illness.

118.20 (g) MS 2007 Supp [Expired]

118.21 (h) Effective January 1, 2009, co-payments shall be limited to one per day per
118.22 provider for nonemergency visits to a hospital-based emergency room. Recipients of
118.23 general assistance medical care are responsible for all co-payments in this subdivision.
118.24 The general assistance medical care reimbursement to the provider shall be reduced by the
118.25 amount of the co-payment, except that reimbursement for prescription drugs shall not be
118.26 reduced once a recipient has reached the \$7 per month maximum for prescription drug
118.27 co-payments. The provider collects the co-payment from the recipient. Providers may not
118.28 deny services to recipients who are unable to pay the co-payment.

118.29 (i) General assistance medical care reimbursement to fee-for-service providers
118.30 and payments to managed care plans shall not be increased as a result of the removal of
118.31 the co-payments effective January 1, 2009.

118.32 (j) Any county may, from its own resources, provide medical payments for which
118.33 state payments are not made.

118.34 (k) Chemical dependency services that are reimbursed under chapter 254B must not
118.35 be reimbursed under general assistance medical care.

(l) The maximum payment for new vendors enrolled in the general assistance medical care program after the base year shall be determined from the average usual and customary charge of the same vendor type enrolled in the base year.

(m) The conditions of payment for services under this subdivision are the same as the conditions specified in rules adopted under chapter 256B governing the medical assistance program, unless otherwise provided by statute or rule.

(n) Inpatient and outpatient payments shall be reduced by five percent, effective July 1, 2003. This reduction is in addition to the five percent reduction effective July 1, 2003, and incorporated by reference in paragraph (l).

(o) Payments for all other health services except inpatient, outpatient, and pharmacy services shall be reduced by five percent, effective July 1, 2003.

(p) Payments to managed care plans shall be reduced by five percent for services provided on or after October 1, 2003.

(q) A hospital receiving a reduced payment as a result of this section may apply the unpaid balance toward satisfaction of the hospital's bad debts.

(r) Fee-for-service payments for nonpreventive visits shall be reduced by \$3 for services provided on or after January 1, 2006. For purposes of this subdivision, a visit means an episode of service which is required because of a recipient's symptoms, diagnosis, or established illness, and which is delivered in an ambulatory setting by a physician or physician ancillary, chiropractor, podiatrist, advance practice nurse, audiologist, optician, or optometrist.

(s) Payments to managed care plans shall not be increased as a result of the removal of the \$3 nonpreventive visit co-payment effective January 1, 2006.

(t) Payments for mental health services added as covered benefits after December 31, 2007, are not subject to the reductions in paragraphs (l), (n), (o), and (p).

(u) In addition to the reductions in paragraphs (k) and (l), effective service date July 1, 2009, total payments for basic care services, except prescription drugs, medical supplies, prosthetics, lab, radiology, medical transportation, and services subject to or specifically exempted from paragraph (v), shall be reduced by 3.0 percent, prior to third-party liability. Payments made to managed care and county-based purchasing plans shall be reduced for services provided on or after January 1, 2010, to reflect this reduction. The provider fee schedule rates or payment rates negotiated by managed care and county-based purchasing plans pursuant to sections 256B.69 and 256B.692 for the contract year beginning January 1, 2009, may not be modified or changed prior to January 1, 2012.

(v) Effective for services rendered on or after July 1, 2009, payment rates for physician and professional services shall be reduced by three percent over the rates in

120.1 effect on June 30, 2009, except for office or other outpatient services (procedure codes
120.2 99201 to 99215) and preventive medicine services (procedure codes 99381 to 99412)
120.3 billed by the following primary care specialties: general practitioner, internal medicine,
120.4 pediatrics, geriatric nurse practitioner, pediatric nurse practitioner, family practice nurse
120.5 practitioner, adult nurse practitioner, geriatrics, and family practice. The commissioner,
120.6 effective January 1, 2010, shall reduce capitation rates paid to managed care and
120.7 county-based purchasing plans under paragraph (c) to reflect this payment reduction. The
120.8 provider fee schedule rates or payment rates negotiated by managed care and county-based
120.9 purchasing plans pursuant to sections 256B.69 and 256B.692 for the contract year
120.10 beginning January 1, 2009, may not be modified or changed prior to January 1, 2012.

120.11 Sec. 45. Minnesota Statutes 2008, section 256L.04, subdivision 10a, is amended to
120.12 read:

120.13 Subd. 10a. **Sponsor's income and resources deemed available; documentation.**

120.14 When determining eligibility for any federal or state benefits under sections 256L.01 to
120.15 256L.18, the income and resources of all noncitizens whose sponsor signed an affidavit of
120.16 support as defined under United States Code, title 8, section 1183a, shall be deemed to
120.17 include their sponsors' income and resources as defined in the Personal Responsibility
120.18 and Work Opportunity Reconciliation Act of 1996, title IV, Public Law 104-193, sections
120.19 421 and 422, and subsequently set out in federal rules. To be eligible for the program,
120.20 noncitizens must provide documentation of their immigration status. Beginning July
120.21 1, 2010, or upon federal approval, whichever is later, sponsor deeming does not apply
120.22 to pregnant women and children who are qualified noncitizens, as described in section
120.23 256B.06, subdivision 4, paragraph (b).

120.24 **EFFECTIVE DATE.** This section is effective July 1, 2010, or upon federal
120.25 approval, whichever is later. The commissioner shall notify the revisor of statutes when
120.26 federal approval has been obtained.

120.27 Sec. 46. Minnesota Statutes 2008, section 256L.04, is amended by adding a subdivision
120.28 to read:

120.29 Subd. 14. **Presumptive eligibility.** MinnesotaCare is available during a presumptive
120.30 period of eligibility, for children who appear to meet the income requirements of
120.31 subdivision 1, on the basis of preliminary information. The presumptive period begins
120.32 on the first day of the month following the date on which presumptive eligibility is
120.33 determined by the state or local agency. The agency must provide notice of presumptive
120.34 eligibility and information on the procedures for completing the eligibility process. The

121.1 effective date of coverage for children who are determined presumptively eligible is in
121.2 accordance with section 256L.05, subdivision 3. The presumptive period ends on the
121.3 earlier of the date of the determination for MinnesotaCare eligibility, or the last day of
121.4 the month following the month the presumptive eligibility period begins if a complete
121.5 application with requested verifications is not submitted by that date. Applicants and
121.6 enrollees who are denied or terminated for failure to complete an application or provide
121.7 verifications cannot be granted presumptive eligibility again for 12 months.

121.8 **EFFECTIVE DATE.** This section is effective July 1, 2011, or upon federal
121.9 approval, whichever is later.

121.10 Sec. 47. Minnesota Statutes 2008, section 256L.05, subdivision 1, is amended to read:

121.11 Subdivision 1. **Application assistance and information availability.** (a)
121.12 Applications and application assistance must be made available at provider offices, local
121.13 human services agencies, school districts, public and private elementary schools in which
121.14 25 percent or more of the students receive free or reduced price lunches, community health
121.15 offices, Women, Infants and Children (WIC) program sites, Head Start program sites,
121.16 public housing councils, crisis nurseries, child care centers, early childhood education
121.17 and preschool program sites, legal aid offices, and libraries. These sites may accept
121.18 applications and forward the forms to the commissioner or local county human services
121.19 agencies ~~that choose to participate as an enrollment site~~. Otherwise, applicants may apply
121.20 directly to the commissioner or to participating local county human services agencies.

121.21 (b) Application assistance must be available for applicants choosing to file an
121.22 online application.

121.23 (c) The commissioner and local agencies shall assist enrollees in choosing a
121.24 managed care organization by:

121.25 (1) establishing a Web site to provide information about managed care organizations
121.26 and to allow online enrollment;

121.27 (2) making applications and information on managed care organizations available
121.28 to applicants and enrollees according to Title VI of the Civil Rights Act and federal
121.29 regulations adopted under that law, or any guidance from the United States Department of
121.30 Health and Human Services; and

121.31 (3) making benefit educators available to assist applicants in choosing a managed
121.32 care organization.

121.33 Sec. 48. Minnesota Statutes 2008, section 256L.05, is amended by adding a subdivision
121.34 to read:

Subd. 1c. Open enrollment and streamlined application and enrollment

process. (a) The commissioner and local agencies working in partnership must develop a streamlined and efficient application and enrollment process for medical assistance and MinnesotaCare enrollees that meets the criteria specified in this subdivision.

(b) The commissioners of human services and education shall provide recommendations to the legislature by January 15, 2010, on the creation of an open enrollment process for medical assistance and MinnesotaCare that is coordinated with the public education system. The recommendations must:

(1) be developed in consultation with medical assistance and MinnesotaCare enrollees and representatives from organizations that advocate on behalf of children and families, low-income persons and minority populations, counties, school administrators and nurses, health plans, and health care providers;

(2) be based on enrollment and renewal procedures best practices, including express lane eligibility as required under subdivision 1d;

(3) simplify the enrollment and renewal processes wherever possible; and

(4) establish a process:

(i) to disseminate information on medical assistance and MinnesotaCare to all children in the public education system, including prekindergarten programs; and

(ii) for the commissioner of human services to enroll children and other household members who are eligible.

The commissioner of human services in coordination with the commissioner of education shall implement an open enrollment process by August 1, 2010, to be effective beginning with the 2010-2011 school year.

(c) The commissioner and local agencies shall develop an online application process for medical assistance and MinnesotaCare.

(d) The commissioner shall develop an application that is easily understandable and does not exceed four pages in length.

(e) The commissioner of human services shall present to the legislature, by January 15, 2010, an implementation plan for the open enrollment period and online application process.

EFFECTIVE DATE. This section is effective July 1, 2010, or upon federal approval, which must be requested by the commissioner, whichever is later.

Sec. 49. Minnesota Statutes 2008, section 256L.05, is amended by adding a subdivision to read:

123.1 Subd. 1d. **Express lane eligibility.** (a) Children who complete an application
123.2 for educational benefits and indicate an interest in enrolling in medical assistance or
123.3 MinnesotaCare on the application form shall have the form considered an application
123.4 for those programs.

123.5 (b) The commissioner of education shall forward electronically the information for
123.6 families who are eligible for educational benefits to the commissioner of human services
123.7 as required under section 124D.1115.

123.8 (c) The commissioner of human services shall accept the income determination
123.9 made by the commissioner of education in administering the free and reduced-price school
123.10 lunch program as proof of income for medical assistance and MinnesotaCare eligibility
123.11 until renewal. Within 30 days of receipt of information provided by the commissioner of
123.12 education under paragraph (d), the commissioner of human services shall:

123.13 (1) enroll all eligible children in the medical assistance or MinnesotaCare programs;
123.14 and

123.15 (2) provide information about medical assistance and MinnesotaCare to other
123.16 household members. The date of application for the medical assistance and MinnesotaCare
123.17 programs is the date on the signed application for educational benefits.

123.18 **EFFECTIVE DATE.** This section is effective July 1, 2011, or upon federal
123.19 approval, whichever is later.

123.20 Sec. 50. Minnesota Statutes 2008, section 256L.11, subdivision 1, is amended to read:

123.21 Subdivision 1. **Medical assistance rate to be used.** (a) Payment to providers under
123.22 sections 256L.01 to 256L.11 shall be at the same rates and conditions established for
123.23 medical assistance, except as provided in subdivisions 2 to 6.

123.24 (b) Effective service date July 1, 2009, total payments for basic care services, except
123.25 prescription drugs, medical supplies, prosthetics, lab, radiology, medical transportation,
123.26 and services subject to or specifically exempted from paragraph (c), shall be reduced
123.27 by 3.0 percent, prior to third-party liability. Payments made to managed care and
123.28 county-based purchasing plans shall be reduced for services provided on or after January
123.29 1, 2010, to reflect this reduction. The provider fee schedule rates or payment rates
123.30 negotiated by managed care and county-based purchasing plans pursuant to sections
123.31 256B.69 and 256B.692 for the contract year beginning January 1, 2009, may not be
123.32 modified or changed prior to January 1, 2012.

123.33 (c) Effective for services rendered on or after July 1, 2009, payment rates for
123.34 physician and professional services shall be reduced by three percent over the rates in
123.35 effect on June 30, 2009, except for office or other outpatient services (procedure codes

124.1 99201 to 99215) and preventive medicine services (procedure codes 99381 to 99412)
124.2 billed by the following primary care specialties: general practitioner, internal medicine,
124.3 pediatrics, geriatric nurse practitioner, pediatric nurse practitioner, family practice nurse
124.4 practitioner, adult nurse practitioner, geriatrics, and family practice. The commissioner,
124.5 effective January 1, 2010, shall reduce capitation rates paid to managed care and
124.6 county-based purchasing plans under section 256L.12 to reflect this payment reduction.
124.7 The provider fee schedule rates or payment rates negotiated by managed care and
124.8 county-based purchasing plans pursuant to sections 256B.69 and 256B.692 for the contract
124.9 year beginning January 1, 2009, may not be modified or changed prior to January 1, 2012.

124.10 Sec. 51. Minnesota Statutes 2008, section 256L.11, subdivision 7, is amended to read:

124.11 Subd. 7. **Critical access dental providers.** Effective for dental services provided
124.12 to MinnesotaCare enrollees on or after January 1, ~~2007~~ 2010, the commissioner shall
124.13 increase payment rates to dentists and dental clinics deemed by the commissioner to be
124.14 critical access providers under section 256B.76, ~~subdivision 4~~ subdivisions 4 and 4a, by
124.15 ~~50~~ 30 percent above the payment rate that would otherwise be paid to the provider. The
124.16 commissioner shall pay the prepaid health plans under contract with the commissioner
124.17 amounts sufficient to reflect this rate increase. The prepaid health plan must pass this rate
124.18 increase to providers who have been identified by the commissioner as critical access
124.19 dental providers under section 256B.76, subdivision 4. The commissioner shall administer
124.20 this subdivision within the limits of available appropriations.

124.21 Sec. 52. Minnesota Statutes 2008, section 256L.12, subdivision 9, is amended to read:

124.22 Subd. 9. **Rate setting; performance withholds.** (a) Rates will be prospective,
124.23 per capita, where possible. The commissioner may allow health plans to arrange for
124.24 inpatient hospital services on a risk or nonrisk basis. The commissioner shall consult with
124.25 an independent actuary to determine appropriate rates.

124.26 ~~(b) For services rendered on or after January 1, 2003, to December 31, 2003, the~~
124.27 ~~commissioner shall withhold .5 percent of managed care plan payments under this section~~
124.28 ~~pending completion of performance targets. The withheld funds must be returned no~~
124.29 ~~sooner than July 1 and no later than July 31 of the following year if performance targets~~
124.30 ~~in the contract are achieved. A managed care plan may include as admitted assets under~~
124.31 ~~section 62D.044 any amount withheld under this paragraph that is reasonably expected~~
124.32 ~~to be returned.~~

124.33 ~~(c)~~ (b) For services rendered on or after January 1, 2004, the commissioner shall
124.34 withhold five percent of managed care plan payments and county-based purchasing

plan payments under this section pending completion of performance targets. Each performance target must be quantifiable, objective, measurable, and reasonably attainable, except in the case of a performance target based on a federal or state law or rule. Criteria for assessment of each performance target must be outlined in writing prior to the contract effective date. The managed care plan must demonstrate, to the commissioner's satisfaction, that the data submitted regarding attainment of the performance target is accurate. The commissioner shall periodically change the administrative measures used as performance targets in order to improve plan performance across a broader range of administrative services. The performance targets must include measurement of plan efforts to contain spending on health care services and administrative activities. The commissioner may adopt plan-specific performance targets that take into account factors affecting only one plan, such as characteristics of the plan's enrollee population. The withheld funds must be returned no sooner than July 1 and no later than July 31 of the following calendar year if performance targets in the contract are achieved. ~~A managed care plan or a county-based purchasing plan under section 256B.692 may include as admitted assets under section 62D.044 any amount withheld under this paragraph that is reasonably expected to be returned.~~

(c) Effective for services rendered on or after January 1, 2010, the commissioner shall include as part of the performance targets described in paragraph (b) a reduction in the plan's emergency room utilization rate for state health care program enrollees by a measurable rate of five percent from the plan's utilization rate for the previous calendar year.

The withheld funds must be returned no sooner than July 1 and no later than July 31 of the following calendar year if the managed care plan or county-based purchasing plan demonstrates to the satisfaction of the commissioner that a reduction in the utilization rate was achieved.

The withhold described in this paragraph shall continue for each consecutive contract period until the health plan's emergency room utilization rate for state health care program enrollees is reduced by 25 percent of the health plan's emergency room utilization rate for state health care program enrollees for calendar year 2008.

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

Sec. 53. Minnesota Statutes 2008, section 256L.17, subdivision 3, is amended to read:

Subd. 3. **Documentation.** (a) The commissioner of human services shall require individuals and families, at the time of application or renewal, to indicate on a ~~check-off~~ form developed by the commissioner whether they satisfy the MinnesotaCare asset requirement.

(b) The commissioner may require individuals and families to provide any information the commissioner determines necessary to verify compliance with the asset requirement, if the commissioner determines that there is reason to believe that an individual or family has assets that exceed the program limit.

Sec. 54. Minnesota Statutes 2008, section 295.52, is amended by adding a subdivision to read:

Subd. 8. **Contingent reduction in tax rate.** On September 1 of each odd-numbered year, beginning September 1, 2009, the commissioner of Minnesota management and budget shall determine the projected balance of the health care access fund as of the end of the next biennium, based on the most recent February forecast adjusted for any legislative session changes. If the commissioner projects a surplus in the health care access fund as of the end of the next biennium, the commissioner of Minnesota management and budget, in consultation with the commissioner of revenue, shall reduce the tax rates specified in subdivisions 1, 1a, 2, 3, and 4 in one-tenth of one percent increments, making the largest reduction in tax rates consistent with ensuring that the health care access fund retains a surplus as of the end of the next biennium. The reduced tax rates shall take effect on the January 1 that immediately follows the September 1 on which the commissioner determines the projected balance and shall remain in effect for two tax years. The tax rates specified in subdivisions 1, 1a, 2, 3, and 4 shall apply for subsequent tax years, unless the commissioner, based on a determination of the projected balance of the health care access fund made on September 1 of an odd-numbered year, reduces the tax rates. If the commissioner does not project a surplus in the health care access fund as of the end of the next biennium, the tax rates specified in subdivisions 1, 1a, 2, 3, and 4 shall continue to apply. The commissioner of Minnesota management and budget shall publish in the State Register by October 1 of each odd-numbered year the amount of tax to be imposed for the next two calendar years.

Sec. 55. Minnesota Statutes 2008, section 501B.89, is amended by adding a subdivision to read:

Subd. 4. **Annual filing requirement for supplemental needs trusts.** (a) A trustee of a trust under subdivision 3 and United States Code, title 42, section 1396p(d)(4)(A) or

127.1 (C), shall submit to the commissioner of human services, at the time of a beneficiary's
127.2 request for medical assistance, the following information about the trust:

127.3 (1) a copy of the trust instrument; and

127.4 (2) an inventory of the beneficiary's trust account assets and the value of those assets.

127.5 (b) A trustee of a trust under subdivision 3 and United States Code, title 42, section
127.6 1396p(d)(4)(A) or (C), shall submit an accounting of the beneficiary's trust account to the
127.7 commissioner of human services at least annually until the trust, or the beneficiary's
127.8 interest in the trust, terminates. Accountings are due on the anniversary of the execution
127.9 date of the trust unless another annual date is established by the terms of the trust. The
127.10 accounting must include the following information for the accounting period:

127.11 (1) an inventory of trust assets and the value of those assets at the beginning of the
127.12 accounting period;

127.13 (2) additions to the trust during the accounting period and the source of those
127.14 additions;

127.15 (3) itemized distributions from the trust during the accounting period, including the
127.16 purpose of the distributions and to whom the distributions were made;

127.17 (4) an inventory of trust assets and the value of those assets at the end of the
127.18 accounting period; and

127.19 (5) changes to the trust instrument during the accounting period.

127.20 (c) For the purpose of paragraph (b), an accounting period is 12 months unless an
127.21 accounting period of a different length is permitted by the commissioner.

127.22 **EFFECTIVE DATE.** This section is effective for applications for medical
127.23 assistance and renewals of medical assistance submitted on or after July 1, 2009.

127.24 Sec. 56. Minnesota Statutes 2008, section 519.05, is amended to read:

127.25 **519.05 LIABILITY OF HUSBAND AND WIFE.**

127.26 (a) A spouse is not liable to a creditor for any debts of the other spouse. Where
127.27 husband and wife are living together, they shall be jointly and severally liable for
127.28 necessary medical services that have been furnished to either spouse, including any claims
127.29 arising under section 246.53, 256B.15, 256D.16, or 261.04, and necessary household
127.30 articles and supplies furnished to and used by the family. Notwithstanding this paragraph,
127.31 in a proceeding under chapter 518 the court may apportion such debt between the spouses.

127.32 (b) Either spouse may close a credit card account or other unsecured consumer line
127.33 of credit on which both spouses are contractually liable, by giving written notice to the
127.34 creditor.

128.1 Sec. 57. Laws 2003, First Special Session chapter 14, article 13C, section 2, subdivision
128.2 1, as amended by Laws 2004, chapter 272, article 2, section 2, is amended to read:

128.3 Subdivision 1. **Total Appropriation** **\$ 3,848,049,000 \$ 4,135,780,000**

128.4	Summary by Fund		
128.5	General	3,301,811,000	3,561,055,000
128.6	State Government		
128.7	Special Revenue	534,000	534,000
128.8	Health Care Access	273,723,000	302,272,000
128.9	Federal TANF	270,425,000	270,363,000
128.10	Lottery Cash Flow	1,556,000	1,556,000

128.11 **Federal Contingency Appropriation. (a)**
128.12 Federal Medicaid funds made available
128.13 under title IV of the federal Jobs and Growth
128.14 Tax Relief Reconciliation Act of 2003
128.15 are appropriated to the commissioner of
128.16 human services for use in the state's medical
128.17 assistance and MinnesotaCare programs.
128.18 The commissioners of human services and
128.19 finance shall report to the legislative advisory
128.20 committee on the additional federal Medicaid
128.21 matching funds that will be available to the
128.22 state.

128.23 (b) Because of the availability of these funds,
128.24 the following policies shall become effective:

128.25 (1) medical assistance and MinnesotaCare
128.26 eligibility and local financial participation
128.27 changes provided for in this act may be
128.28 implemented prior to September 2, 2003, or
128.29 may be delayed as necessary to maximize
128.30 the use of federal funds received under
128.31 title IV of the Jobs and Growth Tax Relief
128.32 Reconciliation Act of 2003;

128.33 (2) the aggregate cap on the services
128.34 identified in Minnesota Statutes, section
128.35 256L.035, paragraph (a), clause (3), shall
128.36 be increased from \$2,000 to \$5,000. This

129.1 increase shall expire at the end of fiscal year
129.2 2007. Funds may be transferred from the
129.3 general fund to the health care access fund as
129.4 necessary to implement this provision; and
129.5 (3) the following payment shifts shall not be
129.6 implemented:
129.7 (i) MFIP payment shift found in subdivision
129.8 11;
129.9 (ii) the county payment shift found in
129.10 subdivision 1; and
129.11 (iii) the delay in medical assistance
129.12 and general assistance medical care
129.13 fee-for-service payments found in
129.14 subdivision 6.
129.15 (c) Notwithstanding section 14, paragraphs
129.16 (a) and (b) shall expire June 30, 2007.
129.17 **Receipts for Systems Projects.**
129.18 Appropriations and federal receipts for
129.19 information system projects for MAXIS,
129.20 PRISM, MMIS, and SSIS must be deposited
129.21 in the state system account authorized in
129.22 Minnesota Statutes, section 256.014. Money
129.23 appropriated for computer projects approved
129.24 by the Minnesota office of technology,
129.25 funded by the legislature, and approved
129.26 by the commissioner of finance may be
129.27 transferred from one project to another
129.28 and from development to operations as the
129.29 commissioner of human services considers
129.30 necessary. Any unexpended balance in
129.31 the appropriation for these projects does
129.32 not cancel but is available for ongoing
129.33 development and operations.

130.1 **Gifts.** Notwithstanding Minnesota Statutes,
130.2 chapter 7, the commissioner may accept
130.3 on behalf of the state additional funding
130.4 from sources other than state funds for the
130.5 purpose of financing the cost of assistance
130.6 program grants or nongrant administration.
130.7 All additional funding is appropriated to the
130.8 commissioner for use as designated by the
130.9 grantor of funding.

130.10 **Systems Continuity.** In the event of
130.11 disruption of technical systems or computer
130.12 operations, the commissioner may use
130.13 available grant appropriations to ensure
130.14 continuity of payments for maintaining the
130.15 health, safety, and well-being of clients
130.16 served by programs administered by the
130.17 department of human services. Grant funds
130.18 must be used in a manner consistent with the
130.19 original intent of the appropriation.

130.20 **Nonfederal Share Transfers.** The
130.21 nonfederal share of activities for which
130.22 federal administrative reimbursement is
130.23 appropriated to the commissioner may be
130.24 transferred to the special revenue fund.

130.25 **TANF Funds Appropriated to Other**
130.26 **Entities.** Any expenditures from the TANF
130.27 block grant shall be expended in accordance
130.28 with the requirements and limitations of part
130.29 A of title IV of the Social Security Act, as
130.30 amended, and any other applicable federal
130.31 requirement or limitation. Prior to any
130.32 expenditure of these funds, the commissioner
130.33 shall assure that funds are expended in
130.34 compliance with the requirements and
130.35 limitations of federal law and that any

131.1 reporting requirements of federal law are
131.2 met. It shall be the responsibility of any entity
131.3 to which these funds are appropriated to
131.4 implement a memorandum of understanding
131.5 with the commissioner that provides the
131.6 necessary assurance of compliance prior to
131.7 any expenditure of funds. The commissioner
131.8 shall receipt TANF funds appropriated
131.9 to other state agencies and coordinate all
131.10 related interagency accounting transactions
131.11 necessary to implement these appropriations.
131.12 Unexpended TANF funds appropriated to
131.13 any state, local, or nonprofit entity cancel
131.14 at the end of the state fiscal year unless
131.15 appropriating language permits otherwise.

131.16 **TANF Funds Transferred to Other Federal**
131.17 **Grants.** The commissioner must authorize
131.18 transfers from TANF to other federal block
131.19 grants so that funds are available to meet the
131.20 annual expenditure needs as appropriated.
131.21 Transfers may be authorized prior to the
131.22 expenditure year with the agreement of the
131.23 receiving entity. Transferred funds must be
131.24 expended in the year for which the funds
131.25 were appropriated unless appropriation
131.26 language permits otherwise. In accelerating
131.27 transfer authorizations, the commissioner
131.28 must aim to preserve the future potential
131.29 transfer capacity from TANF to other block
131.30 grants.

131.31 **TANF Maintenance of Effort.** (a) In
131.32 order to meet the basic maintenance of
131.33 effort (MOE) requirements of the TANF
131.34 block grant specified under Code of Federal
131.35 Regulations, title 45, section 263.1, the
131.36 commissioner may only report nonfederal

132.1 money expended for allowable activities
132.2 listed in the following clauses as TANF/MOE
132.3 expenditures:
132.4 (1) MFIP cash, diversionary work program,
132.5 and food assistance benefits under Minnesota
132.6 Statutes, chapter 256J;
132.7 (2) the child care assistance programs
132.8 under Minnesota Statutes, sections 119B.03
132.9 and 119B.05, and county child care
132.10 administrative costs under Minnesota
132.11 Statutes, section 119B.15;
132.12 (3) state and county MFIP administrative
132.13 costs under Minnesota Statutes, chapters
132.14 256J and 256K;
132.15 (4) state, county, and tribal MFIP
132.16 employment services under Minnesota
132.17 Statutes, chapters 256J and 256K;
132.18 (5) expenditures made on behalf of
132.19 noncitizen MFIP recipients who qualify
132.20 for the medical assistance without federal
132.21 financial participation program under
132.22 Minnesota Statutes, section 256B.06,
132.23 subdivision 4, paragraphs (d), (e), and (j);
132.24 and
132.25 (6) qualifying working family credit
132.26 expenditures under Minnesota Statutes,
132.27 section 290.0671.
132.28 (b) The commissioner shall ensure that
132.29 sufficient qualified nonfederal expenditures
132.30 are made each year to meet the state's
132.31 TANF/MOE requirements. For the activities
132.32 listed in paragraph (a), clauses (2) to
132.33 (6), the commissioner may only report
132.34 expenditures that are excluded from the

133.1 definition of assistance under Code of
133.2 Federal Regulations, title 45, section 260.31.

133.3 (c) By August 31 of each year, the
133.4 commissioner shall make a preliminary
133.5 calculation to determine the likelihood
133.6 that the state will meet its annual federal
133.7 work participation requirement under Code
133.8 of Federal Regulations, title 45, sections
133.9 261.21 and 261.23, after adjustment for any
133.10 caseload reduction credit under Code of
133.11 Federal Regulations, title 45, section 261.41.
133.12 If the commissioner determines that the
133.13 state will meet its federal work participation
133.14 rate for the federal fiscal year ending that
133.15 September, the commissioner may reduce the
133.16 expenditure under paragraph (a), clause (1),
133.17 to the extent allowed under Code of Federal
133.18 Regulations, title 45, section 263.1(a)(2).

133.19 (d) For fiscal years beginning with state
133.20 fiscal year 2003, the commissioner shall
133.21 assure that the maintenance of effort used
133.22 by the commissioner of finance for the
133.23 February and November forecasts required
133.24 under Minnesota Statutes, section 16A.103,
133.25 contains expenditures under paragraph (a),
133.26 clause (1), equal to at least 25 percent of
133.27 the total required under Code of Federal
133.28 Regulations, title 45, section 263.1.

133.29 (e) If nonfederal expenditures for the
133.30 programs and purposes listed in paragraph
133.31 (a) are insufficient to meet the state's
133.32 TANF/MOE requirements, the commissioner
133.33 shall recommend additional allowable
133.34 sources of nonfederal expenditures to the
133.35 legislature, if the legislature is or will be in

134.1 session to take action to specify additional
134.2 sources of nonfederal expenditures for
134.3 TANF/MOE before a federal penalty is
134.4 imposed. The commissioner shall otherwise
134.5 provide notice to the legislative commission
134.6 on planning and fiscal policy under paragraph
134.7 (g).

134.8 (f) If the commissioner uses authority
134.9 granted under section 11, or similar authority
134.10 granted by a subsequent legislature, to
134.11 meet the state's TANF/MOE requirement
134.12 in a reporting period, the commissioner
134.13 shall inform the chairs of the appropriate
134.14 legislative committees about all transfers
134.15 made under that authority for this purpose.

134.16 (g) If the commissioner determines that
134.17 nonfederal expenditures under paragraph
134.18 (a) are insufficient to meet TANF/MOE
134.19 expenditure requirements, and if the
134.20 legislature is not or will not be in
134.21 session to take timely action to avoid a
134.22 federal penalty, the commissioner may
134.23 report nonfederal expenditures from
134.24 other allowable sources as TANF/MOE
134.25 expenditures after the requirements of this
134.26 paragraph are met. The commissioner
134.27 may report nonfederal expenditures
134.28 in addition to those specified under
134.29 paragraph (a) as nonfederal TANF/MOE
134.30 expenditures, but only ten days after the
134.31 commissioner of finance has first submitted
134.32 the commissioner's recommendations for
134.33 additional allowable sources of nonfederal
134.34 TANF/MOE expenditures to the members of
134.35 the legislative commission on planning and
134.36 fiscal policy for their review.

135.1 (h) The commissioner of finance shall not
135.2 incorporate any changes in federal TANF
135.3 expenditures or nonfederal expenditures for
135.4 TANF/MOE that may result from reporting
135.5 additional allowable sources of nonfederal
135.6 TANF/MOE expenditures under the interim
135.7 procedures in paragraph (g) into the February
135.8 or November forecasts required under
135.9 Minnesota Statutes, section 16A.103, unless
135.10 the commissioner of finance has approved
135.11 the additional sources of expenditures under
135.12 paragraph (g).

135.13 (i) Minnesota Statutes, section 256.011,
135.14 subdivision 3, which requires that federal
135.15 grants or aids secured or obtained under that
135.16 subdivision be used to reduce any direct
135.17 appropriations provided by law, do not apply
135.18 if the grants or aids are federal TANF funds.

135.19 (j) Notwithstanding section 14, paragraph
135.20 (a), clauses (1) to (6), and paragraphs (b) to
135.21 (j) expire June 30, 2007.

135.22 **Working Family Credit Expenditures as**
135.23 **TANF MOE.** The commissioner may claim
135.24 as TANF maintenance of effort up to the
135.25 following amounts of working family credit
135.26 expenditures for the following fiscal years:

- 135.27 (1) fiscal year 2004, \$7,013,000;
135.28 (2) fiscal year 2005, \$25,133,000;
135.29 (3) fiscal year 2006, \$6,942,000; and
135.30 (4) fiscal year 2007, \$6,707,000.

135.31 **Fiscal Year 2003 Appropriations**
135.32 **Carryforward.** Effective the day following
135.33 final enactment, notwithstanding Minnesota
135.34 Statutes, section 16A.28, or any other law to

136.1 the contrary, state agencies and constitutional
136.2 offices may carry forward unexpended
136.3 and unencumbered nongrant operating
136.4 balances from fiscal year 2003 general fund
136.5 appropriations into fiscal year 2004 to offset
136.6 general budget reductions.

136.7 **Transfer of Grant Balances.** Effective
136.8 the day following final enactment, the
136.9 commissioner of human services, with
136.10 the approval of the commissioner of
136.11 finance and after notification of the chair
136.12 of the senate health, human services and
136.13 corrections budget division and the chair
136.14 of the house of representatives health
136.15 and human services finance committee,
136.16 may transfer unencumbered appropriation
136.17 balances for the biennium ending June 30,
136.18 2003, in fiscal year 2003 among the MFIP,
136.19 MFIP child care assistance under Minnesota
136.20 Statutes, section 119B.05, general assistance,
136.21 general assistance medical care, medical
136.22 assistance, Minnesota supplemental aid,
136.23 and group residential housing programs,
136.24 and the entitlement portion of the chemical
136.25 dependency consolidated treatment fund, and
136.26 between fiscal years of the biennium.

136.27 **TANF Appropriation Cancellation.**
136.28 Notwithstanding the provisions of Laws
136.29 2000, chapter 488, article 1, section 16,
136.30 any prior appropriations of TANF funds
136.31 to the department of trade and economic
136.32 development or to the job skills partnership
136.33 board or any transfers of TANF funds from
136.34 another agency to the department of trade
136.35 and economic development or to the job
136.36 skills partnership board are not available

137.1 until expended, and if unobligated as of June
137.2 30, 2003, these appropriations or transfers
137.3 shall cancel to the TANF fund.

137.4 **Shift County Payment.** The commissioner
137.5 shall make up to 100 percent of the
137.6 calendar year 2005 payments to counties for
137.7 developmental disabilities semi-independent
137.8 living services grants, developmental
137.9 disabilities family support grants, and
137.10 adult mental health grants from fiscal year
137.11 2006 appropriations. This is a onetime
137.12 payment shift. Calendar year 2006 and future
137.13 payments for these grants are not affected by
137.14 this shift. This provision expires June 30,
137.15 2006.

137.16 **Capitation Rate Increase.** Of the health care
137.17 access fund appropriations to the University
137.18 of Minnesota in the higher education
137.19 omnibus appropriation bill, ~~\$2,157,000 in~~
137.20 ~~fiscal year 2004 and \$2,157,000 in fiscal year~~
137.21 ~~2005 are to be used to increase the capitation~~
137.22 ~~payments under~~ for fiscal years beginning
137.23 July 1, 2003, and thereafter, \$2,157,000 each
137.24 year shall be transferred to the commissioner
137.25 for purposes of Minnesota Statutes, section
137.26 256B.69. Notwithstanding the provisions of
137.27 section 14, this provision shall not expire.

137.28 Sec. 58. **PROGRAM CONSOLIDATION AND SERVICE DELIVERY.**

137.29 The commissioner of human services shall develop an implementation plan
137.30 to consolidate coverage for families and children under medical assistance and
137.31 MinnesotaCare. The commissioner shall consider coverage for MinnesotaCare enrollees
137.32 with household incomes greater than 200 percent of the federal poverty guidelines using
137.33 health savings accounts or health reimbursement arrangements and major medical plans.
137.34 In developing the plan, the commissioner shall consider the provisions in 2009 session,

138.1 House File 1865 and House File 1935. The commissioner shall present the implementation
138.2 plan and draft legislation to the legislature by January 15, 2010.

138.3 Sec. 59. **INCOME METHODOLOGY.**

138.4 The commissioner of human services shall study approaches toward adopting a
138.5 uniform income methodology for families and children under medical assistance and
138.6 MinnesotaCare. The approaches to be examined by the commissioner must include, but
138.7 are not limited to: (1) replacing the MinnesotaCare gross income standard with a net
138.8 income standard based on the medical assistance families with children methodology; and
138.9 (2) replacing the medical assistance net income standard for families with children with
138.10 the MinnesotaCare gross income standard. The commissioner must evaluate the impact of
138.11 each approach on the number of potential MinnesotaCare and medical assistance enrollees
138.12 who are families and children and on administrative, health care, and other costs to the
138.13 state. The commissioner shall present findings and recommendations to the legislative
138.14 committees with jurisdiction over health care by January 15, 2010.

138.15 Sec. 60. **ADMINISTRATION OF MINNESOTACARE.**

138.16 The commissioner of human services, in cooperation with representatives of
138.17 county human services agencies, shall develop a plan to administer the MinnesotaCare
138.18 program. The plan must require county agencies to administer MinnesotaCare in their
138.19 respective counties under the supervision of the state agency and the commissioner
138.20 of human services. The plan, to the extent feasible, must incorporate procedures and
138.21 requirements that are identical to or consistent with those procedures and requirements
138.22 that apply to county administration of the medical assistance program. The commissioner
138.23 shall present recommendations to the legislative committees with jurisdiction over health
138.24 care by January 15, 2010. The commissioner shall report in detail to the chair of the
138.25 Health Care and Human Services Finance Committee of the house and to the chair of the
138.26 Health and Human Services Division of the Finance Committee of the senate, prior to
138.27 entering into any contracts in involving counties for streamlined electronic enrollment
138.28 and eligibility determinations for state health care programs, if such contracts would
138.29 require payment from either the general fund or the health care access fund, as described
138.30 in sections 295.58 and 297I.05.

138.31 Sec. 61. **FEDERAL APPROVAL.**

139.1 The commissioner of human services shall resubmit for federal approval the
139.2 elimination of depreciation for self-employed farmers in determining income eligibility
139.3 for MinnesotaCare passed in Laws 2007, chapter 147, article 5, section 33.

139.4 Sec. 62. **REPEALER.**

139.5 Minnesota Statutes 2008, section 256.962, subdivision 7, is repealed.

139.6	ARTICLE 7
139.7	TECHNICAL

139.8 Section 1. Minnesota Statutes 2008, section 125A.744, subdivision 3, is amended to
139.9 read:

Subd. 3. **Implementation.** Consistent with section 256B.0625, subdivision 26, school districts may enroll as medical assistance providers or subcontractors and bill the Department of Human Services under the medical assistance fee for service claims processing system for special education services which are covered services under chapter 256B, which are provided in the school setting for a medical assistance recipient, and for whom the district has secured informed consent consistent with section 13.05, subdivision 4, paragraph (d), and section 256B.77, subdivision 2, paragraph (p), to bill for each type of covered service. School districts shall be reimbursed by the commissioner of human services for the federal share of individual education plan health-related services that qualify for reimbursement by medical assistance, minus up to five percent retained by the commissioner of human services for administrative costs, not to exceed \$350,000 per fiscal year. The commissioner may withhold up to five percent of each payment to a school district. Following the end of each fiscal year, the commissioner shall settle up with each school district in order to ensure that collections from each district for departmental administrative costs are made on a pro rata basis according to federal earnings for these services in each district. A school district is not eligible to enroll as a home care provider or a personal care provider organization for purposes of billing home care services under sections 256B.0651 and ~~256B.0653~~ to 256B.0656 and 256B.0659 until the commissioner of human services issues a bulletin instructing county public health nurses on how to assess for the needs of eligible recipients during school hours. To use private duty nursing services or personal care services at school, the recipient or responsible party must provide written authorization in the care plan identifying the chosen provider and the daily amount of services to be used at school.

139.33 Sec. 2. Minnesota Statutes 2008, section 144A.46, subdivision 1, is amended to read:

140.1 Subdivision 1. **License required.** (a) A home care provider may not operate in the
140.2 state without a current license issued by the commissioner of health. A home care provider
140.3 may hold a separate license for each class of home care licensure.

140.4 (b) Within ten days after receiving an application for a license, the commissioner
140.5 shall acknowledge receipt of the application in writing. The acknowledgment must
140.6 indicate whether the application appears to be complete or whether additional information
140.7 is required before the application will be considered complete. Within 90 days after
140.8 receiving a complete application, the commissioner shall either grant or deny the license.
140.9 If an applicant is not granted or denied a license within 90 days after submitting a
140.10 complete application, the license must be deemed granted. An applicant whose license has
140.11 been deemed granted must provide written notice to the commissioner before providing a
140.12 home care service.

140.13 (c) Each application for a home care provider license, or for a renewal of a license,
140.14 shall be accompanied by a fee to be set by the commissioner under section 144.122.

140.15 (d) The commissioner of health, in consultation with the commissioner of human
140.16 services, shall provide recommendations to the legislature by February 15, 2009, for
140.17 provider standards for personal care assistant services as described in section ~~256B.0655~~
140.18 256B.0659.

140.19 Sec. 3. Minnesota Statutes 2008, section 176.011, subdivision 9, is amended to read:

140.20 Subd. 9. **Employee.** "Employee" means any person who performs services for
140.21 another for hire including the following:

140.22 (1) an alien;

140.23 (2) a minor;

140.24 (3) a sheriff, deputy sheriff, police officer, firefighter, county highway engineer, and
140.25 peace officer while engaged in the enforcement of peace or in the pursuit or capture of a
140.26 person charged with or suspected of crime;

140.27 (4) a person requested or commanded to aid an officer in arresting or retaking a
140.28 person who has escaped from lawful custody, or in executing legal process, in which
140.29 cases, for purposes of calculating compensation under this chapter, the daily wage of the
140.30 person shall be the prevailing wage for similar services performed by paid employees;

140.31 (5) a county assessor;

140.32 (6) an elected or appointed official of the state, or of a county, city, town, school
140.33 district, or governmental subdivision in the state. An officer of a political subdivision
140.34 elected or appointed for a regular term of office, or to complete the unexpired portion of a

141.1 regular term, shall be included only after the governing body of the political subdivision
141.2 has adopted an ordinance or resolution to that effect;

141.3 (7) an executive officer of a corporation, except those executive officers excluded
141.4 by section 176.041;

141.5 (8) a voluntary uncompensated worker, other than an inmate, rendering services in
141.6 state institutions under the commissioners of human services and corrections similar to
141.7 those of officers and employees of the institutions, and whose services have been accepted
141.8 or contracted for by the commissioner of human services or corrections as authorized by
141.9 law. In the event of injury or death of the worker, the daily wage of the worker, for the
141.10 purpose of calculating compensation under this chapter, shall be the usual wage paid at
141.11 the time of the injury or death for similar services in institutions where the services are
141.12 performed by paid employees;

141.13 (9) a voluntary uncompensated worker engaged in emergency management as
141.14 defined in section 12.03, subdivision 4, who is:

141.15 (i) registered with the state or any political subdivision of it, according to the
141.16 procedures set forth in the state or political subdivision emergency operations plan; and

141.17 (ii) acting under the direction and control of, and within the scope of duties approved
141.18 by, the state or political subdivision.

141.19 The daily wage of the worker, for the purpose of calculating compensation under this
141.20 chapter, shall be the usual wage paid at the time of the injury or death for similar services
141.21 performed by paid employees;

141.22 (10) a voluntary uncompensated worker participating in a program established by a
141.23 local social services agency. For purposes of this clause, "local social services agency"
141.24 means any agency established under section 393.01. In the event of injury or death of the
141.25 worker, the wage of the worker, for the purpose of calculating compensation under this
141.26 chapter, shall be the usual wage paid in the county at the time of the injury or death for
141.27 similar services performed by paid employees working a normal day and week;

141.28 (11) a voluntary uncompensated worker accepted by the commissioner of natural
141.29 resources who is rendering services as a volunteer pursuant to section 84.089. The daily
141.30 wage of the worker for the purpose of calculating compensation under this chapter, shall
141.31 be the usual wage paid at the time of injury or death for similar services performed by
141.32 paid employees;

141.33 (12) a voluntary uncompensated worker in the building and construction industry
141.34 who renders services for joint labor-management nonprofit community service projects.
141.35 The daily wage of the worker for the purpose of calculating compensation under this

chapter shall be the usual wage paid at the time of injury or death for similar services performed by paid employees;

(13) a member of the military forces, as defined in section 190.05, while in state active service, as defined in section 190.05, subdivision 5a. The daily wage of the member for the purpose of calculating compensation under this chapter shall be based on the member's usual earnings in civil life. If there is no evidence of previous occupation or earning, the trier of fact shall consider the member's earnings as a member of the military forces;

(14) a voluntary uncompensated worker, accepted by the director of the Minnesota Historical Society, rendering services as a volunteer, pursuant to chapter 138. The daily wage of the worker, for the purposes of calculating compensation under this chapter, shall be the usual wage paid at the time of injury or death for similar services performed by paid employees;

(15) a voluntary uncompensated worker, other than a student, who renders services at the Minnesota State Academy for the Deaf or the Minnesota State Academy for the Blind, and whose services have been accepted or contracted for by the commissioner of education, as authorized by law. In the event of injury or death of the worker, the daily wage of the worker, for the purpose of calculating compensation under this chapter, shall be the usual wage paid at the time of the injury or death for similar services performed in institutions by paid employees;

(16) a voluntary uncompensated worker, other than a resident of the veterans home, who renders services at a Minnesota veterans home, and whose services have been accepted or contracted for by the commissioner of veterans affairs, as authorized by law. In the event of injury or death of the worker, the daily wage of the worker, for the purpose of calculating compensation under this chapter, shall be the usual wage paid at the time of the injury or death for similar services performed in institutions by paid employees;

(17) a worker performing services under section ~~256B.0655~~ 256B.0659 for a recipient in the home of the recipient or in the community under section 256B.0625, subdivision 19a, who is paid from government funds through a fiscal intermediary under section ~~256B.0655, subdivision 7~~ 256B.0659, subdivision 33. For purposes of maintaining workers' compensation insurance, the employer of the worker is as designated in law by the commissioner of the Department of Human Services, notwithstanding any other law to the contrary;

(18) students enrolled in and regularly attending the Medical School of the University of Minnesota in the graduate school program or the postgraduate program. The students shall not be considered employees for any other purpose. In the event of the

143.1 student's injury or death, the weekly wage of the student for the purpose of calculating
143.2 compensation under this chapter, shall be the annualized educational stipend awarded to
143.3 the student, divided by 52 weeks. The institution in which the student is enrolled shall
143.4 be considered the "employer" for the limited purpose of determining responsibility for
143.5 paying benefits under this chapter;

143.6 (19) a faculty member of the University of Minnesota employed for an academic
143.7 year is also an employee for the period between that academic year and the succeeding
143.8 academic year if:

143.9 (a) the member has a contract or reasonable assurance of a contract from the
143.10 University of Minnesota for the succeeding academic year; and

143.11 (b) the personal injury for which compensation is sought arises out of and in the
143.12 course of activities related to the faculty member's employment by the University of
143.13 Minnesota;

143.14 (20) a worker who performs volunteer ambulance driver or attendant services is an
143.15 employee of the political subdivision, nonprofit hospital, nonprofit corporation, or other
143.16 entity for which the worker performs the services. The daily wage of the worker for the
143.17 purpose of calculating compensation under this chapter shall be the usual wage paid at the
143.18 time of injury or death for similar services performed by paid employees;

143.19 (21) a voluntary uncompensated worker, accepted by the commissioner of
143.20 administration, rendering services as a volunteer at the Department of Administration. In
143.21 the event of injury or death of the worker, the daily wage of the worker, for the purpose of
143.22 calculating compensation under this chapter, shall be the usual wage paid at the time of the
143.23 injury or death for similar services performed in institutions by paid employees;

143.24 (22) a voluntary uncompensated worker rendering service directly to the Pollution
143.25 Control Agency. The daily wage of the worker for the purpose of calculating compensation
143.26 payable under this chapter is the usual going wage paid at the time of injury or death for
143.27 similar services if the services are performed by paid employees;

143.28 (23) a voluntary uncompensated worker while volunteering services as a first
143.29 responder or as a member of a law enforcement assistance organization while acting
143.30 under the supervision and authority of a political subdivision. The daily wage of the
143.31 worker for the purpose of calculating compensation payable under this chapter is the
143.32 usual going wage paid at the time of injury or death for similar services if the services
143.33 are performed by paid employees;

143.34 (24) a voluntary uncompensated member of the civil air patrol rendering service on
143.35 the request and under the authority of the state or any of its political subdivisions. The
143.36 daily wage of the member for the purposes of calculating compensation payable under this

chapter is the usual going wage paid at the time of injury or death for similar services if the services are performed by paid employees; and

(25) a Minnesota Responds Medical Reserve Corps volunteer, as provided in sections 145A.04 and 145A.06, responding at the request of or engaged in training conducted by the commissioner of health. The daily wage of the volunteer for the purposes of calculating compensation payable under this chapter is established in section 145A.06. A person who qualifies under this clause and who may also qualify under another clause of this subdivision shall receive benefits in accordance with this clause.

If it is difficult to determine the daily wage as provided in this subdivision, the trier of fact may determine the wage upon which the compensation is payable.

Sec. 4. Minnesota Statutes 2008, section 245C.03, subdivision 2, is amended to read:

Subd. 2. **Personal care provider organizations.** The commissioner shall conduct background studies on any individual required under sections 256B.0651 ~~and 256B.0653~~ to 256B.0656 and 256B.0659 to have a background study completed under this chapter.

Sec. 5. Minnesota Statutes 2008, section 245C.04, subdivision 3, is amended to read:

Subd. 3. **Personal care provider organizations.** (a) The commissioner shall conduct a background study of an individual required to be studied under section 245C.03, subdivision 2, at least upon application for initial enrollment under sections 256B.0651 ~~and 256B.0653~~ to 256B.0656 and 256B.0659.

(b) Organizations required to initiate background studies under sections 256B.0651 ~~and 256B.0653~~ to 256B.0656 and 256B.0659 for individuals described in section 245C.03, subdivision 2, must submit a completed background study form to the commissioner before those individuals begin a position allowing direct contact with persons served by the organization.

Sec. 6. Minnesota Statutes 2008, section 245C.10, subdivision 3, is amended to read:

Subd. 3. **Personal care provider organizations.** The commissioner shall recover the cost of background studies initiated by a personal care provider organization under sections 256B.0651 ~~and 256B.0653~~ to 256B.0656 and 256B.0659 through a fee of no more than \$20 per study charged to the organization responsible for submitting the background study form. The fees collected under this subdivision are appropriated to the commissioner for the purpose of conducting background studies.

Sec. 7. Minnesota Statutes 2008, section 256B.04, subdivision 16, is amended to read:

Subd. 16. **Personal care services.** (a) Notwithstanding any contrary language in this paragraph, the commissioner of human services and the commissioner of health shall jointly promulgate rules to be applied to the licensure of personal care services provided under the medical assistance program. The rules shall consider standards for personal care services that are based on the World Institute on Disability's recommendations regarding personal care services. These rules shall at a minimum consider the standards and requirements adopted by the commissioner of health under section 144A.45, which the commissioner of human services determines are applicable to the provision of personal care services, in addition to other standards or modifications which the commissioner of human services determines are appropriate.

The commissioner of human services shall establish an advisory group including personal care consumers and providers to provide advice regarding which standards or modifications should be adopted. The advisory group membership must include not less than 15 members, of which at least 60 percent must be consumers of personal care services and representatives of recipients with various disabilities and diagnoses and ages. At least 51 percent of the members of the advisory group must be recipients of personal care.

The commissioner of human services may contract with the commissioner of health to enforce the jointly promulgated licensure rules for personal care service providers.

Prior to final promulgation of the joint rule the commissioner of human services shall report preliminary findings along with any comments of the advisory group and a plan for monitoring and enforcement by the Department of Health to the legislature by February 15, 1992.

Limits on the extent of personal care services that may be provided to an individual must be based on the cost-effectiveness of the services in relation to the costs of inpatient hospital care, nursing home care, and other available types of care. The rules must provide, at a minimum:

(1) that agencies be selected to contract with or employ and train staff to provide and supervise the provision of personal care services;

(2) that agencies employ or contract with a qualified applicant that a qualified recipient proposes to the agency as the recipient's choice of assistant;

(3) that agencies bill the medical assistance program for a personal care service by a personal care assistant and supervision by a qualified professional supervising the personal care assistant unless the recipient selects the fiscal agent option under section ~~256B.0655, subdivision 7~~ 256B.0659, subdivision 33;

(4) that agencies establish a grievance mechanism; and

(5) that agencies have a quality assurance program.

146.1 (b) The commissioner may waive the requirement for the provision of personal care
146.2 services through an agency in a particular county, when there are less than two agencies
146.3 providing services in that county and shall waive the requirement for personal care
146.4 assistants required to join an agency for the first time during 1993 when personal care
146.5 services are provided under a relative hardship waiver under Minnesota Statutes 1992,
146.6 section 256B.0627, subdivision 4, paragraph (b), clause (7), and at least two agencies
146.7 providing personal care services have refused to employ or contract with the independent
146.8 personal care assistant.

146.9 Sec. 8. Minnesota Statutes 2008, section 256B.055, subdivision 12, is amended to read:

146.10 Subd. 12. **Disabled children.** (a) A person is eligible for medical assistance if the
146.11 person is under age 19 and qualifies as a disabled individual under United States Code,
146.12 title 42, section 1382c(a), and would be eligible for medical assistance under the state
146.13 plan if residing in a medical institution, and the child requires a level of care provided in
146.14 a hospital, nursing facility, or intermediate care facility for persons with developmental
146.15 disabilities, for whom home care is appropriate, provided that the cost to medical
146.16 assistance under this section is not more than the amount that medical assistance would pay
146.17 for if the child resides in an institution. After the child is determined to be eligible under
146.18 this section, the commissioner shall review the child's disability under United States Code,
146.19 title 42, section 1382c(a) and level of care defined under this section no more often than
146.20 annually and may elect, based on the recommendation of health care professionals under
146.21 contract with the state medical review team, to extend the review of disability and level of
146.22 care up to a maximum of four years. The commissioner's decision on the frequency of
146.23 continuing review of disability and level of care is not subject to administrative appeal
146.24 under section 256.045. The county agency shall send a notice of disability review to the
146.25 enrollee six months prior to the date the recertification of disability is due. Nothing in this
146.26 subdivision shall be construed as affecting other redeterminations of medical assistance
146.27 eligibility under this chapter and annual cost-effective reviews under this section.

146.28 (b) For purposes of this subdivision, "hospital" means an institution as defined
146.29 in section 144.696, subdivision 3, 144.55, subdivision 3, or Minnesota Rules, part
146.30 4640.3600, and licensed pursuant to sections 144.50 to 144.58. For purposes of this
146.31 subdivision, a child requires a level of care provided in a hospital if the child is determined
146.32 by the commissioner to need an extensive array of health services, including mental health
146.33 services, for an undetermined period of time, whose health condition requires frequent
146.34 monitoring and treatment by a health care professional or by a person supervised by a
146.35 health care professional, who would reside in a hospital or require frequent hospitalization

if these services were not provided, and the daily care needs are more complex than a nursing facility level of care.

A child with serious emotional disturbance requires a level of care provided in a hospital if the commissioner determines that the individual requires 24-hour supervision because the person exhibits recurrent or frequent suicidal or homicidal ideation or behavior, recurrent or frequent psychosomatic disorders or somatopsychic disorders that may become life threatening, recurrent or frequent severe socially unacceptable behavior associated with psychiatric disorder, ongoing and chronic psychosis or severe, ongoing and chronic developmental problems requiring continuous skilled observation, or severe disabling symptoms for which office-centered outpatient treatment is not adequate, and which overall severely impact the individual's ability to function.

(c) For purposes of this subdivision, "nursing facility" means a facility which provides nursing care as defined in section 144A.01, subdivision 5, licensed pursuant to sections 144A.02 to 144A.10, which is appropriate if a person is in active restorative treatment; is in need of special treatments provided or supervised by a licensed nurse; or has unpredictable episodes of active disease processes requiring immediate judgment by a licensed nurse. For purposes of this subdivision, a child requires the level of care provided in a nursing facility if the child is determined by the commissioner to meet the requirements of the preadmission screening assessment document under section 256B.0911 and the home care independent rating document under section ~~256B.0655~~, ~~subdivision 4, clause (3)~~ 256B.0659, adjusted to address age-appropriate standards for children age 18 and under, pursuant to section ~~256B.0655~~, ~~subdivision 3~~ 256B.0659.

(d) For purposes of this subdivision, "intermediate care facility for persons with developmental disabilities" or "ICF/MR" means a program licensed to provide services to persons with developmental disabilities under section 252.28, and chapter 245A, and a physical plant licensed as a supervised living facility under chapter 144, which together are certified by the Minnesota Department of Health as meeting the standards in Code of Federal Regulations, title 42, part 483, for an intermediate care facility which provides services for persons with developmental disabilities who require 24-hour supervision and active treatment for medical, behavioral, or habilitation needs. For purposes of this subdivision, a child requires a level of care provided in an ICF/MR if the commissioner finds that the child has a developmental disability in accordance with section 256B.092, is in need of a 24-hour plan of care and active treatment similar to persons with developmental disabilities, and there is a reasonable indication that the child will need ICF/MR services.

(e) For purposes of this subdivision, a person requires the level of care provided in a nursing facility if the person requires 24-hour monitoring or supervision and a plan of mental health treatment because of specific symptoms or functional impairments associated with a serious mental illness or disorder diagnosis, which meet severity criteria for mental health established by the commissioner and published in March 1997 as the Minnesota Mental Health Level of Care for Children and Adolescents with Severe Emotional Disorders.

(f) The determination of the level of care needed by the child shall be made by the commissioner based on information supplied to the commissioner by the parent or guardian, the child's physician or physicians, and other professionals as requested by the commissioner. The commissioner shall establish a screening team to conduct the level of care determinations according to this subdivision.

(g) If a child meets the conditions in paragraph (b), (c), (d), or (e), the commissioner must assess the case to determine whether:

(1) the child qualifies as a disabled individual under United States Code, title 42, section 1382c(a), and would be eligible for medical assistance if residing in a medical institution; and

(2) the cost of medical assistance services for the child, if eligible under this subdivision, would not be more than the cost to medical assistance if the child resides in a medical institution to be determined as follows:

(i) for a child who requires a level of care provided in an ICF/MR, the cost of care for the child in an institution shall be determined using the average payment rate established for the regional treatment centers that are certified as ICF's/MR;

(ii) for a child who requires a level of care provided in an inpatient hospital setting according to paragraph (b), cost-effectiveness shall be determined according to Minnesota Rules, part 9505.3520, items F and G; and

(iii) for a child who requires a level of care provided in a nursing facility according to paragraph (c) or (e), cost-effectiveness shall be determined according to Minnesota Rules, part 9505.3040, except that the nursing facility average rate shall be adjusted to reflect rates which would be paid for children under age 16. The commissioner may authorize an amount up to the amount medical assistance would pay for a child referred to the commissioner by the preadmission screening team under section 256B.0911.

(h) Children eligible for medical assistance services under section 256B.055, subdivision 12, as of June 30, 1995, must be screened according to the criteria in this subdivision prior to January 1, 1996. Children found to be ineligible may not be removed from the program until January 1, 1996.

149.1 Sec. 9. Minnesota Statutes 2008, section 256B.0621, subdivision 2, is amended to read:

149.2 Subd. 2. **Targeted case management; definitions.** For purposes of subdivisions 3
149.3 to 10, the following terms have the meanings given them:

149.4 (1) "home care service recipients" means those individuals receiving the following
149.5 services under sections 256B.0651 to 256B.0656 and 256B.0659: skilled nursing visits,
149.6 home health aide visits, private duty nursing, personal care assistants, or therapies
149.7 provided through a home health agency;

149.8 (2) "home care targeted case management" means the provision of targeted case
149.9 management services for the purpose of assisting home care service recipients to gain
149.10 access to needed services and supports so that they may remain in the community;

149.11 (3) "institutions" means hospitals, consistent with Code of Federal Regulations, title
149.12 42, section 440.10; regional treatment center inpatient services, consistent with section
149.13 245.474; nursing facilities; and intermediate care facilities for persons with developmental
149.14 disabilities;

149.15 (4) "relocation targeted case management" includes the provision of both county
149.16 targeted case management and public or private vendor service coordination services
149.17 for the purpose of assisting recipients to gain access to needed services and supports if
149.18 they choose to move from an institution to the community. Relocation targeted case
149.19 management may be provided during the lesser of:

149.20 (i) the last 180 consecutive days of an eligible recipient's institutional stay; or

149.21 (ii) the limits and conditions which apply to federal Medicaid funding for this
149.22 service; and

149.23 (5) "targeted case management" means case management services provided to help
149.24 recipients gain access to needed medical, social, educational, and other services and
149.25 supports.

149.26 Sec. 10. Minnesota Statutes 2008, section 256B.0652, subdivision 3, is amended to
149.27 read:

149.28 Subd. 3. **Assessment and prior authorization process.** Effective January 1, 1996,
149.29 for purposes of providing informed choice, coordinating of local planning decisions, and
149.30 streamlining administrative requirements, the assessment and prior authorization process
149.31 for persons receiving both home care and home and community-based waived services
149.32 for persons with developmental disabilities shall meet the requirements of sections
149.33 256B.0651 ~~and 256B.0653~~ to 256B.0656 and 256B.0659 with the following exceptions:

149.34 (a) Upon request for home care services and subsequent assessment by the public
149.35 health nurse under sections 256B.0651 ~~and 256B.0653~~ to 256B.0656 and 256B.0659,

the public health nurse shall participate in the screening process, as appropriate, and, if home care services are determined to be necessary, participate in the development of a service plan coordinating the need for home care and home and community-based waived services with the assigned county case manager, the recipient of services, and the recipient's legal representative, if any.

(b) The public health nurse shall give prior authorization for home care services to the extent that home care services are:

(1) medically necessary;

(2) chosen by the recipient and their legal representative, if any, from the array of home care and home and community-based waived services available;

(3) coordinated with other services to be received by the recipient as described in the service plan; and

(4) provided within the county's reimbursement limits for home care and home and community-based waived services for persons with developmental disabilities.

(c) If the public health agency is or may be the provider of home care services to the recipient, the public health agency shall provide the commissioner of human services with a written plan that specifies how the assessment and prior authorization process will be held separate and distinct from the provision of services.

Sec. 11. Minnesota Statutes 2008, section 256B.0657, subdivision 2, is amended to read:

Subd. 2. **Eligibility.** (a) The self-directed supports option is available to a person who:

(1) is a recipient of medical assistance as determined under sections 256B.055, 256B.056, and 256B.057, subdivision 9;

(2) is eligible for personal care assistant services under section ~~256B.0655~~ 256B.0659;

(3) lives in the person's own apartment or home, which is not owned, operated, or controlled by a provider of services not related by blood or marriage;

(4) has the ability to hire, fire, supervise, establish staff compensation for, and manage the individuals providing services, and to choose and obtain items, related services, and supports as described in the participant's plan. If the recipient is not able to carry out these functions but has a legal guardian or parent to carry them out, the guardian or parent may fulfill these functions on behalf of the recipient; and

(5) has not been excluded or disenrolled by the commissioner.

151.1 (b) The commissioner may disenroll or exclude recipients, including guardians and
151.2 parents, under the following circumstances:

151.3 (1) recipients who have been restricted by the Primary Care Utilization Review
151.4 Committee may be excluded for a specified time period;

151.5 (2) recipients who exit the self-directed supports option during the recipient's
151.6 service plan year shall not access the self-directed supports option for the remainder of
151.7 that service plan year; and

151.8 (3) when the department determines that the recipient cannot manage recipient
151.9 responsibilities under the program.

151.10 Sec. 12. Minnesota Statutes 2008, section 256B.0657, subdivision 6, is amended to
151.11 read:

151.12 Subd. 6. **Services covered.** (a) Services covered under the self-directed supports
151.13 option include:

151.14 (1) personal care assistant services under section ~~256B.0655~~ 256B.0659; and

151.15 (2) items, related services, and supports, including assistive technology, that increase
151.16 independence or substitute for human assistance to the extent expenditures would
151.17 otherwise be used for human assistance.

151.18 (b) Items, supports, and related services purchased under this option shall not be
151.19 considered home care services for the purposes of section 144A.43.

151.20 Sec. 13. Minnesota Statutes 2008, section 256B.0657, subdivision 8, is amended to
151.21 read:

151.22 Subd. 8. **Self-directed budget requirements.** The budget for the provision of the
151.23 self-directed service option shall be equal to the greater of either:

151.24 (1) the annual amount of personal care assistant services under section ~~256B.0655~~
151.25 256B.0659 that the recipient has used in the most recent 12-month period; or

151.26 (2) the amount determined using the consumer support grant methodology under
151.27 section 256.476, subdivision 11, except that the budget amount shall include the federal
151.28 and nonfederal share of the average service costs.

151.29 Sec. 14. Minnesota Statutes 2008, section 256B.49, subdivision 17, is amended to read:

151.30 Subd. 17. **Cost of services and supports.** (a) The commissioner shall ensure
151.31 that the average per capita expenditures estimated in any fiscal year for home and
151.32 community-based waiver recipients does not exceed the average per capita expenditures

that would have been made to provide institutional services for recipients in the absence of the waiver.

(b) The commissioner shall implement on January 1, 2002, one or more aggregate, need-based methods for allocating to local agencies the home and community-based waived service resources available to support recipients with disabilities in need of the level of care provided in a nursing facility or a hospital. The commissioner shall allocate resources to single counties and county partnerships in a manner that reflects consideration of:

(1) an incentive-based payment process for achieving outcomes;

(2) the need for a state-level risk pool;

(3) the need for retention of management responsibility at the state agency level; and

(4) a phase-in strategy as appropriate.

(c) Until the allocation methods described in paragraph (b) are implemented, the annual allowable reimbursement level of home and community-based waiver services shall be the greater of:

(1) the statewide average payment amount which the recipient is assigned under the waiver reimbursement system in place on June 30, 2001, modified by the percentage of any provider rate increase appropriated for home and community-based services; or

(2) an amount approved by the commissioner based on the recipient's extraordinary needs that cannot be met within the current allowable reimbursement level. The increased reimbursement level must be necessary to allow the recipient to be discharged from an institution or to prevent imminent placement in an institution. The additional reimbursement may be used to secure environmental modifications; assistive technology and equipment; and increased costs for supervision, training, and support services necessary to address the recipient's extraordinary needs. The commissioner may approve an increased reimbursement level for up to one year of the recipient's relocation from an institution or up to six months of a determination that a current waiver recipient is at imminent risk of being placed in an institution.

(d) Beginning July 1, 2001, medically necessary private duty nursing services will be authorized under this section as complex and regular care according to sections ~~256B.0651 and 256B.0653~~ to 256B.0656 and 256B.0659. The rate established by the commissioner for registered nurse or licensed practical nurse services under any home and community-based waiver as of January 1, 2001, shall not be reduced.

Sec. 15. Minnesota Statutes 2008, section 256B.501, subdivision 4a, is amended to read:

153.1 Subd. 4a. **Inclusion of home care costs in waiver rates.** The commissioner
153.2 shall adjust the limits of the established average daily reimbursement rates for waived
153.3 services to include the cost of home care services that may be provided to waived
153.4 services recipients. This adjustment must be used to maintain or increase services and
153.5 shall not be used by county agencies for inflation increases for waived services vendors.
153.6 Home care services referenced in this section are those listed in section 256B.0651,
153.7 subdivision 2. The average daily reimbursement rates established in accordance with
153.8 the provisions of this subdivision apply only to the combined average, daily costs of
153.9 waived and home care services and do not change home care limitations under sections
153.10 256B.0651 ~~and 256B.0653~~ to 256B.0656 ~~and 256B.0659~~. Waivered services recipients
153.11 receiving home care as of June 30, 1992, shall not have the amount of their services
153.12 reduced as a result of this section.

153.13 Sec. 16. Minnesota Statutes 2008, section 256G.02, subdivision 6, is amended to read:

153.14 Subd. 6. **Excluded time.** "Excluded time" means:

153.15 (a) any period an applicant spends in a hospital, sanitarium, nursing home, shelter
153.16 other than an emergency shelter, halfway house, foster home, semi-independent living
153.17 domicile or services program, residential facility offering care, board and lodging facility
153.18 or other institution for the hospitalization or care of human beings, as defined in section
153.19 144.50, 144A.01, or 245A.02, subdivision 14; maternity home, battered women's shelter,
153.20 or correctional facility; or any facility based on an emergency hold under sections
153.21 253B.05, subdivisions 1 and 2, and 253B.07, subdivision 6;

153.22 (b) any period an applicant spends on a placement basis in a training and habilitation
153.23 program, including a rehabilitation facility or work or employment program as defined
153.24 in section 268A.01; or receiving personal care assistant services pursuant to section
153.25 ~~256B.0655, subdivision 2~~ 256B.0659; semi-independent living services provided under
153.26 section 252.275, and Minnesota Rules, parts 9525.0500 to 9525.0660; day training and
153.27 habilitation programs and assisted living services; and

153.28 (c) any placement for a person with an indeterminate commitment, including
153.29 independent living.

153.30 Sec. 17. Minnesota Statutes 2008, section 256I.05, subdivision 1a, is amended to read:

153.31 Subd. 1a. **Supplementary service rates.** (a) Subject to the provisions of section
153.32 256I.04, subdivision 3, the county agency may negotiate a payment not to exceed \$426.37
153.33 for other services necessary to provide room and board provided by the group residence
153.34 if the residence is licensed by or registered by the Department of Health, or licensed by

the Department of Human Services to provide services in addition to room and board, and if the provider of services is not also concurrently receiving funding for services for a recipient under a home and community-based waiver under title XIX of the Social Security Act; or funding from the medical assistance program under section ~~256B.0655~~, ~~subdivision 2~~ 256B.0659, for personal care services for residents in the setting; or residing in a setting which receives funding under Minnesota Rules, parts 9535.2000 to 9535.3000. If funding is available for other necessary services through a home and community-based waiver, or personal care services under section ~~256B.0655~~, ~~subdivision 2~~ 256B.0659, then the GRH rate is limited to the rate set in subdivision 1. Unless otherwise provided in law, in no case may the supplementary service rate exceed \$426.37. The registration and licensure requirement does not apply to establishments which are exempt from state licensure because they are located on Indian reservations and for which the tribe has prescribed health and safety requirements. Service payments under this section may be prohibited under rules to prevent the supplanting of federal funds with state funds. The commissioner shall pursue the feasibility of obtaining the approval of the Secretary of Health and Human Services to provide home and community-based waiver services under title XIX of the Social Security Act for residents who are not eligible for an existing home and community-based waiver due to a primary diagnosis of mental illness or chemical dependency and shall apply for a waiver if it is determined to be cost-effective.

(b) The commissioner is authorized to make cost-neutral transfers from the GRH fund for beds under this section to other funding programs administered by the department after consultation with the county or counties in which the affected beds are located. The commissioner may also make cost-neutral transfers from the GRH fund to county human service agencies for beds permanently removed from the GRH census under a plan submitted by the county agency and approved by the commissioner. The commissioner shall report the amount of any transfers under this provision annually to the legislature.

(c) The provisions of paragraph (b) do not apply to a facility that has its reimbursement rate established under section 256B.431, subdivision 4, paragraph (c).

Sec. 18. Minnesota Statutes 2008, section 256J.45, subdivision 3, is amended to read:

Subd. 3. Good cause exemptions for not attending orientation. (a) The county agency shall not impose the sanction under section 256J.46 if it determines that the participant has good cause for failing to attend orientation. Good cause exists when:

(1) appropriate child care is not available;

(2) the participant is ill or injured;

(3) a family member is ill and needs care by the participant that prevents the participant from attending orientation. For a caregiver with a child or adult in the household who meets the disability or medical criteria for home care services under section ~~256B.0655, subdivision 1~~ 256B.0659, or a home and community-based waiver services program under chapter 256B, or meets the criteria for severe emotional disturbance under section 245.4871, subdivision 6, or for serious and persistent mental illness under section 245.462, subdivision 20, paragraph (c), good cause also exists when an interruption in the provision of those services occurs which prevents the participant from attending orientation;

(4) the caregiver is unable to secure necessary transportation;

(5) the caregiver is in an emergency situation that prevents orientation attendance;

(6) the orientation conflicts with the caregiver's work, training, or school schedule; or

(7) the caregiver documents other verifiable impediments to orientation attendance beyond the caregiver's control.

(b) Counties must work with clients to provide child care and transportation necessary to ensure a caregiver has every opportunity to attend orientation.

Sec. 19. Minnesota Statutes 2008, section 604A.33, subdivision 1, is amended to read:

Subdivision 1. **Application.** This section applies to residential treatment programs for children or group homes for children licensed under chapter 245A, residential services and programs for juveniles licensed under section 241.021, providers licensed pursuant to sections 144A.01 to 144A.33 or sections 144A.43 to 144A.47, personal care provider organizations under section ~~256B.0655, subdivision 1~~ 256B.0659, providers of day training and habilitation services under sections 252.40 to 252.46, board and lodging facilities licensed under chapter 157, intermediate care facilities for persons with developmental disabilities, and other facilities licensed to provide residential services to persons with developmental disabilities.

Sec. 20. Minnesota Statutes 2008, section 609.232, subdivision 11, is amended to read:

Subd. 11. **Vulnerable adult.** "Vulnerable adult" means any person 18 years of age or older who:

(1) is a resident inpatient of a facility;

(2) receives services at or from a facility required to be licensed to serve adults under sections 245A.01 to 245A.15, except that a person receiving outpatient services for treatment of chemical dependency or mental illness, or one who is committed as a sexual

156.1 psychopathic personality or as a sexually dangerous person under chapter 253B, is not
156.2 considered a vulnerable adult unless the person meets the requirements of clause (4);
156.3 (3) receives services from a home care provider required to be licensed under section
156.4 144A.46; or from a person or organization that exclusively offers, provides, or arranges
156.5 for personal care assistant services under the medical assistance program as authorized
156.6 under sections 256B.04, subdivision 16, 256B.0625, subdivision 19a, 256B.0651, ~~and~~
156.7 ~~256B.0653~~ to 256B.0656 and 256B.0659; or
156.8 (4) regardless of residence or whether any type of service is received, possesses a
156.9 physical or mental infirmity or other physical, mental, or emotional dysfunction:
156.10 (i) that impairs the individual's ability to provide adequately for the individual's
156.11 own care without assistance, including the provision of food, shelter, clothing, health
156.12 care, or supervision; and
156.13 (ii) because of the dysfunction or infirmity and the need for assistance, the individual
156.14 has an impaired ability to protect the individual from maltreatment.

156.15 Sec. 21. Minnesota Statutes 2008, section 626.5572, subdivision 6, is amended to read:

156.16 Subd. 6. **Facility.** (a) "Facility" means a hospital or other entity required to be
156.17 licensed under sections 144.50 to 144.58; a nursing home required to be licensed to
156.18 serve adults under section 144A.02; a residential or nonresidential facility required to
156.19 be licensed to serve adults under sections 245A.01 to 245A.16; a home care provider
156.20 licensed or required to be licensed under section 144A.46; a hospice provider licensed
156.21 under sections 144A.75 to 144A.755; or a person or organization that exclusively offers,
156.22 provides, or arranges for personal care assistant services under the medical assistance
156.23 program as authorized under sections 256B.04, subdivision 16, 256B.0625, subdivision
156.24 19a, 256B.0651, ~~and 256B.0653~~ to 256B.0656, and 256B.0659.

156.25 (b) For home care providers and personal care attendants, the term "facility" refers
156.26 to the provider or person or organization that exclusively offers, provides, or arranges for
156.27 personal care services, and does not refer to the client's home or other location at which
156.28 services are rendered.

156.29 Sec. 22. Minnesota Statutes 2008, section 626.5572, subdivision 21, is amended to
156.30 read:

156.31 Subd. 21. **Vulnerable adult.** "Vulnerable adult" means any person 18 years of
156.32 age or older who:

156.33 (1) is a resident or inpatient of a facility;

(2) receives services at or from a facility required to be licensed to serve adults under sections 245A.01 to 245A.15, except that a person receiving outpatient services for treatment of chemical dependency or mental illness, or one who is served in the Minnesota sex offender program on a court-hold order for commitment, or is committed as a sexual psychopathic personality or as a sexually dangerous person under chapter 253B, is not considered a vulnerable adult unless the person meets the requirements of clause (4);

(3) receives services from a home care provider required to be licensed under section 144A.46; or from a person or organization that exclusively offers, provides, or arranges for personal care assistant services under the medical assistance program as authorized under sections 256B.04, subdivision 16, 256B.0625, subdivision 19a, 256B.0651, ~~and~~ 256B.0653 to 256B.0656, and 256B.0659; or

(4) regardless of residence or whether any type of service is received, possesses a physical or mental infirmity or other physical, mental, or emotional dysfunction:

(i) that impairs the individual's ability to provide adequately for the individual's own care without assistance, including the provision of food, shelter, clothing, health care, or supervision; and

(ii) because of the dysfunction or infirmity and the need for assistance, the individual has an impaired ability to protect the individual from maltreatment.

ARTICLE 8

CHEMICAL AND MENTAL HEALTH

Section 1. Minnesota Statutes 2008, section 245.462, subdivision 18, is amended to read:

Subd. 18. **Mental health professional.** "Mental health professional" means a person providing clinical services in the treatment of mental illness who is qualified in at least one of the following ways:

(1) in psychiatric nursing: a registered nurse who is licensed under sections 148.171 to 148.285; and:

(i) who is certified as a clinical specialist or as a nurse practitioner in adult or family psychiatric and mental health nursing by a national nurse certification organization; or

(ii) who has a master's degree in nursing or one of the behavioral sciences or related fields from an accredited college or university or its equivalent, with at least 4,000 hours of post-master's supervised experience in the delivery of clinical services in the treatment of mental illness;

(2) in clinical social work: a person licensed as an independent clinical social worker under chapter 148D, or a person with a master's degree in social work from an accredited

158.1 college or university, with at least 4,000 hours of post-master's supervised experience in
158.2 the delivery of clinical services in the treatment of mental illness;

158.3 (3) in psychology: an individual licensed by the Board of Psychology under sections
158.4 148.88 to 148.98 who has stated to the Board of Psychology competencies in the diagnosis
158.5 and treatment of mental illness;

158.6 (4) in psychiatry: a physician licensed under chapter 147 and certified by the
158.7 American Board of Psychiatry and Neurology or eligible for board certification in
158.8 psychiatry;

158.9 (5) in marriage and family therapy: the mental health professional must be a
158.10 marriage and family therapist licensed under sections 148B.29 to 148B.39 with at least
158.11 two years of post-master's supervised experience in the delivery of clinical services in
158.12 the treatment of mental illness; ~~or~~

158.13 (6) in licensed professional clinical counseling, the mental health professional
158.14 shall be a licensed professional clinical counselor under section 148B.5301 with at least
158.15 4,000 hours of postmaster's supervised experience in the delivery of clinical services in
158.16 the treatment of mental illness; or

158.17 (7) in allied fields: a person with a master's degree from an accredited college or
158.18 university in one of the behavioral sciences or related fields, with at least 4,000 hours of
158.19 post-master's supervised experience in the delivery of clinical services in the treatment of
158.20 mental illness.

158.21 Sec. 2. Minnesota Statutes 2008, section 245.470, subdivision 1, is amended to read:

158.22 Subdivision 1. **Availability of outpatient services.** (a) County boards must provide
158.23 or contract for enough outpatient services within the county to meet the needs of adults
158.24 with mental illness residing in the county. Services may be provided directly by the
158.25 county through county-operated mental health centers or mental health clinics approved
158.26 by the commissioner under section 245.69, subdivision 2; by contract with privately
158.27 operated mental health centers or mental health clinics approved by the commissioner
158.28 under section 245.69, subdivision 2; by contract with hospital mental health outpatient
158.29 programs certified by the Joint Commission on Accreditation of Hospital Organizations;
158.30 or by contract with a licensed mental health professional as defined in section 245.462,
158.31 subdivision 18, clauses (1) to ~~(4)~~ (6). Clients may be required to pay a fee according to
158.32 section 245.481. Outpatient services include:

158.33 (1) conducting diagnostic assessments;

158.34 (2) conducting psychological testing;

158.35 (3) developing or modifying individual treatment plans;

- 159.1 (4) making referrals and recommending placements as appropriate;
- 159.2 (5) treating an adult's mental health needs through therapy;
- 159.3 (6) prescribing and managing medication and evaluating the effectiveness of
- 159.4 prescribed medication; and
- 159.5 (7) preventing placement in settings that are more intensive, costly, or restrictive
- 159.6 than necessary and appropriate to meet client needs.
- 159.7 (b) County boards may request a waiver allowing outpatient services to be provided
- 159.8 in a nearby trade area if it is determined that the client can best be served outside the
- 159.9 county.

159.10 Sec. 3. Minnesota Statutes 2008, section 245.4871, subdivision 27, is amended to read:

159.11 Subd. 27. **Mental health professional.** "Mental health professional" means a

159.12 person providing clinical services in the diagnosis and treatment of children's emotional

159.13 disorders. A mental health professional must have training and experience in working with

159.14 children consistent with the age group to which the mental health professional is assigned.

159.15 A mental health professional must be qualified in at least one of the following ways:

159.16 (1) in psychiatric nursing, the mental health professional must be a registered nurse

159.17 who is licensed under sections 148.171 to 148.285 and who is certified as a clinical

159.18 specialist in child and adolescent psychiatric or mental health nursing by a national nurse

159.19 certification organization or who has a master's degree in nursing or one of the behavioral

159.20 sciences or related fields from an accredited college or university or its equivalent, with

159.21 at least 4,000 hours of post-master's supervised experience in the delivery of clinical

159.22 services in the treatment of mental illness;

159.23 (2) in clinical social work, the mental health professional must be a person licensed

159.24 as an independent clinical social worker under chapter 148D, or a person with a master's

159.25 degree in social work from an accredited college or university, with at least 4,000 hours of

159.26 post-master's supervised experience in the delivery of clinical services in the treatment

159.27 of mental disorders;

159.28 (3) in psychology, the mental health professional must be an individual licensed by

159.29 the board of psychology under sections 148.88 to 148.98 who has stated to the board of

159.30 psychology competencies in the diagnosis and treatment of mental disorders;

159.31 (4) in psychiatry, the mental health professional must be a physician licensed under

159.32 chapter 147 and certified by the American board of psychiatry and neurology or eligible

159.33 for board certification in psychiatry;

159.34 (5) in marriage and family therapy, the mental health professional must be a

159.35 marriage and family therapist licensed under sections 148B.29 to 148B.39 with at least

160.1 two years of post-master's supervised experience in the delivery of clinical services in the
160.2 treatment of mental disorders or emotional disturbances; ~~or~~

160.3 (6) in licensed professional clinical counseling, the mental health professional shall
160.4 be a licensed professional clinical counselor under section 148B.5301 with at least 4,000
160.5 hours of postmaster's supervised experience in the delivery of clinical services in the
160.6 treatment of mental disorders or emotional disturbances; or

160.7 (7) in allied fields, the mental health professional must be a person with a master's
160.8 degree from an accredited college or university in one of the behavioral sciences or related
160.9 fields, with at least 4,000 hours of post-master's supervised experience in the delivery of
160.10 clinical services in the treatment of emotional disturbances.

160.11 Sec. 4. Minnesota Statutes 2008, section 245.488, subdivision 1, is amended to read:

160.12 Subdivision 1. **Availability of outpatient services.** (a) County boards must provide
160.13 or contract for enough outpatient services within the county to meet the needs of each
160.14 child with emotional disturbance residing in the county and the child's family. Services
160.15 may be provided directly by the county through county-operated mental health centers or
160.16 mental health clinics approved by the commissioner under section 245.69, subdivision 2;
160.17 by contract with privately operated mental health centers or mental health clinics approved
160.18 by the commissioner under section 245.69, subdivision 2; by contract with hospital
160.19 mental health outpatient programs certified by the Joint Commission on Accreditation
160.20 of Hospital Organizations; or by contract with a licensed mental health professional as
160.21 defined in section 245.4871, subdivision 27, clauses (1) to ~~(4)~~ (6). A child or a child's
160.22 parent may be required to pay a fee based in accordance with section 245.481. Outpatient
160.23 services include:

- 160.24 (1) conducting diagnostic assessments;
160.25 (2) conducting psychological testing;
160.26 (3) developing or modifying individual treatment plans;
160.27 (4) making referrals and recommending placements as appropriate;
160.28 (5) treating the child's mental health needs through therapy; and
160.29 (6) prescribing and managing medication and evaluating the effectiveness of
160.30 prescribed medication.

160.31 (b) County boards may request a waiver allowing outpatient services to be provided
160.32 in a nearby trade area if it is determined that the child requires necessary and appropriate
160.33 services that are only available outside the county.

160.34 (c) Outpatient services offered by the county board to prevent placement must be at
160.35 the level of treatment appropriate to the child's diagnostic assessment.

Sec. 5. Minnesota Statutes 2008, section 245.4885, subdivision 1, is amended to read:

Subdivision 1. **Admission criteria.** ~~The county board shall, (a) Prior to admission, except in the case of emergency admission, determine the needed level of care for all children referred for treatment of severe emotional disturbance in a treatment foster care setting, residential treatment facility, or informally admitted to a regional treatment center shall undergo an assessment to determine the appropriate level of care if public funds are used to pay for the services. The county board shall also determine the needed level of care for all children admitted to an acute care hospital for treatment of severe emotional disturbance if public funds other than reimbursement under chapters 256B and 256D are used to pay for the services.~~

(b) The county board shall determine the appropriate level of care when county-controlled funds are used to pay for the services. When the child is enrolled in a prepaid health program under section 256B.69, the enrolled child's contracted health plan must determine the appropriate level of care. When the child is an Indian tribal member seeking placement through the tribe in a tribally operated or contracted facility, the tribe must determine the appropriate level of care. When more than one entity bears responsibility for coverage, the entities shall coordinate level of care determination activities to the extent possible.

(c) The level of care determination shall determine whether the proposed treatment:
(1) is necessary;
(2) is appropriate to the child's individual treatment needs;
(3) cannot be effectively provided in the child's home; and
(4) provides a length of stay as short as possible consistent with the individual child's need.

(d) When a level of care determination is conducted, the ~~county board~~ responsible entity may not determine that referral or admission to a treatment foster care setting, or residential treatment facility, ~~or acute care hospital~~ is not appropriate solely because services were not first provided to the child in a less restrictive setting and the child failed to make progress toward or meet treatment goals in the less restrictive setting. The level of care determination must be based on a diagnostic assessment that includes a functional assessment which evaluates family, school, and community living situations; and an assessment of the child's need for care out of the home using a validated tool which assesses a child's functional status and assigns an appropriate level of care. The validated tool must be approved by the commissioner of human services. If a diagnostic assessment including a functional assessment has been completed by a mental health professional within the past 180 days, a new diagnostic assessment need not be completed unless in the

162.1 opinion of the current treating mental health professional the child's mental health status
162.2 has changed markedly since the assessment was completed. The child's parent shall be
162.3 notified if an assessment will not be completed and of the reasons. A copy of the notice
162.4 shall be placed in the child's file. Recommendations developed as part of the level of care
162.5 determination process shall include specific community services needed by the child and,
162.6 if appropriate, the child's family, and shall indicate whether or not these services are
162.7 available and accessible to the child and family.

162.8 During the level of care determination process, the child, child's family, or child's
162.9 legal representative, as appropriate, must be informed of the child's eligibility for case
162.10 management services and family community support services and that an individual
162.11 family community support plan is being developed by the case manager, if assigned.

162.12 The level of care determination shall comply with section 260C.212. ~~Wherever~~
162.13 ~~possible,~~ The parent shall be consulted in the process, unless clinically inappropriate
162.14 detrimental to the child.

162.15 The level of care determination, and placement decision, and recommendations for
162.16 mental health services must be documented in the child's record.

162.17 ~~An alternate review process may be approved by the commissioner if the county~~
162.18 ~~board demonstrates that an alternate review process has been established by the county~~
162.19 ~~board and the times of review, persons responsible for the review, and review criteria are~~
162.20 ~~comparable to the standards in clauses (1) to (4).~~

162.21 Sec. 6. Minnesota Statutes 2008, section 254A.02, is amended by adding a subdivision
162.22 to read:

162.23 Subd. 8a. **Placing authority.** "Placing authority" means a county, prepaid health
162.24 plan, or tribal governing board governed by Minnesota Rules, parts 9530.6600 to
162.25 9530.6655.

162.26 Sec. 7. Minnesota Statutes 2008, section 254A.16, is amended by adding a subdivision
162.27 to read:

162.28 Subd. 6. **Monitoring.** The commissioner shall gather and placing authorities shall
162.29 provide information to measure compliance with Minnesota Rules, parts 9530.6600 to
162.30 9530.6655. The commissioner shall specify the format for data collection to facilitate
162.31 tracking, aggregating, and using the information.

162.32 Sec. 8. Minnesota Statutes 2008, section 254B.03, subdivision 1, is amended to read:

Subdivision 1. **Local agency duties.** (a) Every local agency shall provide chemical dependency services to persons residing within its jurisdiction who meet criteria established by the commissioner for placement in a chemical dependency residential or nonresidential treatment service. Chemical dependency money must be administered by the local agencies according to law and rules adopted by the commissioner under sections 14.001 to 14.69.

(b) In order to contain costs, ~~the county board shall, with the approval of the~~ commissioner of human services, shall select eligible vendors of chemical dependency services who can provide economical and appropriate treatment. Unless the local agency is a social services department directly administered by a county or human services board, the local agency shall not be an eligible vendor under section 254B.05. The commissioner may approve proposals from county boards to provide services in an economical manner or to control utilization, with safeguards to ensure that necessary services are provided. If a county implements a demonstration or experimental medical services funding plan, the commissioner shall transfer the money as appropriate. ~~If a county selects a vendor located in another state, the county shall ensure that the vendor is in compliance with the rules governing licensure of programs located in the state.~~

(c) A culturally specific vendor that provides assessments under a variance under Minnesota Rules, part 9530.6610, shall be allowed to provide assessment services to persons not covered by the variance.

EFFECTIVE DATE. This section is effective July 1, 2011.

Sec. 9. Minnesota Statutes 2008, section 254B.03, subdivision 3, is amended to read:

Subd. 3. **Local agencies to pay state for county share.** Local agencies shall pay the state for the county share of the services authorized by the local agency, except when the payment is made according to section 254B.09, subdivision 8.

Sec. 10. Minnesota Statutes 2008, section 254B.03, is amended by adding a subdivision to read:

Subd. 9. Commissioner to select vendors and set rates. (a) Effective July 1, 2011, the commissioner shall:

- (1) enter into agreements with eligible vendors that:
 - (i) meet the standards in section 254B.05, subdivision 1;
 - (ii) have good standing in all applicable licensure; and
 - (iii) have a current approved provider agreement as a Minnesota health care program provider; and

164.1 (2) set rates for services reimbursed under this chapter.

164.2 (b) When setting rates, the commissioner shall consider the complexity and the
164.3 acuity of the problems presented by the client.

164.4 (c) When rates set under this section and rates set under section 254B.09, subdivision
164.5 8, apply to the same treatment placement, section 254B.09, subdivision 8, supersedes.

164.6 Sec. 11. Minnesota Statutes 2008, section 254B.05, subdivision 1, is amended to read:

164.7 Subdivision 1. **Licensure required.** Programs licensed by the commissioner are
164.8 eligible vendors. Hospitals may apply for and receive licenses to be eligible vendors,
164.9 notwithstanding the provisions of section 245A.03. American Indian programs located on
164.10 federally recognized tribal lands that provide chemical dependency primary treatment,
164.11 extended care, transitional residence, or outpatient treatment services, and are licensed by
164.12 tribal government are eligible vendors. Detoxification programs are not eligible vendors.
164.13 Programs that are not licensed as a chemical dependency residential or nonresidential
164.14 treatment program by the commissioner or by tribal government are not eligible vendors.
164.15 To be eligible for payment under the Consolidated Chemical Dependency Treatment Fund,
164.16 a vendor of a chemical dependency service must participate in the Drug and Alcohol
164.17 Abuse Normative Evaluation System and the treatment accountability plan.

164.18 Effective January 1, 2000, vendors of room and board are eligible for chemical
164.19 dependency fund payment if the vendor:

164.20 ~~(1) is certified by the county or tribal governing body as having~~ has rules prohibiting
164.21 residents bringing chemicals into the facility or using chemicals while residing in the
164.22 facility and provide consequences for infractions of those rules;

164.23 (2) has a current contract with a county or tribal governing body;

164.24 (3) is determined to meet applicable health and safety requirements;

164.25 (4) is not a jail or prison; and

164.26 (5) is not concurrently receiving funds under chapter 256I for the recipient.

164.27 **EFFECTIVE DATE.** This section is effective July 1, 2011.

164.28 Sec. 12. Minnesota Statutes 2008, section 254B.09, subdivision 2, is amended to read:

164.29 Subd. 2. **American Indian agreements.** The commissioner may enter into
164.30 agreements with federally recognized tribal units to pay for chemical dependency
164.31 treatment services provided under Laws 1986, chapter 394, sections 8 to 20. The
164.32 agreements must clarify how the governing body of the tribal unit fulfills local agency
164.33 responsibilities regarding:

164.34 ~~(1) selection of eligible vendors under section 254B.03, subdivision 1;~~

~~(2) negotiation of agreements that establish vendor services and rates for programs located on the tribal governing body's reservation;~~
~~(3) (1) the form and manner of invoicing; and~~
~~(4) (2) provide that only invoices for eligible vendors according to section 254B.05 will be included in invoices sent to the commissioner for payment, to the extent that money allocated under subdivisions 4 and 5 is used.~~

EFFECTIVE DATE. This section is effective July 1, 2011.

Sec. 13. **[254B.11] MAXIMUM RATES.**

The commissioner shall publish maximum rates for vendors of the consolidated chemical dependency treatment fund by July 1 of each year for implementation the following January 1. Rates for calendar year 2010 must not exceed 185 percent of the average rate on January 1, 2009, for each group of vendors with similar attributes. Unless a new rate methodology is developed under section 254B.12, rates for services provided on and after July 1, 2011, must not exceed 160 percent of the average rate on January 1, 2009, for each group of vendors with similar attributes. Payment for services provided by Indian Health Services or by agencies operated by Indian tribes for medical assistance-eligible individuals must be governed by the applicable federal rate methodology.

Sec. 14. **[254B.12] RATE METHODOLOGY.**

(a) The commissioner shall, with broad-based stakeholder input, develop a recommendation and present a report to the 2011 legislature, including proposed legislation for a new rate methodology for the consolidated chemical dependency treatment fund. The new methodology must replace county-negotiated rates with a uniform statewide methodology that must include:

(1) a graduated reimbursement scale based on the patients' level of acuity and complexity; and

(2) beginning July 1, 2012, retroactive quality incentive payments up to four percent of each provider's prior-year approved chemical dependency fund claims.

(b) The quality incentive payments under paragraph (a), clause (2), must be based on each provider's performance in the prior year relating to certain program criteria, based on best practices in addiction treatment. The quality incentive criteria under paragraph (a), clause (2), may include program completion rates, national outcome measures, program innovations, lack of licensing violations, and other measures to be determined by the commissioner.

166.1 Sec. 15. Minnesota Statutes 2008, section 256B.0622, subdivision 2, is amended to
166.2 read:

166.3 Subd. 2. **Definitions.** For purposes of this section, the following terms have the
166.4 meanings given them.

166.5 (a) "Intensive nonresidential rehabilitative mental health services" means adult
166.6 rehabilitative mental health services as defined in section 256B.0623, subdivision 2,
166.7 paragraph (a), except that these services are provided by a multidisciplinary staff using
166.8 a total team approach consistent with assertive community treatment, the Fairweather
166.9 Lodge treatment model, as defined by the standards established by the National Coalition
166.10 for Community Living, and other evidence-based practices, and directed to recipients with
166.11 a serious mental illness who require intensive services.

166.12 (b) "Intensive residential rehabilitative mental health services" means short-term,
166.13 time-limited services provided in a residential setting to recipients who are in need of
166.14 more restrictive settings and are at risk of significant functional deterioration if they do
166.15 not receive these services. Services are designed to develop and enhance psychiatric
166.16 stability, personal and emotional adjustment, self-sufficiency, and skills to live in a more
166.17 independent setting. Services must be directed toward a targeted discharge date with
166.18 specified client outcomes and must be consistent with the Fairweather Lodge treatment
166.19 model as defined in paragraph (a), and other evidence-based practices.

166.20 (c) "Evidence-based practices" are nationally recognized mental health services that
166.21 are proven by substantial research to be effective in helping individuals with serious
166.22 mental illness obtain specific treatment goals.

166.23 (d) "Overnight staff" means a member of the intensive residential rehabilitative
166.24 mental health treatment team who is responsible during hours when recipients are
166.25 typically asleep.

166.26 (e) "Treatment team" means all staff who provide services under this section to
166.27 recipients. At a minimum, this includes the clinical supervisor, mental health professionals
166.28 as defined in section 245.462, subdivision 18, clauses (1) to ~~(5)~~ (6); mental health
166.29 practitioners as defined in section 245.462, subdivision 17; mental health rehabilitation
166.30 workers under section 256B.0623, subdivision 5, clause (3); and certified peer specialists
166.31 under section 256B.0615.

166.32 Sec. 16. Minnesota Statutes 2008, section 256B.0623, subdivision 5, is amended to
166.33 read:

Subd. 5. **Qualifications of provider staff.** Adult rehabilitative mental health services must be provided by qualified individual provider staff of a certified provider entity. Individual provider staff must be qualified under one of the following criteria:

(1) a mental health professional as defined in section 245.462, subdivision 18, clauses (1) to ~~(5)~~ (6). If the recipient has a current diagnostic assessment by a licensed mental health professional as defined in section 245.462, subdivision 18, clauses (1) to ~~(5)~~ (6), recommending receipt of adult mental health rehabilitative services, the definition of mental health professional for purposes of this section includes a person who is qualified under section 245.462, subdivision 18, clause ~~(6)~~ (7), and who holds a current and valid national certification as a certified rehabilitation counselor or certified psychosocial rehabilitation practitioner;

(2) a mental health practitioner as defined in section 245.462, subdivision 17. The mental health practitioner must work under the clinical supervision of a mental health professional;

(3) a certified peer specialist under section 256B.0615. The certified peer specialist must work under the clinical supervision of a mental health professional; or

(4) a mental health rehabilitation worker. A mental health rehabilitation worker means a staff person working under the direction of a mental health practitioner or mental health professional and under the clinical supervision of a mental health professional in the implementation of rehabilitative mental health services as identified in the recipient's individual treatment plan who:

(i) is at least 21 years of age;

(ii) has a high school diploma or equivalent;

(iii) has successfully completed 30 hours of training during the past two years in all of the following areas: recipient rights, recipient-centered individual treatment planning, behavioral terminology, mental illness, co-occurring mental illness and substance abuse, psychotropic medications and side effects, functional assessment, local community resources, adult vulnerability, recipient confidentiality; and

(iv) meets the qualifications in subitem (A) or (B):

(A) has an associate of arts degree in one of the behavioral sciences or human services, or is a registered nurse without a bachelor's degree, or who within the previous ten years has:

(1) three years of personal life experience with serious and persistent mental illness;

(2) three years of life experience as a primary caregiver to an adult with a serious mental illness or traumatic brain injury; or

(3) 4,000 hours of supervised paid work experience in the delivery of mental health services to adults with a serious mental illness or traumatic brain injury; or

(B)(1) is fluent in the non-English language or competent in the culture of the ethnic group to which at least 20 percent of the mental health rehabilitation worker's clients belong;

(2) receives during the first 2,000 hours of work, monthly documented individual clinical supervision by a mental health professional;

(3) has 18 hours of documented field supervision by a mental health professional or practitioner during the first 160 hours of contact work with recipients, and at least six hours of field supervision quarterly during the following year;

(4) has review and cosignature of charting of recipient contacts during field supervision by a mental health professional or practitioner; and

(5) has 40 hours of additional continuing education on mental health topics during the first year of employment.

Sec. 17. Minnesota Statutes 2008, section 256B.0624, subdivision 5, is amended to read:

Subd. 5. **Mobile crisis intervention staff qualifications.** For provision of adult mental health mobile crisis intervention services, a mobile crisis intervention team is comprised of at least two mental health professionals as defined in section 245.462, subdivision 18, clauses (1) to ~~(5)~~ (6), or a combination of at least one mental health professional and one mental health practitioner as defined in section 245.462, subdivision 17, with the required mental health crisis training and under the clinical supervision of a mental health professional on the team. The team must have at least two people with at least one member providing on-site crisis intervention services when needed. Team members must be experienced in mental health assessment, crisis intervention techniques, and clinical decision-making under emergency conditions and have knowledge of local services and resources. The team must recommend and coordinate the team's services with appropriate local resources such as the county social services agency, mental health services, and local law enforcement when necessary.

Sec. 18. Minnesota Statutes 2008, section 256B.0624, subdivision 8, is amended to read:

Subd. 8. **Adult crisis stabilization staff qualifications.** (a) Adult mental health crisis stabilization services must be provided by qualified individual staff of a qualified provider entity. Individual provider staff must have the following qualifications:

169.1 (1) be a mental health professional as defined in section 245.462, subdivision 18,
169.2 clauses (1) to ~~(5)~~ (6);

169.3 (2) be a mental health practitioner as defined in section 245.462, subdivision 17.

169.4 The mental health practitioner must work under the clinical supervision of a mental health
169.5 professional; or

169.6 (3) be a mental health rehabilitation worker who meets the criteria in section
169.7 256B.0623, subdivision 5, clause (3); works under the direction of a mental health
169.8 practitioner as defined in section 245.462, subdivision 17, or under direction of a
169.9 mental health professional; and works under the clinical supervision of a mental health
169.10 professional.

169.11 (b) Mental health practitioners and mental health rehabilitation workers must have
169.12 completed at least 30 hours of training in crisis intervention and stabilization during
169.13 the past two years.

169.14 Sec. 19. Minnesota Statutes 2008, section 256B.0625, subdivision 41, is amended to
169.15 read:

169.16 Subd. 41. **Residential services for children with severe emotional disturbance.**
169.17 Medical assistance covers rehabilitative services in accordance with section 256B.0945
169.18 that are provided by a ~~county through a~~ residential facility under contract with a county or
169.19 Indian tribe, for children who have been diagnosed with severe emotional disturbance and
169.20 have been determined to require the level of care provided in a residential facility.

169.21 Sec. 20. Minnesota Statutes 2008, section 256B.0625, subdivision 42, is amended to
169.22 read:

169.23 Subd. 42. **Mental health professional.** Notwithstanding Minnesota Rules, part
169.24 9505.0175, subpart 28, the definition of a mental health professional shall include a person
169.25 who is qualified as specified in section 245.462, subdivision 18, ~~clause~~ clauses (5) and (6);
169.26 or 245.4871, subdivision 27, ~~clause~~ clauses (5) and (6), for the purpose of this section and
169.27 Minnesota Rules, parts 9505.0170 to 9505.0475.

169.28 Sec. 21. Minnesota Statutes 2008, section 256B.0943, subdivision 1, is amended to
169.29 read:

169.30 Subdivision 1. **Definitions.** For purposes of this section, the following terms have
169.31 the meanings given them.

169.32 (a) "Children's therapeutic services and supports" means the flexible package of
169.33 mental health services for children who require varying therapeutic and rehabilitative

levels of intervention. The services are time-limited interventions that are delivered using various treatment modalities and combinations of services designed to reach treatment outcomes identified in the individual treatment plan.

(b) "Clinical supervision" means the overall responsibility of the mental health professional for the control and direction of individualized treatment planning, service delivery, and treatment review for each client. A mental health professional who is an enrolled Minnesota health care program provider accepts full professional responsibility for a supervisee's actions and decisions, instructs the supervisee in the supervisee's work, and oversees or directs the supervisee's work.

(c) "County board" means the county board of commissioners or board established under sections 402.01 to 402.10 or 471.59.

(d) "Crisis assistance" has the meaning given in section 245.4871, subdivision 9a.

(e) "Culturally competent provider" means a provider who understands and can utilize to a client's benefit the client's culture when providing services to the client. A provider may be culturally competent because the provider is of the same cultural or ethnic group as the client or the provider has developed the knowledge and skills through training and experience to provide services to culturally diverse clients.

(f) "Day treatment program" for children means a site-based structured program consisting of group psychotherapy for more than three individuals and other intensive therapeutic services provided by a multidisciplinary team, under the clinical supervision of a mental health professional.

(g) "Diagnostic assessment" has the meaning given in section 245.4871, subdivision 11.

(h) "Direct service time" means the time that a mental health professional, mental health practitioner, or mental health behavioral aide spends face-to-face with a client and the client's family. Direct service time includes time in which the provider obtains a client's history or provides service components of children's therapeutic services and supports. Direct service time does not include time doing work before and after providing direct services, including scheduling, maintaining clinical records, consulting with others about the client's mental health status, preparing reports, receiving clinical supervision directly related to the client's psychotherapy session, and revising the client's individual treatment plan.

(i) "Direction of mental health behavioral aide" means the activities of a mental health professional or mental health practitioner in guiding the mental health behavioral aide in providing services to a client. The direction of a mental health behavioral aide

171.1 must be based on the client's individualized treatment plan and meet the requirements in
171.2 subdivision 6, paragraph (b), clause (5).

171.3 (j) "Emotional disturbance" has the meaning given in section 245.4871, subdivision
171.4 15. For persons at least age 18 but under age 21, mental illness has the meaning given in
171.5 section 245.462, subdivision 20, paragraph (a).

171.6 (k) "Individual behavioral plan" means a plan of intervention, treatment, and
171.7 services for a child written by a mental health professional or mental health practitioner,
171.8 under the clinical supervision of a mental health professional, to guide the work of the
171.9 mental health behavioral aide.

171.10 (l) "Individual treatment plan" has the meaning given in section 245.4871,
171.11 subdivision 21.

171.12 (m) "Mental health professional" means an individual as defined in section 245.4871,
171.13 subdivision 27, clauses (1) to ~~(5)~~ (6), or tribal vendor as defined in section 256B.02,
171.14 subdivision 7, paragraph (b).

171.15 (n) "Preschool program" means a day program licensed under Minnesota Rules,
171.16 parts 9503.0005 to 9503.0175, and enrolled as a children's therapeutic services and
171.17 supports provider to provide a structured treatment program to a child who is at least 33
171.18 months old but who has not yet attended the first day of kindergarten.

171.19 (o) "Skills training" means individual, family, or group training designed to improve
171.20 the basic functioning of the child with emotional disturbance and the child's family in the
171.21 activities of daily living and community living, and to improve the social functioning of the
171.22 child and the child's family in areas important to the child's maintaining or reestablishing
171.23 residency in the community. Individual, family, and group skills training must:

171.24 (1) consist of activities designed to promote skill development of the child and the
171.25 child's family in the use of age-appropriate daily living skills, interpersonal and family
171.26 relationships, and leisure and recreational services;

171.27 (2) consist of activities that will assist the family's understanding of normal child
171.28 development and to use parenting skills that will help the child with emotional disturbance
171.29 achieve the goals outlined in the child's individual treatment plan; and

171.30 (3) promote family preservation and unification, promote the family's integration
171.31 with the community, and reduce the use of unnecessary out-of-home placement or
171.32 institutionalization of children with emotional disturbance.

171.33 Sec. 22. Minnesota Statutes 2008, section 256B.0625, subdivision 47, is amended to
171.34 read:

172.1 Subd. 47. **Treatment foster care services.** Effective July 1, ~~2007~~ 2011, and subject
172.2 to federal approval, medical assistance covers treatment foster care services according to
172.3 section 256B.0946.

172.4 Sec. 23. Minnesota Statutes 2008, section 256B.0944, is amended by adding a
172.5 subdivision to read:

172.6 Subd. 4a. **Alternative provider standards.** If a provider entity demonstrates that,
172.7 due to geographic or other barriers, it is not feasible to provide mobile crisis intervention
172.8 services 24 hours a day, seven days a week, according to the standards in subdivision 4,
172.9 paragraph (b), clause (1), the commissioner may approve a crisis response provider based
172.10 on an alternative plan proposed by a provider entity. The alternative plan must:

172.11 (1) result in increased access and a reduction in disparities in the availability of
172.12 crisis services; and

172.13 (2) provide mobile services outside of the usual nine-to-five office hours and on
172.14 weekends and holidays.

172.15 Sec. 24. Minnesota Statutes 2008, section 256B.0945, subdivision 4, is amended to
172.16 read:

172.17 Subd. 4. **Payment rates.** (a) Notwithstanding sections 256B.19 and 256B.041,
172.18 payments to counties for residential services provided by a residential facility shall only
172.19 be made of federal earnings for services provided under this section, and the nonfederal
172.20 share of costs for services provided under this section shall be paid by the county from
172.21 sources other than federal funds or funds used to match other federal funds. Payment to
172.22 counties for services provided according to this section shall be a proportion of the per
172.23 day contract rate that relates to rehabilitative mental health services and shall not include
172.24 payment for costs or services that are billed to the IV-E program as room and board.

172.25 ~~(b) Per diem rates paid to providers under this section by prepaid plans shall be the~~
172.26 ~~proportion of the per-day contract rate that relates to rehabilitative mental health services~~
172.27 ~~and shall not include payment for group foster care costs or services that are billed to the~~
172.28 ~~county of financial responsibility.~~

172.29 ~~(c)~~ (b) The commissioner shall set aside a portion not to exceed five percent of the
172.30 federal funds earned for county expenditures under this section to cover the state costs of
172.31 administering this section. Any unexpended funds from the set-aside shall be distributed
172.32 to the counties in proportion to their earnings under this section.

172.33 (c) The payment rate negotiated and paid to a provider by prepaid health plans
172.34 under section 256B.69 for services under this section must be supplemented by the

173.1 commissioner from state appropriations to cover the nontreatment costs at a rate equal to
173.2 the portion of the county negotiated per diem attributable to nontreatment service costs for
173.3 that provider as determined by the commissioner of human services.

173.4 (d) Payment for mental health rehabilitative services provided under this section by
173.5 or under contract with an Indian tribe or tribal organization or by agencies operated by or
173.6 under contract with an Indian tribe or tribal organization may be made according to section
173.7 256B.0625, subdivision 34, or other relevant federally approved rate setting methodology.

173.8 Sec. 25. Minnesota Statutes 2008, section 256B.0947, subdivision 1, is amended to
173.9 read:

173.10 Subdivision 1. **Scope.** ~~Subject to federal approval~~ Effective November 1, 2010, and
173.11 subject to federal approval, medical assistance covers medically necessary, intensive
173.12 nonresidential rehabilitative mental health services as defined in subdivision 2, for
173.13 recipients as defined in subdivision 3, when the services are provided by an entity meeting
173.14 the standards in this section.

173.15 Sec. 26. Minnesota Statutes 2008, section 256B.761, is amended to read:

173.16 **256B.761 REIMBURSEMENT FOR MENTAL HEALTH SERVICES.**

173.17 (a) Effective for services rendered on or after July 1, 2001, payment for medication
173.18 management provided to psychiatric patients, outpatient mental health services, day
173.19 treatment services, home-based mental health services, and family community support
173.20 services shall be paid at the lower of (1) submitted charges, or (2) 75.6 percent of the
173.21 50th percentile of 1999 charges.

173.22 (b) Effective July 1, 2001, the medical assistance rates for outpatient mental health
173.23 services provided by an entity that operates: (1) a Medicare-certified comprehensive
173.24 outpatient rehabilitation facility; and (2) a facility that was certified prior to January 1,
173.25 1993, with at least 33 percent of the clients receiving rehabilitation services in the most
173.26 recent calendar year who are medical assistance recipients, will be increased by 38 percent,
173.27 when those services are provided within the comprehensive outpatient rehabilitation
173.28 facility and provided to residents of nursing facilities owned by the entity.

173.29 (c) Effective January 1, 2010, the rate for partial hospitalization for children is
173.30 increased to equal the rate for partial hospitalization for adults.

173.31 Sec. 27. Minnesota Statutes 2008, section 256J.08, subdivision 73a, is amended to read:

Subd. 73a. **Qualified professional.** (a) For physical illness, injury, or incapacity, a "qualified professional" means a licensed physician, a physician's assistant, a nurse practitioner, or a licensed chiropractor.

(b) For developmental disability and intelligence testing, a "qualified professional" means an individual qualified by training and experience to administer the tests necessary to make determinations, such as tests of intellectual functioning, assessments of adaptive behavior, adaptive skills, and developmental functioning. These professionals include licensed psychologists, certified school psychologists, or certified psychometrists working under the supervision of a licensed psychologist.

(c) For learning disabilities, a "qualified professional" means a licensed psychologist or school psychologist with experience determining learning disabilities.

(d) For mental health, a "qualified professional" means a licensed physician or a qualified mental health professional. A "qualified mental health professional" means:

(1) for children, in psychiatric nursing, a registered nurse who is licensed under sections 148.171 to 148.285, and who is certified as a clinical specialist in child and adolescent psychiatric or mental health nursing by a national nurse certification organization or who has a master's degree in nursing or one of the behavioral sciences or related fields from an accredited college or university or its equivalent, with at least 4,000 hours of post-master's supervised experience in the delivery of clinical services in the treatment of mental illness;

(2) for adults, in psychiatric nursing, a registered nurse who is licensed under sections 148.171 to 148.285, and who is certified as a clinical specialist in adult psychiatric and mental health nursing by a national nurse certification organization or who has a master's degree in nursing or one of the behavioral sciences or related fields from an accredited college or university or its equivalent, with at least 4,000 hours of post-master's supervised experience in the delivery of clinical services in the treatment of mental illness;

(3) in clinical social work, a person licensed as an independent clinical social worker under chapter 148D, or a person with a master's degree in social work from an accredited college or university, with at least 4,000 hours of post-master's supervised experience in the delivery of clinical services in the treatment of mental illness;

(4) in psychology, an individual licensed by the Board of Psychology under sections 148.88 to 148.98, who has stated to the Board of Psychology competencies in the diagnosis and treatment of mental illness;

(5) in psychiatry, a physician licensed under chapter 147 and certified by the American Board of Psychiatry and Neurology or eligible for board certification in psychiatry; ~~and~~

(6) in marriage and family therapy, the mental health professional must be a marriage and family therapist licensed under sections 148B.29 to 148B.39, with at least two years of post-master's supervised experience in the delivery of clinical services in the treatment of mental illness; and

(7) in licensed professional clinical counseling, the mental health professional shall be a licensed professional clinical counselor under section 148B.5301 with at least 4,000 hours of postmaster's supervised experience in the delivery of clinical services in the treatment of mental illness.

Sec. 28. **COST.**

(a) In determining the additional cost to the state of adding licensed professional clinical counselors to the list of approved mental health professionals, the commissioner of human services shall consider the savings in decreased hospitalizations in rural Minnesota that result from increased access to a mental health professional.

(b) Using existing resources, the commissioner shall conduct a posthospitalization review of admissions for mental health treatment to determine if the admissions were medically necessary. The commissioner shall use information and data acquired from these reviews to promote best practices for mental health treatment that will help prevent unwarranted hospitalizations.

(c) The commissioner may adjust rates paid to mental health professionals to reflect the additional medical assistance costs paid as a result of adding licensed professional clinical counselors to the list of approved mental health professionals.

Sec. 29. **AUTISM SPECTRUM DISORDER JOINT TASK FORCE.**

(a) The Autism Spectrum Disorder Joint Task Force is composed of 25 members, appointed as follows:

(1) two members of the senate, one appointed by the majority leader and one appointed by the minority leader;

(2) two members of the house of representatives, one from the majority party, appointed by the speaker of the house, and one from the minority party, appointed by the minority leader; and

(3) 11 public members appointed by the legislature, with regard to geographic diversity in the state, with the senate Subcommittee on Committees of the Committee on Rules and Administration making the appointments for the senate, and the speaker of the house making the appointments for the house;

176.1 (i) three members who are parents of children with autism spectrum disorder (ASD),
176.2 two of whom shall be appointed by the senate, and one of whom shall be appointed by
176.3 the house;

176.4 (ii) two members who have ASD, one of whom shall be appointed by the senate, and
176.5 one by the house;

176.6 (iii) one member representing an agency that provides residential housing services to
176.7 individuals with ASD, appointed by the house;

176.8 (iv) one member representing an agency that provides employment services to
176.9 individuals with ASD, appointed by the senate;

176.10 (v) one member who is a behavior analyst, appointed by the house;

176.11 (vi) two members who are providers of ASD therapy, with one member appointed
176.12 by the senate and one member appointed by the house; and

176.13 (vii) one member who is a director of public school student support services;

176.14 (4) two members appointed by the Minnesota chapter of the American Academy
176.15 of Pediatrics, one who is a developmental behavioral pediatrician and one who is a
176.16 general pediatrician;

176.17 (5) one member appointed by the Minnesota Psychological Society who is a
176.18 neuropsychologist;

176.19 (6) one member appointed by the Association of Minnesota Counties;

176.20 (7) one member appointed by the Minnesota Association of School Administrators;

176.21 (8) one member appointed by the Somali American Autism Foundation;

176.22 (9) one member appointed by the ARC of Minnesota;

176.23 (10) one member appointed by the Autism Society of Minnesota;

176.24 (11) one member appointed by the Parent Advocacy Coalition for Educational
176.25 Rights; and

176.26 (12) one member appointed by the Minnesota Council of Health Plans.

176.27 Appointments must be made by September 1, 2009. The Legislative Coordinating
176.28 Commission shall provide meeting space for the task force. The senate member appointed
176.29 by the minority leader of the senate shall convene the first meeting of the task force no
176.30 later than October 1, 2009. The task force shall elect a chair from among the public
176.31 members at the first meeting.

176.32 (b) The commissioners of education, employment and economic development,
176.33 health, and human services shall provide assistance to the task force, including providing
176.34 the task force with a count of children who have ASD with an individual education
176.35 program or an individual family service plan and children with ASD who have a 504 plan.
176.36 Additionally, the commissioner of human services shall submit a count of the adults with

177.1 ASD enrolled in social service programs and the number of individuals with ASD who are
177.2 enrolled in medical assistance and other waiver programs.

177.3 (c) The task force shall develop recommendations and report on the following topics:

177.4 (1) ways to improve services provided by all state and political subdivisions;

177.5 (2) sources of public and private funding available for treatment and ways to
177.6 improve efficiency in the use of these funds;

177.7 (3) methods to improve coordination in the delivery of service between public and
177.8 private agencies, health providers, and schools;

177.9 (4) increasing the availability of and the training for medical providers and educators
177.10 who identify and provide services to individuals with ASD;

177.11 (5) ways to enhance Minnesota's role in ASD research and delivery of service;

177.12 (6) methods to educate parents, family members, and the public on ASD and the
177.13 available services; and

177.14 (7) treatment options supported by peer-reviewed, established scientific research
177.15 for individuals with ASD.

177.16 (d) The task force shall coordinate with existing efforts at the Departments of
177.17 Education, Health, Human Services, and Employment and Economic Development
177.18 related to ASD.

177.19 (e) By January 15 of each year, the task force shall provide a report regarding its
177.20 findings and consideration of the topics listed under paragraph (c), and the action taken
177.21 under paragraph (d), including draft legislation if necessary, to the chairs and ranking
177.22 minority members of the legislative committees with jurisdiction over health and human
177.23 services.

177.24 **EFFECTIVE DATE.** This section is effective July 1, 2009, and expires June 30,
177.25 2011.

177.26 Sec. 30. **LAND SALE; MORATORIUM.**

177.27 Surplus land surrounding the Anoka-Metro Regional Treatment Center must not be
177.28 sold for five years.

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

177.30 Sec. 31. **STATE-COUNTY CHEMICAL HEALTH CARE HOME PILOT**
177.31 **PROJECT.**

177.32 Subdivision 1. **Establishment; purpose.** There is established a state-county
177.33 chemical health care home pilot project. The purpose of the pilot project is for the

Department of Human Services and counties to work in partnership to redesign the current chemical health delivery system to promote greater accountability, productivity, and results in the delivery of state chemical dependency services. The pilot project must look to promote appropriate flexibility in a way that better aligns systems and services to offer the most appropriate level of chemical health care services to the client. This may include, but is not limited to, developing new governance agreements, performance agreements, or service level agreements. The pilot projects must maintain eligibility levels under the current programmatic entitlement structure, continue to meet the requirements of Rule 25 and Rule 31, and must not put at risk current and future federal funding toward chemical health-related services in Minnesota.

Subd. 2. **Work group.** A work group must be convened on or before July 1, 2009, consisting of representatives from the Department of Human Services and participating counties to develop final proposals for pilot projects meeting the requirements of this section. This work group must focus its efforts on the need for systems change, mandate and waiver relief, payment reform or other funding options, and outcomes. The work group must report back to the legislative committees having jurisdiction over chemical health by January 15, 2010, for final approval of pilot projects to be implemented starting July 10, 2010.

Subd. 3. **Report.** The Department of Human Services shall report back to the legislative committees having jurisdiction over chemical health by January 15, 2011, evaluating the effectiveness of pilot projects, including recommendations for how to implement the pilot projects on a statewide basis.

Subd. 4. **Expiration.** These pilot projects expire

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

ARTICLE 9

CONTINUING CARE

Section 1. Minnesota Statutes 2008, section 144.0724, subdivision 2, is amended to read:

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

(a) "Assessment reference date" means the last day of the minimum data set observation period. The date sets the designated endpoint of the common observation period, and all minimum data set items refer back in time from that point.

179.1 (b) "Case mix index" means the weighting factors assigned to the RUG-III
179.2 classifications.

179.3 (c) "Index maximization" means classifying a resident who could be assigned to
179.4 more than one category, to the category with the highest case mix index.

179.5 (d) "Minimum data set" means the assessment instrument specified by the Centers for
179.6 Medicare and Medicaid Services and designated by the Minnesota Department of Health.

179.7 (e) "Representative" means a person who is the resident's guardian or conservator,
179.8 the person authorized to pay the nursing home expenses of the resident, a representative
179.9 of the nursing home ombudsman's office whose assistance has been requested, or any
179.10 other individual designated by the resident.

179.11 (f) "Resource utilization groups" or "RUG" means the system for grouping a nursing
179.12 facility's residents according to their clinical and functional status identified in data
179.13 supplied by the facility's minimum data set.

179.14 (g) "Activities of daily living" means grooming, dressing, bathing, transferring,
179.15 mobility, positioning, eating, and toileting.

179.16 (h) "Nursing facility level of care determination" means the assessment process
179.17 that results in a determination of a resident's or prospective resident's need for nursing
179.18 facility level of care as established in subdivision 11 for purposes of medical assistance
179.19 payment of long-term care services for:

179.20 (1) nursing facility services under section 256B.434 or 256B.441;

179.21 (2) elderly waiver services under section 256B.0915;

179.22 (3) CADI and TBI waiver services under section 256B.49; and

179.23 (4) state payment of alternative care services under section 256B.0913.

179.24 **EFFECTIVE DATE.** The section is effective July 1, 2011.

179.25 Sec. 2. Minnesota Statutes 2008, section 144.0724, subdivision 4, is amended to read:

179.26 Subd. 4. **Resident assessment schedule.** (a) A facility must conduct and
179.27 electronically submit to the commissioner of health case mix assessments that conform
179.28 with the assessment schedule defined by Code of Federal Regulations, title 42, section
179.29 483.20, and published by the United States Department of Health and Human Services,
179.30 Centers for Medicare and Medicaid Services, in the Long Term Care Assessment
179.31 Instrument User's Manual, version 2.0, October 1995, and subsequent clarifications made
179.32 in the Long-Term Care Assessment Instrument Questions and Answers, version 2.0,
179.33 August 1996. The commissioner of health may substitute successor manuals or question
179.34 and answer documents published by the United States Department of Health and Human

Services, Centers for Medicare and Medicaid Services, to replace or supplement the current version of the manual or document.

(b) The assessments used to determine a case mix classification for reimbursement include the following:

(1) a new admission assessment must be completed by day 14 following admission;

(2) an annual assessment must be completed within 366 days of the last comprehensive assessment;

(3) a significant change assessment must be completed within 14 days of the identification of a significant change; and

(4) the second quarterly assessment following either a new admission assessment, an annual assessment, or a significant change assessment, and all quarterly assessments beginning October 1, 2006. Each quarterly assessment must be completed within 92 days of the previous assessment.

(c) In addition to the assessments listed in paragraph (b), the assessments used to determine nursing facility level of care include the following:

(1) preadmission screening completed under section 256B.0911, subdivision 4a, by a county, tribe, or managed care organization under contract with the Department of Human Services; and

(2) a face-to-face long-term care consultation assessment completed under section 256B.0911, subdivision 3a, 3b, or 4d, by a county, tribe, or managed care organization under contract with the Department of Human Services.

EFFECTIVE DATE. The section is effective July 1, 2011.

Sec. 3. Minnesota Statutes 2008, section 144.0724, subdivision 8, is amended to read:

Subd. 8. Request for reconsideration of resident classifications. (a) The resident, or resident's representative, or the nursing facility or boarding care home may request that the commissioner of health reconsider the assigned reimbursement classification. The request for reconsideration must be submitted in writing to the commissioner within 30 days of the day the resident or the resident's representative receives the resident classification notice. The request for reconsideration must include the name of the resident, the name and address of the facility in which the resident resides, the reasons for the reconsideration, the requested classification changes, and documentation supporting the requested classification. The documentation accompanying the reconsideration request is limited to documentation which establishes that the needs of the resident at the time of the assessment justify a classification which is different than the classification established by the commissioner of health.

181.1 (b) Upon request, the nursing facility must give the resident or the resident's
181.2 representative a copy of the assessment form and the other documentation that was given
181.3 to the commissioner of health to support the assessment findings. The nursing facility
181.4 shall also provide access to and a copy of other information from the resident's record that
181.5 has been requested by or on behalf of the resident to support a resident's reconsideration
181.6 request. A copy of any requested material must be provided within three working days of
181.7 receipt of a written request for the information. If a facility fails to provide the material
181.8 within this time, it is subject to the issuance of a correction order and penalty assessment
181.9 under sections 144.653 and 144A.10. Notwithstanding those sections, any correction order
181.10 issued under this subdivision must require that the nursing facility immediately comply
181.11 with the request for information and that as of the date of the issuance of the correction
181.12 order, the facility shall forfeit to the state a \$100 fine for the first day of noncompliance, and
181.13 an increase in the \$100 fine by \$50 increments for each day the noncompliance continues.

181.14 (c) In addition to the information required under paragraphs (a) and (b), a
181.15 reconsideration request from a nursing facility must contain the following information: (i)
181.16 the date the reimbursement classification notices were received by the facility; (ii) the date
181.17 the classification notices were distributed to the resident or the resident's representative;
181.18 and (iii) a copy of a notice sent to the resident or to the resident's representative. This
181.19 notice must inform the resident or the resident's representative that a reconsideration of the
181.20 resident's classification is being requested, the reason for the request, that the resident's
181.21 rate will change if the request is approved by the commissioner, the extent of the change,
181.22 that copies of the facility's request and supporting documentation are available for review,
181.23 and that the resident also has the right to request a reconsideration. If the facility fails to
181.24 provide the required information with the reconsideration request, the request must be
181.25 denied, and the facility may not make further reconsideration requests on that specific
181.26 reimbursement classification.

181.27 (d) Reconsideration by the commissioner must be made by individuals not involved
181.28 in reviewing the assessment, audit, or reconsideration that established the disputed
181.29 classification. The reconsideration must be based upon the initial assessment and upon the
181.30 information provided to the commissioner under paragraphs (a) and (b). If necessary for
181.31 evaluating the reconsideration request, the commissioner may conduct on-site reviews.
181.32 Within 15 working days of receiving the request for reconsideration, the commissioner
181.33 shall affirm or modify the original resident classification. The original classification
181.34 must be modified if the commissioner determines that the assessment resulting in the
181.35 classification did not accurately reflect the needs or assessment characteristics of the
181.36 resident at the time of the assessment. The resident and the nursing facility or boarding

care home shall be notified within five working days after the decision is made. A decision by the commissioner under this subdivision is the final administrative decision of the agency for the party requesting reconsideration.

(e) The resident classification established by the commissioner shall be the classification that applies to the resident while the request for reconsideration is pending. If a request for reconsideration applies to an assessment used to determine nursing facility level of care under subdivision 4, paragraph (c), the resident shall continue to be eligible for nursing facility level of care while the request for reconsideration is pending.

(f) The commissioner may request additional documentation regarding a reconsideration necessary to make an accurate reconsideration determination.

EFFECTIVE DATE. The section is effective July 1, 2011.

Sec. 4. Minnesota Statutes 2008, section 144.0724, is amended by adding a subdivision to read:

Subd. 11. Nursing facility level of care. (a) For purposes of medical assistance payment of long-term care services, a recipient must be determined, using assessments defined in subdivision 4, to meet one of the following nursing facility level of care criteria:

(1) the person needs the assistance of another person or constant supervision to begin and complete at least four of the following activities of living: bathing, bed mobility, dressing, eating, grooming, toileting, transferring, and walking;

(2) the person needs the assistance of another person or constant supervision to begin and complete toileting, transferring, or positioning and the assistance cannot be scheduled;

(3) the person has significant difficulty with memory, using information, daily decision making, or behavioral needs that require intervention;

(4) the person has had a qualifying nursing facility stay of at least 90 days; or

(5) the person is determined to be at risk for nursing facility admission or readmission through a face-to-face long-term care consultation assessment as specified in section 256B.0911, subdivision 3a, 3b, or 4d, by a county, tribe, or managed care organization under contract with the Department of Human Services. The person is considered at risk under this clause if the person currently lives alone or will live alone upon discharge and also meets one of the following criteria:

(i) the person has experienced a fall resulting in a fracture;

(ii) the person has been determined to be at risk of maltreatment or neglect, including self-neglect; or

(iii) the person has a sensory impairment that substantially impacts functional ability and maintenance of a community residence.

183.1 (b) The assessment used to establish medical assistance payment for nursing facility
183.2 services must be the most recent assessment performed under subdivision 4, paragraph
183.3 (b), that occurred no more than 90 calendar days before the effective date of medical
183.4 assistance eligibility for payment of long-term care services. In no case shall medical
183.5 assistance payment for long-term care services occur prior to the date of the determination
183.6 of nursing facility level of care.

183.7 (c) The assessment used to establish medical assistance payment for long-term care
183.8 services provided under sections 256B.0915 and 256B.49 and alternative care payment
183.9 for services provided under section 256B.0913 must be the most recent face-to-face
183.10 assessment performed under subdivision 4, paragraph (c), clause (2), that occurred no
183.11 more than 60 calendar days before the effective date of medical assistance eligibility
183.12 for payment of long-term care services.

183.13 **EFFECTIVE DATE.** The section is effective July 1, 2011.

183.14 Sec. 5. Minnesota Statutes 2008, section 144.0724, is amended by adding a subdivision
183.15 to read:

183.16 **Subd. 12. Appeal of nursing facility level of care determination.** A resident or
183.17 prospective resident whose level of care determination results in a denial of long-term care
183.18 services can appeal the determination as outlined in section 256B.0911, subdivision 3a,
183.19 paragraph (h), clause (7).

183.20 **EFFECTIVE DATE.** The section is effective July 1, 2011.

183.21 Sec. 6. Minnesota Statutes 2008, section 144A.073, is amended by adding a
183.22 subdivision to read:

183.23 **Subd. 12. Extension of approval of moratorium exception projects.**
183.24 Notwithstanding subdivision 3, the commissioner of health shall extend project approval
183.25 by an additional 18 months for an approved proposal for an exception to the nursing home
183.26 licensure and certification moratorium if the proposal was approved under this section
183.27 between July 1, 2007, and June 30, 2009.

183.28 Sec. 7. Minnesota Statutes 2008, section 144A.44, subdivision 2, is amended to read:

183.29 **Subd. 2. Interpretation and enforcement of rights.** These rights are established
183.30 for the benefit of persons who receive home care services. "Home care services" means
183.31 home care services as defined in section 144A.43, subdivision 3, and unlicensed personal
183.32 care assistance services, including services covered by medical assistance under section

184.1 256B.0625, subdivision 19a. A home care provider may not require a person to surrender
184.2 these rights as a condition of receiving services. A guardian or conservator or, when there
184.3 is no guardian or conservator, a designated person, may seek to enforce these rights. This
184.4 statement of rights does not replace or diminish other rights and liberties that may exist
184.5 relative to persons receiving home care services, persons providing home care services, or
184.6 providers licensed under Laws 1987, chapter 378. A copy of these rights must be provided
184.7 to an individual at the time home care services, including personal care assistance
184.8 services, are initiated. The copy shall also contain the address and phone number of the
184.9 Office of Health Facility Complaints and the Office of Ombudsman for Long-Term Care
184.10 and a brief statement describing how to file a complaint with these offices. Information
184.11 about how to contact the Office of Ombudsman for Long-Term Care shall be included in
184.12 notices of change in client fees and in notices where home care providers initiate transfer
184.13 or discontinuation of services.

184.14 Sec. 8. Minnesota Statutes 2008, section 245A.03, is amended by adding a subdivision
184.15 to read:

184.16 Subd. 7. **Licensing moratorium.** (a) The commissioner shall not issue an
184.17 initial license for child foster care licensed under Minnesota Rules, parts 2960.3000 to
184.18 2960.3340, or adult foster care licensed under Minnesota Rules, parts 9555.5105 to
184.19 9555.6265, under this chapter for a physical location that will not be the primary residence
184.20 of the license holder for the entire period of licensure. If a license is issued during this
184.21 moratorium, and the license holder changes the license holder's primary residence away
184.22 from the physical location of the foster care license, the commissioner shall revoke the
184.23 license according to section 245A.07. Exceptions to the moratorium include:

184.24 (1) foster care settings that are required to be registered under chapter 144D;

184.25 (2) foster care licenses replacing foster care licenses in existence on the effective
184.26 date of this section and determined to be needed by the commissioner under paragraph (b);

184.27 (3) new foster care licenses determined to be needed by the commissioner under
184.28 paragraph (b) for the closure of a nursing facility, ICF/MR, or regional treatment center;

184.29 (4) new foster care licenses determined to be needed by the commissioner under
184.30 paragraph (b) for persons requiring hospital level of care;

184.31 (5) new foster care licenses determined to be needed by the commissioner for the
184.32 transition of people from personal care assistance to the home and community-based
184.33 services; or

(6) new foster care residences in development that have received county approval prior to July 1, 2011, but may not have received a license from the commissioner for the actual residence.

(b) The commissioner shall determine the need for newly licensed foster care homes as defined under this subdivision. As part of the determination, the commissioner shall consider the availability of foster care capacity in the area which the licensee seeks to operate, and the recommendation of the local county board. The determination by the commissioner must be final. A determination of need is not required for a change in ownership at the same address.

(c) Residential settings that would otherwise fall under the moratorium established in paragraph (a), that are in the process of receiving an adult or child foster care license as of July 1, 2011, must be able to continue to complete the process of receiving an adult or child foster care license. For purposes of this paragraph, all of the following conditions must be met to be considered in the process of receiving an adult or child foster care license:

(1) participants have made decisions to move into the residential setting, including documentation in each participant's care plans;

(2) the provider has purchased housing or has made a financial investment in the property;

(3) the lead agency has approved the plans, including costs for the residential setting for each individual;

(4) the completion of the licensing process, including all necessary inspections, is the only remaining component prior to being able to provide services; and

(5) the needs of the individuals cannot be met within the existing capacity in that county.

To qualify for the process under this paragraph, the lead agency must submit documentation to the commissioner by August 1, 2011, that all of the criteria in this paragraph are met.

(d) The commissioner shall study the effects of the license moratorium under this subdivision and shall report back to the legislature by January 15, 2013.

EFFECTIVE DATE. This section is effective July 1, 2011.

Sec. 9. Minnesota Statutes 2008, section 245A.11, is amended by adding a subdivision to read:

Subd. 8. Community residential setting license. (a) The commissioner shall establish provider standards for residential support services that integrate service standards

186.1 and the residential setting under one license. The commissioner shall propose statutory
186.2 language and an implementation plan for licensing requirements for residential support
186.3 services to the legislature by January 15, 2011.

186.4 (b) Providers licensed under chapter 245B, and providing, contracting, or arranging
186.5 for services in settings licensed as adult foster care under Minnesota Rules, parts
186.6 9555.5105 to 9555.6265, or child foster care under Minnesota Rules, parts 2960.3000 to
186.7 2960.3340; and meeting the provisions of section 256B.092, subdivision 11, paragraph
186.8 (b), must be required to obtain a community residential setting license.

186.9 Sec. 10. Minnesota Statutes 2008, section 252.46, is amended by adding a subdivision
186.10 to read:

186.11 Subd. 1a. **Day training and habilitation rates.** The commissioner shall establish
186.12 a statewide rate-setting methodology for all day training and habilitation services. The
186.13 rate-setting methodology must abide by the principles of transparency and equitability
186.14 across the state. The methodology must involve a uniform process of structuring rates for
186.15 each service and must promote quality and participant choice.

186.16 Sec. 11. Minnesota Statutes 2008, section 252.50, subdivision 1, is amended to read:

186.17 Subdivision 1. **Community-based programs established.** The commissioner
186.18 shall establish a system of state-operated, community-based programs for persons with
186.19 developmental disabilities. For purposes of this section, "state-operated, community-based
186.20 program" means a program administered by the state to provide treatment and habilitation
186.21 in noninstitutional community settings to persons with developmental disabilities.
186.22 Employees of the programs, except clients who work within and benefit from these
186.23 treatment and habilitation programs, must be state employees under chapters 43A and
186.24 179A. Although any clients who work within and benefit from these treatment and
186.25 habilitation programs are not employees under chapters 43A and 179A, the Department
186.26 of Human Services may consider clients who work within and benefit from these
186.27 programs employees for federal tax purposes. The establishment of state-operated,
186.28 community-based programs must be within the context of a comprehensive definition of
186.29 the role of state-operated services in the state. The role of state-operated services must
186.30 be defined within the context of a comprehensive system of services for persons with
186.31 developmental disabilities. State-operated, community-based programs may include, but
186.32 are not limited to, community group homes, foster care, supportive living services, day
186.33 training and habilitation programs, and respite care arrangements. The commissioner
186.34 may operate the pilot projects established under Laws 1985, First Special Session

chapter 9, article 1, section 2, subdivision 6, and shall, within the limits of available appropriations, establish additional state-operated, community-based programs for persons with developmental disabilities. State-operated, community-based programs may accept admissions from regional treatment centers, from the person's own home, or from community programs. State-operated, community-based programs offering day program services may be provided for persons with developmental disabilities who are living in state-operated, community-based residential programs until July 1, 2000. No later than 1994, the commissioner, together with family members, counties, advocates, employee representatives, and other interested parties, shall begin planning so that by July 1, 2000, state-operated, community-based residential facilities will be in compliance with section 252.41, subdivision 9.

Sec. 12. Minnesota Statutes 2008, section 256.01, is amended by adding a subdivision to read:

Subd. 29. **State medical review team.** (a) To ensure the timely processing of determinations of disability by the commissioner's state medical review team under sections 256B.055, subdivision 7, paragraph (b), and 256B.057, subdivision 9, paragraph (j), the commissioner shall review all medical evidence submitted by county agencies with a referral and seek additional information from providers, applicants, and enrollees to support the determination of disability where necessary.

(b) Prior to a denial or withdrawal of a requested determination of disability due to insufficient evidence, the commissioner shall (1) ensure that the missing evidence is necessary and appropriate to a determination of disability, and (2) assist applicants and enrollees to obtain the evidence, including, but not limited to, medical examinations and electronic medical records.

(c) The commissioner shall provide the chairs of the legislative committees with jurisdiction over health and human services finance and budget the following information on the activities of the state medical review team by February 1, 2010, and annually thereafter:

(1) the number of applications to the state medical review team that were denied, approved, or withdrawn;

(2) the average length of time from receipt of the application to a decision;

(3) the number of appeals and appeal results;

(4) for applicants, their age, health coverage at the time of application, hospitalization history within three months of application, and whether an application for Social Security or Supplemental Security Income benefits is pending; and

188.1 (5) specific information on the medical certification, licensure, or other credentials
188.2 of the person or persons performing the medical review determinations and length of
188.3 time in that position.

188.4 Sec. 13. **[256.0281] INTERAGENCY DATA EXCHANGE.**

188.5 The Department of Human Services, the Department of Health, and the Office of the
188.6 Ombudsman for Mental Health and Developmental Disabilities may establish interagency
188.7 agreements governing the electronic exchange of data on providers and individuals
188.8 collected, maintained, or used by each agency when such exchange is outlined by each
188.9 agency in an interagency agreement to accomplish the purposes in clauses (1) to (4):

188.10 (1) to improve provider enrollment processes for home and community-based
188.11 services and state plan home care services;

188.12 (2) to improve quality management of providers between state agencies;

188.13 (3) to establish and maintain provider eligibility to participate as providers under
188.14 Minnesota health care programs; and

188.15 (4) to meet the quality assurance reporting requirements under federal law under
188.16 section 1915(c) of the Social Security Act related to home and community-based waiver
188.17 programs.

188.18 Each interagency agreement must include provisions to ensure anonymity of individuals,
188.19 including mandated reporters, and must outline the specific uses of and access to shared
188.20 data within each agency. Electronic interfaces between source data systems developed
188.21 under these interagency agreements must incorporate these provisions as well as other
188.22 HIPPA provisions related to individual data.

188.23 Sec. 14. Minnesota Statutes 2008, section 256.476, subdivision 5, is amended to read:

188.24 Subd. 5. **Reimbursement, allocations, and reporting.** (a) For the purpose of
188.25 transferring persons to the consumer support grant program from the family support
188.26 program and personal care assistant services, home health aide services, or private duty
188.27 nursing services, the amount of funds transferred by the commissioner between the
188.28 family support program account, the medical assistance account, or the consumer support
188.29 grant account shall be based on each county's participation in transferring persons to the
188.30 consumer support grant program from those programs and services.

188.31 (b) At the beginning of each fiscal year, county allocations for consumer support
188.32 grants shall be based on:

188.33 (1) the number of persons to whom the county board expects to provide consumer
188.34 supports grants;

- 189.1 (2) their eligibility for current program and services;
- 189.2 (3) the ~~amount of nonfederal dollars~~ monthly grant levels allowed under subdivision
- 189.3 11; and
- 189.4 (4) projected dates when persons will start receiving grants. County allocations shall
- 189.5 be adjusted periodically by the commissioner based on the actual transfer of persons or
- 189.6 service openings, and the ~~nonfederal dollars~~ monthly grant levels associated with those
- 189.7 persons or service openings, to the consumer support grant program.
- 189.8 (c) The amount of funds transferred by the commissioner from the medical
- 189.9 assistance account for an individual may be changed if it is determined by the county or its
- 189.10 agent that the individual's need for support has changed.
- 189.11 (d) The authority to utilize funds transferred to the consumer support grant account
- 189.12 for the purposes of implementing and administering the consumer support grant program
- 189.13 will not be limited or constrained by the spending authority provided to the program
- 189.14 of origination.
- 189.15 (e) The commissioner may use up to five percent of each county's allocation, as
- 189.16 adjusted, for payments for administrative expenses, to be paid as a proportionate addition
- 189.17 to reported direct service expenditures.
- 189.18 (f) The county allocation for each person or the person's legal representative or other
- 189.19 authorized representative cannot exceed the amount allowed under subdivision 11.
- 189.20 (g) The commissioner may recover, suspend, or withhold payments if the county
- 189.21 board, local agency, or grantee does not comply with the requirements of this section.
- 189.22 (h) Grant funds unexpended by consumers shall return to the state once a year. The
- 189.23 annual return of unexpended grant funds shall occur in the quarter following the end of
- 189.24 the state fiscal year.

189.25 Sec. 15. Minnesota Statutes 2008, section 256.476, subdivision 11, is amended to read:

189.26 Subd. 11. **Consumer support grant program after July 1, 2001.** ~~(a)~~ Effective

189.27 July 1, 2001, the commissioner shall allocate consumer support grant resources to

189.28 serve additional individuals based on a review of Medicaid authorization and payment

189.29 information of persons eligible for a consumer support grant from the most recent fiscal

189.30 year. The commissioner shall use the following methodology to calculate maximum

189.31 allowable monthly consumer support grant levels:

- 189.32 (1) For individuals whose program of origination is medical assistance home care
- 189.33 under sections 256B.0651 and 256B.0653 to 256B.0656, the maximum allowable monthly
- 189.34 grant levels are calculated by:

- 190.1 (i) determining ~~the nonfederal share~~ 50 percent of the average service authorization
190.2 for each home care rating;
- 190.3 (ii) calculating the overall ratio of actual payments to service authorizations by
190.4 program;
- 190.5 (iii) applying the overall ratio to the average service authorization level of each
190.6 home care rating;
- 190.7 (iv) adjusting the result for any authorized rate increases provided by the legislature;
190.8 and
- 190.9 (v) adjusting the result for the average monthly utilization per recipient.
- 190.10 (2) The commissioner may review and evaluate the methodology to reflect changes
190.11 in the home care ~~program's overall ratio of actual payments to service authorizations~~
190.12 programs.
- 190.13 ~~(b) Effective January 1, 2004, persons previously receiving exception grants will~~
190.14 ~~have their grants calculated using the methodology in paragraph (a), clause (1). If a person~~
190.15 ~~currently receiving an exception grant wishes to have their home care rating reevaluated,~~
190.16 ~~they may request an assessment as defined in section 256B.0651, subdivision 1, paragraph~~
190.17 ~~(b).~~

190.18 Sec. 16. Minnesota Statutes 2008, section 256.975, subdivision 7, is amended to read:

190.19 Subd. 7. **Consumer information and assistance; senior linkage.** (a) The
190.20 Minnesota Board on Aging shall operate a statewide information and assistance service
190.21 to aid older Minnesotans and their families in making informed choices about long-term
190.22 care options and health care benefits. Language services to persons with limited English
190.23 language skills may be made available. The service, known as Senior LinkAge Line, must
190.24 be available during business hours through a statewide toll-free number and must also
190.25 be available through the Internet.

190.26 (b) The service must ~~assist~~ provide long-term care options counseling by assisting
190.27 older adults, caregivers, and providers in accessing information about choices in long-term
190.28 care services that are purchased through private providers or available through public
190.29 options. The service must:

190.30 (1) develop a comprehensive database that includes detailed listings in both
190.31 consumer- and provider-oriented formats;

190.32 (2) make the database accessible on the Internet and through other telecommunication
190.33 and media-related tools;

190.34 (3) link callers to interactive long-term care screening tools and make these tools
190.35 available through the Internet by integrating the tools with the database;

191.1 (4) develop community education materials with a focus on planning for long-term
191.2 care and evaluating independent living, housing, and service options;

191.3 (5) conduct an outreach campaign to assist older adults and their caregivers in
191.4 finding information on the Internet and through other means of communication;

191.5 (6) implement a messaging system for overflow callers and respond to these callers
191.6 by the next business day;

191.7 (7) link callers with county human services and other providers to receive more
191.8 in-depth assistance and consultation related to long-term care options;

191.9 (8) link callers with quality profiles for nursing facilities and other providers
191.10 developed by the commissioner of health; ~~and~~

191.11 (9) incorporate information about housing with services and consumer rights
191.12 within the MinnesotaHelp.info network long-term care database to facilitate consumer
191.13 comparison of services and costs among housing with services establishments and with
191.14 other in-home services and to support financial self-sufficiency as long as possible.

191.15 Housing with services establishments and their arranged home care providers shall provide
191.16 information to the commissioner of human services that is consistent with information
191.17 required by the commissioner of health under section 144G.06, the Uniform Consumer
191.18 Information Guide. The commissioner of human services shall provide the data to the
191.19 Minnesota Board on Aging for inclusion in the MinnesotaHelp.info network long-term
191.20 care database; and

191.21 (10) provide long-term care options counseling. Long-term care options counselors
191.22 shall:

191.23 (i) for individuals not eligible for case management under a public program or
191.24 public funding source, provide interactive decision support whereby consumers, family
191.25 members, or other helpers are supported in their deliberations to determine appropriate
191.26 long-term care choices in the context of the consumer's needs, preferences, values, and
191.27 individual circumstances including implementing a community support plan;

191.28 (ii) provide Web-based educational information and collateral written materials to
191.29 familiarize consumers, family members, or other helpers with the long-term care basics,
191.30 issues to be considered, and the range of options available in the community;

191.31 (iii) provide long-term care futures planning defined as providing assistance to
191.32 individuals who anticipate having long-term care needs to develop a plan for the more
191.33 distant future; and

191.34 (iv) provide expertise in benefits and financing options for long-term care including
191.35 Medicare, long-term care insurance, tax or employer-based incentives, reverse mortgages,

192.1 private pay options, and ways to access low or no-cost services or benefits through
192.2 volunteer-based or charitable programs.

192.3 (c) The Minnesota Board on Aging shall conduct an evaluation of the effectiveness
192.4 of the statewide information and assistance, and submit this evaluation to the legislature
192.5 by December 1, 2002. The evaluation must include an analysis of funding adequacy, gaps
192.6 in service delivery, continuity in information between the service and identified linkages,
192.7 and potential use of private funding to enhance the service.

192.8 Sec. 17. Minnesota Statutes 2008, section 256B.055, subdivision 7, is amended to read:

192.9 Subd. 7. **Aged, blind, or disabled persons.** (a) Medical assistance may be paid for
192.10 a person who meets the categorical eligibility requirements of the supplemental security
192.11 income program or, who would meet those requirements except for excess income or
192.12 assets, and who meets the other eligibility requirements of this section.

192.13 (b) Following a determination that the applicant is not aged or blind and does not
192.14 meet any other category of eligibility for medical assistance and has not been determined
192.15 disabled by the Social Security Administration, applicants under this subdivision shall be
192.16 referred to the commissioner's state medical review team for a determination of disability.

192.17 Sec. 18. Minnesota Statutes 2008, section 256B.057, subdivision 9, is amended to read:

192.18 Subd. 9. **Employed persons with disabilities.** (a) Medical assistance may be paid
192.19 for a person who is employed and who:

- 192.20 (1) meets the definition of disabled under the supplemental security income program;
192.21 (2) is at least 16 but less than 65 years of age;
192.22 (3) meets the asset limits in paragraph (c); and
192.23 (4) effective November 1, 2003, pays a premium and other obligations under
192.24 paragraph (e).

192.25 Any spousal income or assets shall be disregarded for purposes of eligibility and premium
192.26 determinations.

192.27 (b) After the month of enrollment, a person enrolled in medical assistance under
192.28 this subdivision who:

- 192.29 (1) is temporarily unable to work and without receipt of earned income due to a
192.30 medical condition, as verified by a physician, may retain eligibility for up to four calendar
192.31 months; or
192.32 (2) effective January 1, 2004, loses employment for reasons not attributable to the
192.33 enrollee, may retain eligibility for up to four consecutive months after the month of job
192.34 loss. To receive a four-month extension, enrollees must verify the medical condition or

193.1 provide notification of job loss. All other eligibility requirements must be met and the
193.2 enrollee must pay all calculated premium costs for continued eligibility.

193.3 (c) For purposes of determining eligibility under this subdivision, a person's assets
193.4 must not exceed \$20,000, excluding:

193.5 (1) all assets excluded under section 256B.056;

193.6 (2) retirement accounts, including individual accounts, 401(k) plans, 403(b) plans,
193.7 Keogh plans, and pension plans; and

193.8 (3) medical expense accounts set up through the person's employer.

193.9 (d)(1) Effective January 1, 2004, for purposes of eligibility, there will be a \$65
193.10 earned income disregard. To be eligible, a person applying for medical assistance under
193.11 this subdivision must have earned income above the disregard level.

193.12 (2) Effective January 1, 2004, to be considered earned income, Medicare, Social
193.13 Security, and applicable state and federal income taxes must be withheld. To be eligible,
193.14 a person must document earned income tax withholding.

193.15 (e)(1) A person whose earned and unearned income is equal to or greater than 100
193.16 percent of federal poverty guidelines for the applicable family size must pay a premium
193.17 to be eligible for medical assistance under this subdivision. The premium shall be based
193.18 on the person's gross earned and unearned income and the applicable family size using a
193.19 sliding fee scale established by the commissioner, which begins at one percent of income
193.20 at 100 percent of the federal poverty guidelines and increases to 7.5 percent of income
193.21 for those with incomes at or above 300 percent of the federal poverty guidelines. Annual
193.22 adjustments in the premium schedule based upon changes in the federal poverty guidelines
193.23 shall be effective for premiums due in July of each year.

193.24 (2) Effective January 1, 2004, all enrollees must pay a premium to be eligible for
193.25 medical assistance under this subdivision. An enrollee shall pay the greater of a \$35
193.26 premium or the premium calculated in clause (1).

193.27 (3) Effective November 1, 2003, all enrollees who receive unearned income must
193.28 pay one-half of one percent of unearned income in addition to the premium amount.

193.29 (4) Effective November 1, 2003, for enrollees whose income does not exceed 200
193.30 percent of the federal poverty guidelines and who are also enrolled in Medicare, the
193.31 commissioner must reimburse the enrollee for Medicare Part B premiums under section
193.32 256B.0625, subdivision 15, paragraph (a).

193.33 (5) Increases in benefits under title II of the Social Security Act shall not be counted
193.34 as income for purposes of this subdivision until July 1 of each year.

194.1 (f) A person's eligibility and premium shall be determined by the local county
194.2 agency. Premiums must be paid to the commissioner. All premiums are dedicated to
194.3 the commissioner.

194.4 (g) Any required premium shall be determined at application and redetermined at
194.5 the enrollee's six-month income review or when a change in income or household size is
194.6 reported. Enrollees must report any change in income or household size within ten days
194.7 of when the change occurs. A decreased premium resulting from a reported change in
194.8 income or household size shall be effective the first day of the next available billing month
194.9 after the change is reported. Except for changes occurring from annual cost-of-living
194.10 increases, a change resulting in an increased premium shall not affect the premium amount
194.11 until the next six-month review.

194.12 (h) Premium payment is due upon notification from the commissioner of the
194.13 premium amount required. Premiums may be paid in installments at the discretion of
194.14 the commissioner.

194.15 (i) Nonpayment of the premium shall result in denial or termination of medical
194.16 assistance unless the person demonstrates good cause for nonpayment. Good cause exists
194.17 if the requirements specified in Minnesota Rules, part 9506.0040, subpart 7, items B to
194.18 D, are met. Except when an installment agreement is accepted by the commissioner,
194.19 all persons disenrolled for nonpayment of a premium must pay any past due premiums
194.20 as well as current premiums due prior to being reenrolled. Nonpayment shall include
194.21 payment with a returned, refused, or dishonored instrument. The commissioner may
194.22 require a guaranteed form of payment as the only means to replace a returned, refused,
194.23 or dishonored instrument.

194.24 (j) Following a determination that the applicant is not aged or blind and does not
194.25 meet any other category of eligibility for medical assistance and has not been determined
194.26 disabled by the Social Security Administration, applicants under this subdivision shall be
194.27 referred to the commissioner's state medical review team for a determination of disability.

194.28 Sec. 19. Minnesota Statutes 2008, section 256B.0625, subdivision 7, is amended to
194.29 read:

194.30 Subd. 7. **Private duty nursing.** Medical assistance covers private duty nursing
194.31 services in a recipient's home. Recipients who are authorized to receive private duty
194.32 nursing services in their home may use approved hours outside of the home during hours
194.33 when normal life activities take them outside of their home. To use private duty nursing
194.34 services at school, the recipient or responsible party must provide written authorization in
194.35 the care plan identifying the chosen provider and the daily amount of services to be used at

195.1 school. Medical assistance does not cover private duty nursing services for residents of a
195.2 hospital, nursing facility, intermediate care facility, or a health care facility licensed by the
195.3 commissioner of health, except as authorized in section 256B.64 for ventilator-dependent
195.4 recipients in hospitals or unless a resident who is otherwise eligible is on leave from the
195.5 facility and the facility either pays for the private duty nursing services or forgoes the
195.6 facility per diem for the leave days that private duty nursing services are used. Total
195.7 hours of service and payment allowed for services outside the home cannot exceed
195.8 that which is otherwise allowed in an in-home setting according to sections 256B.0651
195.9 and ~~256B.0653~~ 256B.0654 to 256B.0656. All private duty nursing services must be
195.10 provided according to the limits established under sections 256B.0651 and 256B.0653
195.11 to 256B.0656. Private duty nursing services may not be reimbursed if the nurse is the
195.12 family foster care provider of a recipient who is under age 18 except as allowed under
195.13 section 256B.0659, subdivision 4.

195.14 Sec. 20. Minnesota Statutes 2008, section 256B.0625, subdivision 8, is amended to
195.15 read:

195.16 Subd. 8. **Physical therapy.** Medical assistance covers physical therapy, as
195.17 described in section 148.65, and related services, including specialized maintenance
195.18 therapy. Services provided by a physical therapy assistant shall be reimbursed at the
195.19 same rate as services performed by a physical therapist when the services of the physical
195.20 therapy assistant are provided under the direction of a physical therapist who is on the
195.21 premises. Services provided by a physical therapy assistant that are provided under the
195.22 direction of a physical therapist who is not on the premises shall be reimbursed at 65
195.23 percent of the physical therapist rate.

195.24 Sec. 21. Minnesota Statutes 2008, section 256B.0625, subdivision 8a, is amended to
195.25 read:

195.26 Subd. 8a. **Occupational therapy.** Medical assistance covers occupational therapy,
195.27 as described in section 148.6404, and related services, including specialized maintenance
195.28 therapy. Services provided by an occupational therapy assistant shall be reimbursed at
195.29 the same rate as services performed by an occupational therapist when the services of
195.30 the occupational therapy assistant are provided under the direction of the occupational
195.31 therapist who is on the premises. Services provided by an occupational therapy assistant
195.32 that are provided under the direction of an occupational therapist who is not on the
195.33 premises shall be reimbursed at 65 percent of the occupational therapist rate.

Sec. 22. Minnesota Statutes 2008, section 256B.0625, subdivision 19a, is amended to read:

Subd. 19a. **Personal care assistant services.** Medical assistance covers personal care assistant services in a recipient's home. To qualify for personal care assistant services, a recipient must require assistance and be determined dependent in one activity of daily living as defined in section 256B.0659 or have a level I behavior as defined in section 256B.0659. Recipients or responsible parties must be able to identify the recipient's needs, direct and evaluate task accomplishment, and provide for health and safety. Approved hours may be used outside the home when normal life activities take them outside the home. To use personal care assistant services at school, the recipient or responsible party must provide written authorization in the care plan identifying the chosen provider and the daily amount of services to be used at school. Total hours for services, whether actually performed inside or outside the recipient's home, cannot exceed that which is otherwise allowed for personal care assistant services in an in-home setting according to sections 256B.0651 ~~and 256B.0653~~ to 256B.0656. Medical assistance does not cover personal care assistant services for residents of a hospital, nursing facility, intermediate care facility, health care facility licensed by the commissioner of health, or unless a resident who is otherwise eligible is on leave from the facility and the facility either pays for the personal care assistant services or forgoes the facility per diem for the leave days that personal care assistant services are used. All personal care assistant services must be provided according to sections 256B.0651 ~~and 256B.0653~~ to 256B.0656. Personal care assistant services may not be reimbursed if the personal care assistant is the spouse or ~~legal~~ paid guardian of the recipient or the parent of a recipient under age 18, or the responsible party or the foster care provider ~~of a recipient who cannot direct the recipient's own care unless, in the case of a foster care provider, unless the foster home is the licensed provider's primary residence and a county or state case manager visits the recipient as needed, but not less than every six months, to monitor the health and safety of the recipient and to ensure the goals of the care plan are met. Parents of adult recipients, adult children of the recipient or adult siblings of the recipient may be reimbursed for personal care assistant services, if they are granted a waiver under sections 256B.0651 and 256B.0653 to 256B.0656.~~ Notwithstanding the provisions of section ~~256B.0655, subdivision 2, paragraph (b), clause (4)~~ 256B.0659, the ~~noncorporate legal~~ unpaid guardian or conservator of an adult, who is not the responsible party and not the personal care provider organization, may be ~~granted a hardship waiver under sections 256B.0651 and 256B.0653 to 256B.0656, to be~~ reimbursed to provide personal care assistant services to the recipient if the guardian or conservator meet all criteria for a personal care assistant according to section 256B.0659,

197.1 and shall not be considered to have a service provider interest for purposes of participation
197.2 on the screening team under section 256B.092, subdivision 7.

197.3 Sec. 23. Minnesota Statutes 2008, section 256B.0625, subdivision 19c, is amended to
197.4 read:

197.5 Subd. 19c. **Personal care.** (a) Medical assistance covers personal care assistant
197.6 services provided by an individual who is qualified to provide the services according
197.7 to subdivision 19a and sections 256B.0651 ~~and 256B.0653~~ to 256B.0656, ~~where the~~
197.8 ~~services have a statement of need by a physician, provided in accordance with a plan, and~~
197.9 ~~are supervised by the recipient or a qualified professional. The physician's statement of~~
197.10 ~~need for personal care assistant services shall be documented on a form approved by the~~
197.11 ~~commissioner and include the diagnosis or condition of the person that results in a need~~
197.12 ~~for personal care assistant services and be updated when the person's medical condition~~
197.13 ~~requires a change, but at least annually if the need for personal care assistant services is~~
197.14 ~~ongoing.~~

197.15 (b) "Qualified professional" means a mental health professional as defined in section
197.16 245.462, subdivision 18, or 245.4871, subdivision 27; or a registered nurse as defined in
197.17 sections 148.171 to 148.285, ~~or~~ a licensed social worker as defined in section 148B.21;
197.18 or qualified developmental disabilities professional under section 245B.07, subdivision
197.19 4. ~~As part of the assessment, the county public health nurse will assist the recipient or~~
197.20 ~~responsible party to identify the most appropriate person to provide supervision of the~~
197.21 ~~personal care assistant. The qualified professional shall perform the duties described~~
197.22 required in Minnesota Rules, part 9505.0335, subpart 4 section 256B.0659.

197.23 Sec. 24. Minnesota Statutes 2008, section 256B.0641, subdivision 3, is amended to
197.24 read:

197.25 Subd. 3. **Facility in receivership.** Subdivision 2 does not apply to the change of
197.26 ownership of a facility to a nonrelated organization while the facility to be sold, transferred
197.27 or reorganized is in receivership under section 144A.14, 144A.15, 245A.12, or 245A.13,
197.28 and the commissioner during the receivership has not determined the need to place
197.29 residents of the facility into a newly constructed or newly established facility. Nothing
197.30 in this subdivision limits the liability of a former owner.

197.31 Sec. 25. Minnesota Statutes 2008, section 256B.0651, is amended to read:

197.32 **256B.0651 HOME CARE SERVICES.**

198.1 Subdivision 1. **Definitions.** (a) ~~"Activities of daily living" includes eating, toileting,~~
198.2 ~~grooming, dressing, bathing, transferring, mobility, and positioning.~~ For the purposes of
198.3 sections 256B.0651 to 256B.0656 and 256B.0659, the terms in paragraphs (b) to (g)
198.4 have the meanings given.

198.5 (b) "Activities of daily living" has the meaning given in section 256B.0659,
198.6 subdivision 1, paragraph (b).

198.7 ~~(b)(c) "Assessment" means a review and evaluation of a recipient's need for home~~
198.8 ~~care services conducted in person. Assessments for home health agency services shall be~~
198.9 ~~conducted by a home health agency nurse. Assessments for medical assistance home care~~
198.10 ~~services for developmental disability and alternative care services for developmentally~~
198.11 ~~disabled home and community-based waived recipients may be conducted by the county~~
198.12 ~~public health nurse to ensure coordination and avoid duplication. Assessments must be~~
198.13 ~~completed on forms provided by the commissioner within 30 days of a request for home~~
198.14 ~~care services by a recipient or responsible party.~~

198.15 ~~(c)(d) "Home care services" means a health service, determined by the commissioner~~
198.16 ~~as medically necessary, that is ordered by a physician and documented in a service plan~~
198.17 ~~that is reviewed by the physician at least once every 60 days for the provision of home~~
198.18 ~~health services, or private duty nursing, or at least once every 365 days for personal care.~~
198.19 ~~Home care services are provided to the recipient at the recipient's residence that is a~~
198.20 ~~place other than a hospital or long-term care facility or as specified in section 256B.0625~~
198.21 means medical assistance covered services that are home health agency services, including
198.22 skilled nurse visits; home health aide visits; physical therapy, occupational therapy,
198.23 respiratory therapy, and language-speech pathology therapy; private duty nursing; and
198.24 personal care assistance.

198.25 (e) "Home residence" means a residence owned or rented by the recipient either
198.26 alone, with roommates of the recipient's choosing, or with an unpaid responsible party
198.27 or legal representative; or a family foster home where the license holder lives with the
198.28 recipient and is not paid to provide home care services for the recipient.

198.29 ~~(d)(f) "Medically necessary" has the meaning given in Minnesota Rules, parts~~
198.30 ~~9505.0170 to 9505.0475.~~

198.31 ~~(e) "Telehomecare" means the use of telecommunications technology by a home~~
198.32 ~~health care professional to deliver home health care services, within the professional's~~
198.33 ~~scope of practice, to a patient located at a site other than the site where the practitioner~~
198.34 ~~is located.~~

199.1 (g) "Ventilator-dependent" means an individual who receives mechanical ventilation
199.2 for life support at least six hours per day and is expected to be or has been dependent on a
199.3 ventilator for at least 30 consecutive days.

199.4 Subd. 2. **Services covered.** Home care services covered under this section and
199.5 sections ~~256B.0653~~ 256B.0652 to 256B.0656 and 256B.0659 include:

199.6 (1) nursing services under ~~section~~ sections 256B.0625, subdivision 6a, and
199.7 256B.0653;

199.8 (2) private duty nursing services under ~~section~~ sections 256B.0625, subdivision
199.9 7, and 256B.0654;

199.10 (3) home health services under ~~section~~ sections 256B.0625, subdivision 6a, and
199.11 256B.0653;

199.12 (4) personal care assistant services under ~~section~~ sections 256B.0625, subdivision
199.13 19a, and 256B.0659;

199.14 (5) supervision of personal care assistant services provided by a qualified
199.15 professional under ~~section~~ sections 256B.0625, subdivision 19a, and 256B.0659;

199.16 ~~(6) qualified professional of personal care assistant services under the fiscal~~
199.17 ~~intermediary option as specified in section 256B.0655, subdivision 7;~~

199.18 ~~(7)~~ (6) face-to-face assessments by county public health nurses for services under
199.19 ~~section~~ sections 256B.0625, subdivision 19a, and 256B.0659; and

199.20 ~~(8)~~ (7) service updates and review of temporary increases for personal care assistant
199.21 services by the county public health nurse for services under ~~section~~ sections 256B.0625,
199.22 subdivision 19a, and 256B.0659.

199.23 Subd. 3. **Noncovered home care services.** The following home care services are
199.24 not eligible for payment under medical assistance:

199.25 ~~(1) skilled nurse visits for the sole purpose of supervision of the home health aide;~~

199.26 ~~(2) a skilled nursing visit:~~

199.27 ~~(i) only for the purpose of monitoring medication compliance with an established~~
199.28 ~~medication program for a recipient; or~~

199.29 ~~(ii) to administer or assist with medication administration, including injections,~~
199.30 ~~prefilling syringes for injections, or oral medication set-up of an adult recipient, when as~~
199.31 ~~determined and documented by the registered nurse, the need can be met by an available~~
199.32 ~~pharmacy or the recipient is physically and mentally able to self-administer or prefill~~
199.33 ~~a medication;~~

199.34 ~~(3) home care services to a recipient who is eligible for covered services under the~~
199.35 ~~Medicare program or any other insurance held by the recipient;~~

199.36 ~~(4) services to other members of the recipient's household;~~

- 200.1 ~~(5) a visit made by a skilled nurse solely to train other home health agency workers;~~
200.2 ~~(6) any home care service included in the daily rate of the community-based~~
200.3 ~~residential facility where the recipient is residing;~~
200.4 ~~(7) nursing and rehabilitation therapy services that are reasonably accessible to a~~
200.5 ~~recipient outside the recipient's place of residence, excluding the assessment, counseling~~
200.6 ~~and education, and personal assistant care;~~
200.7 ~~(8) any home health agency service, excluding personal care assistant services and~~
200.8 ~~private duty nursing services, which are performed in a place other than the recipient's~~
200.9 ~~residence; and~~
200.10 ~~(9) Medicare evaluation or administrative nursing visits on dual-eligible recipients~~
200.11 ~~that do not qualify for Medicare visit billing.~~
200.12 (1) services provided in a nursing facility, hospital, or intermediate care facility with
200.13 exceptions in section 256B.0653;
200.14 (2) services for the sole purpose of monitoring medication compliance with an
200.15 established medication program for a recipient;
200.16 (3) home care services for covered services under the Medicare program or any other
200.17 insurance held by the recipient;
200.18 (4) services to other members of the recipient's household;
200.19 (5) any home care service included in the daily rate of the community-based
200.20 residential facility where the recipient is residing;
200.21 (6) nursing and rehabilitation therapy services that are reasonably accessible to a
200.22 recipient outside the recipient's place of residence, excluding the assessment, counseling
200.23 and education, and personal assistance care; or
200.24 (7) Medicare evaluation or administrative nursing visits on dual-eligible recipients
200.25 that do not qualify for Medicare visit billing.

200.26 Subd. 4. **Prior Authorization; exceptions.** All home care services above the limits
200.27 in subdivision 11 must receive the commissioner's ~~prior~~ authorization before services
200.28 begin, except when:

- 200.29 (1) the home care services were required to treat an emergency medical condition
200.30 that if not immediately treated could cause a recipient serious physical or mental disability,
200.31 continuation of severe pain, or death. The provider must request retroactive authorization
200.32 no later than five working days after giving the initial service. The provider must be able
200.33 to substantiate the emergency by documentation such as reports, notes, and admission or
200.34 discharge histories;
200.35 ~~(2) the home care services were provided on or after the date on which the recipient's~~
200.36 ~~eligibility began, but before the date on which the recipient was notified that the case was~~

~~opened. Authorization will be considered if the request is submitted by the provider within 20 working days of the date the recipient was notified that the case was opened; a recipient's medical assistance eligibility has lapsed, is then retroactively reinstated, and an authorization for home care services is completed based on the date of a current assessment, eligibility, and request for authorization;~~

(3) a third-party payor for home care services has denied or adjusted a payment. Authorization requests must be submitted by the provider within 20 working days of the notice of denial or adjustment. A copy of the notice must be included with the request;

(4) the commissioner has determined that a county or state human services agency has made an error; or

~~(5) the professional nurse determines an immediate need for up to 40 skilled nursing or home health aide visits per calendar year and submits a request for authorization within 20 working days of the initial service date, and medical assistance is determined to be the appropriate payer.~~ if a recipient enrolled in managed care experiences a temporary disenrollment from a health plan, the commissioner shall accept the current health plan authorization for personal care assistance services for up to 60 days. The request must be received within the first 30 days of the disenrollment. If the recipient's reenrollment in managed care is after the 60 days and before 90 days, the provider shall request an additional 30-day extension of the current health plan authorization, for a total limit of 90 days from the time of disenrollment.

~~Subd. 5. **Retroactive authorization.** A request for retroactive authorization will be evaluated according to the same criteria applied to prior authorization requests.~~

Subd. 6. **Prior Authorization.** (a) The commissioner, or the commissioner's designee, shall review the assessment, service update, request for temporary services, request for flexible use option, service plan, and any additional information that is submitted. The commissioner shall, within 30 days after receiving a complete request, assessment, and service plan, authorize home care services as follows: provided in this section.

~~(a) **Home health services.** (b) All Home health services provided by a home health aide including skilled nurse visits and home health aide visits must be prior authorized by the commissioner or the commissioner's designee. Prior Authorization must be based on medical necessity and cost-effectiveness when compared with other care options. The commissioner must receive the request for authorization of skilled nurse visits and home health aide visits within 20 working days of the start of service. When home health services are used in combination with personal care and private duty nursing, the cost of all home care services shall be considered for cost-effectiveness. The commissioner shall~~

~~limit home health aide visits to no more than one visit each per day. The commissioner, or the commissioner's designee, may authorize up to two skilled nurse visits per day.~~

~~(b) Ventilator-dependent recipients.~~ (c) If the recipient is ventilator-dependent, the monthly medical assistance authorization for home care services shall not exceed what the commissioner would pay for care at the highest cost hospital designated as a long-term hospital under the Medicare program. For purposes of this paragraph, home care services means all direct care services provided in the home that would be included in the payment for care at the long-term hospital. ~~"Ventilator-dependent" means an individual who receives mechanical ventilation for life support at least six hours per day and is expected to be or has been dependent for at least 30 consecutive days.~~ Recipients who meet the definition of ventilator dependent and the EN home care rating and utilize a combination of home care services are limited up to a total of 24 hours of home care services per day. Additional hours may be authorized when a recipient's assessment indicates a need for two staff to perform activities. Additional time is limited to four hours per day.

Subd. 7. **Prior Authorization; time limits.** (a) The commissioner or the commissioner's designee shall determine the time period for which ~~a prior~~ an authorization shall be effective ~~and, if flexible use has been requested, whether to allow the flexible use option.~~ If the recipient continues to require home care services beyond the duration of the ~~prior~~ authorization, the home care provider must request a new ~~prior~~ authorization. A personal care provider agency must request a new personal care assistant services assessment, or service update if allowed, at least 60 days prior to the end of the current ~~prior~~ authorization time period. The request for the assessment must be made on a form approved by the commissioner. ~~Under no circumstances, other than the exceptions in subdivision 4, shall a prior~~ An authorization must be valid prior to the date the commissioner receives the request or for no more than 12 months.

The amount and type of personal care assistant services authorized based upon the assessment and service plan must remain in effect for the recipient whether the recipient chooses a different provider or enrolls or disenrolls from a managed care plan under section 256B.0659, unless the service needs of the recipient change and a new assessment is warranted under section 256B.0655, subdivision 1b.

(b) A recipient who appeals a reduction in previously authorized home care services may continue previously authorized services, other than temporary services under subdivision 8, pending an appeal under section 256.045. The commissioner must ~~provide~~ ensure that the recipient has a copy of the most recent service plan that contains a detailed explanation of why the authorized services which areas of covered personal care assistant tasks are reduced in amount from those requested by the home care provider and

provide notice of the amount of time per day reduced, and the reasons for the reduction in the recipient's notice of denial, termination, or reduction.

Subd. 8. **Prior Authorization requests; temporary services.** The agency nurse, the independently enrolled private duty nurse, or county public health nurse may request a temporary authorization for home care services by telephone. The commissioner may approve a temporary level of home care services based on the assessment, and service or care plan information, and primary payer coverage determination information as required. Authorization for a temporary level of home care services including nurse supervision is limited to the time specified by the commissioner, but shall not exceed 45 days, unless extended because the county public health nurse has not completed the required assessment and service plan, or the commissioner's determination has not been made. The level of services authorized under this provision shall have no bearing on a future prior authorization.

Subd. 9. **Prior Authorization for foster care setting.** (a) Home care services provided in an adult or child foster care setting must receive prior authorization by the department commissioner according to the limits established in subdivision 11.

(b) The commissioner may not authorize:

(1) home care services that are the responsibility of the foster care provider under the terms of the foster care placement agreement, difficulty of care, and administrative rules;

(2) personal care assistant services when the foster care license holder is also the personal care provider or personal care assistant, unless the foster home is the licensed provider's primary residence and unless the recipient can direct the recipient's own care, or case management is provided as required in section 256B.0625, subdivision 19a; or

~~(3) personal care assistant services when the responsible party is an employee of, or under contract with, or has any direct or indirect financial relationship with the personal care provider or personal care assistant, unless case management is provided as required in section 256B.0625, subdivision 19a; or~~

~~(4) (3) personal care assistant and private duty nursing services when the number of foster care residents licensed capacity is greater than four unless the county responsible for the recipient's foster placement made the placement prior to April 1, 1992, requests that personal care assistant and private duty nursing services be provided, and case management is provided as required in section 256B.0625, subdivision 19a.~~

~~Subd. 10. **Limitation on payments.** Medical assistance payments for home care services shall be limited according to subdivisions 4 to 12 and sections 256B.0654, subdivision 2, and 256B.0655, subdivisions 3 and 4.~~

204.1 Subd. 11. **Limits on services without prior authorization.** A recipient may receive
204.2 the following home care services during a calendar year:

204.3 (1) up to two face-to-face assessments to determine a recipient's need for personal
204.4 care assistant services;

204.5 (2) one service update done to determine a recipient's need for personal care assistant
204.6 services; and

204.7 (3) up to nine face-to-face skilled nurse visits.

204.8 Subd. 12. **Approval of home care services.** The commissioner or the
204.9 commissioner's designee shall determine the medical necessity of home care services, the
204.10 level of caregiver according to subdivision 2, and the institutional comparison according to
204.11 subdivisions 4 to 12 and sections 256B.0654, subdivision 2, and ~~256B.0655, subdivisions~~
204.12 ~~3 and 4~~ 256B.0659, the cost-effectiveness of services, and the amount, scope, and duration
204.13 of home care services reimbursable by medical assistance, based on the assessment,
204.14 primary payer coverage determination information as required, the service plan, the
204.15 recipient's age, the cost of services, the recipient's medical condition, and diagnosis or
204.16 disability. The commissioner may publish additional criteria for determining medical
204.17 necessity according to section 256B.04.

204.18 Subd. 13. **Recovery of excessive payments.** The commissioner shall seek
204.19 monetary recovery from providers of payments made for services which exceed the limits
204.20 established in this section and sections 256B.0653 to 256B.0656 and 256B.0659. This
204.21 subdivision does not apply to services provided to a recipient at the previously authorized
204.22 level pending an appeal under section 256.045, subdivision 10.

204.23 Subd. 14. **Referrals to Medicare providers required.** Home care providers that
204.24 do not participate in or accept Medicare assignment must refer and document the referral
204.25 of dual-eligible recipients to Medicare providers when Medicare is determined to be the
204.26 appropriate payer for services and supplies and equipment. Providers must be terminated
204.27 from participation in the medical assistance program for failure to make these referrals.

204.28 Subd. 15. **Quality assurance for program integrity.** The commissioner shall
204.29 maintain processes for monitoring ongoing program integrity including provider standards
204.30 and training, consumer surveys, and random reviews of documentation.

204.31 Subd. 16. **Oversight of enrolled providers.** The commissioner shall establish
204.32 an ongoing quality assurance process for home care services. The commissioner has
204.33 the authority to request proof of documentation of meeting provider standards, quality
204.34 standards of care, correct billing practices, and other information. Failure to provide access
204.35 and information to demonstrate compliance with laws, rules, or policies must result in
204.36 suspension, denial, or termination of the provider agency's enrollment with the department.

205.1 Sec. 26. Minnesota Statutes 2008, section 256B.0652, is amended to read:

205.2 **256B.0652 ~~PRIOR~~ AUTHORIZATION AND REVIEW OF HOME CARE**
205.3 **SERVICES.**

205.4 Subdivision 1. **State coordination.** The commissioner shall supervise the
205.5 coordination of the ~~prior~~ authorization and review of home care services that are
205.6 reimbursed by medical assistance.

205.7 Subd. 2. **Duties.** (a) The commissioner may contract with or employ ~~qualified~~
205.8 ~~registered nurses and~~ necessary ~~support~~ staff, or contract with qualified agencies, to
205.9 provide home care ~~prior~~ authorization and review services for medical assistance
205.10 recipients who are receiving home care services.

205.11 (b) Reimbursement for the ~~prior~~ authorization function shall be made through the
205.12 medical assistance administrative authority. The state shall pay the nonfederal share.
205.13 The functions will be to:

205.14 (1) assess the recipient's individual need for services required to be cared for safely
205.15 in the community;

205.16 (2) ensure that a ~~service~~ care plan that meets the recipient's needs is developed
205.17 by the appropriate agency or individual;

205.18 (3) ensure cost-effectiveness and nonduplication of medical assistance home care
205.19 services;

205.20 (4) recommend the approval or denial of the use of medical assistance funds to pay
205.21 for home care services;

205.22 (5) reassess the recipient's need for and level of home care services at a frequency
205.23 determined by the commissioner; ~~and~~

205.24 (6) conduct on-site assessments when determined necessary by the commissioner
205.25 and recommend changes to care plans that will provide more efficient and appropriate
205.26 home care; and

205.27 (7) on the department's Web site:

205.28 (i) provide a link to MinnesotaHelp.info for a list of enrolled home care agencies
205.29 with the following information: main office address, contact information for the agency,
205.30 counties in which services are provided, type of home care services provided, whether
205.31 the personal care assistance choice option is offered, types of qualified professionals
205.32 employed, number of personal care assistants employed, and data on staff turnover; and

205.33 (ii) post data on home care services including information from both fee-for-service
205.34 and managed care plans as available.

205.35 (c) In addition, the commissioner or the commissioner's designee may:

206.1 (1) review care plans, service plans, and reimbursement data for utilization of
206.2 services that exceed community-based standards for home care, inappropriate home care
206.3 services, medical necessity, home care services that do not meet quality of care standards,
206.4 or unauthorized services and make appropriate referrals within the department or to other
206.5 appropriate entities based on the findings;

206.6 (2) assist the recipient in obtaining services necessary to allow the recipient to
206.7 remain safely in or return to the community;

206.8 (3) coordinate home care services with other medical assistance services under
206.9 section 256B.0625;

206.10 (4) assist the recipient with problems related to the provision of home care services;

206.11 (5) assure the quality of home care services; and

206.12 (6) assure that all liable third-party payers including, but not limited to, Medicare
206.13 have been used prior to medical assistance for home care services, ~~including but not~~
206.14 ~~limited to, home health agency, elected hospice benefit, waived services, alternative care~~
206.15 ~~program services, and personal care services.~~

206.16 (d) For the purposes of this section, "home care services" means medical assistance
206.17 services defined under section 256B.0625, subdivisions 6a, 7, and 19a.

206.18 (e) Notwithstanding any law or rule to the contrary, the commissioner may establish
206.19 an audit mechanism for the authorization of personal care assistance services under section
206.20 256B.0659 which requires a manual review of the provision of personal care assistance
206.21 services of 12 hours or more per day.

206.22 Subd. 3. **Assessment and ~~prior~~ authorization process for persons receiving**
206.23 **personal care assistance and developmental disabilities services.** ~~Effective January 1,~~
206.24 ~~1996,~~ For purposes of providing informed choice, coordinating of local planning decisions,
206.25 and streamlining administrative requirements, the assessment and ~~prior~~ authorization
206.26 process for persons receiving both home care and home and community-based waived
206.27 services for persons with developmental disabilities shall meet the requirements of
206.28 sections 256B.0651 and 256B.0653 to 256B.0656 with the following exceptions:

206.29 (a) Upon request for home care services and subsequent assessment by the public
206.30 health nurse under sections 256B.0651 and 256B.0653 to 256B.0656, the public health
206.31 nurse shall participate in the screening process, as appropriate, and, if home care
206.32 services are determined to be necessary, participate in the development of a service plan
206.33 coordinating the need for home care and home and community-based waived services
206.34 with the assigned county case manager, the recipient of services, and the recipient's legal
206.35 representative, if any.

(b) The public health nurse shall give ~~prior~~ authorization for home care services to the extent that home care services are:

- (1) medically necessary;
- (2) chosen by the recipient and their legal representative, if any, from the array of home care and home and community-based waived services available;
- (3) coordinated with other services to be received by the recipient as described in the service plan; and
- (4) provided within the county's reimbursement limits for home care and home and community-based waived services for persons with developmental disabilities.

(c) If the public health agency is or may be the provider of home care services to the recipient, the public health agency shall provide the commissioner of human services with a written plan that specifies how the assessment and ~~prior~~ authorization process will be held separate and distinct from the provision of services.

Sec. 27. Minnesota Statutes 2008, section 256B.0653, is amended to read:

256B.0653 HOME HEALTH AGENCY ~~COVERED~~ SERVICES.

Subdivision 1. ~~Homecare; skilled nurse visits~~ Scope. ~~"Skilled nurse visits" are provided in a recipient's residence under a plan of care or service plan that specifies a level of care which the nurse is qualified to provide. These services are:~~

~~(1) nursing services according to the written plan of care or service plan and accepted standards of medical and nursing practice in accordance with chapter 148;~~

~~(2) services which due to the recipient's medical condition may only be safely and effectively provided by a registered nurse or a licensed practical nurse;~~

~~(3) assessments performed only by a registered nurse; and~~

~~(4) teaching and training the recipient, the recipient's family, or other caregivers requiring the skills of a registered nurse or licensed practical nurse. This section applies to home health agency services including, home health aide, skilled nursing visits, physical therapy, occupational therapy, respiratory therapy, and speech language pathology therapy.~~

Subd. 2. ~~Telehomecare; skilled nurse visits~~ Definitions. ~~Medical assistance covers skilled nurse visits according to section 256B.0625, subdivision 6a, provided via telehomecare, for services which do not require hands-on care between the home care nurse and recipient. The provision of telehomecare must be made via live, two-way interactive audiovisual technology and may be augmented by utilizing store-and-forward technologies. Store-and-forward technology includes telehomecare services that do not occur in real time via synchronous transmissions, and that do not require a face-to-face encounter with the recipient for all or any part of any such telehomecare visit. Individually~~

~~identifiable patient data obtained through real-time or store-and-forward technology must be maintained as health records according to sections 144.291 to 144.298. If the video is used for research, training, or other purposes unrelated to the care of the patient, the identity of the patient must be concealed. A communication between the home care nurse and recipient that consists solely of a telephone conversation, facsimile, electronic mail, or a consultation between two health care practitioners, is not to be considered a telehomecare visit. Multiple daily skilled nurse visits provided via telehomecare are allowed. Coverage of telehomecare is limited to two visits per day. All skilled nurse visits provided via telehomecare must be prior authorized by the commissioner or the commissioner's designee and will be covered at the same allowable rate as skilled nurse visits provided in-person. For the purposes of this section, the following terms have the meanings given.~~

(a) "Assessment" means an evaluation of the recipient's medical need for home health agency services by a registered nurse or appropriate therapist that is conducted within 30 days of a request and as specified in Code of Federal Regulations, title 42, sections 484.1 to 494.55.

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

(c) "Home health agency services" means services delivered in the recipient's home residence, except as specified in section 256B.0625, by a home health agency to a recipient with medical needs due to illness, disability, or physical conditions.

(d) "Home health aide" means an employee of a home health agency who meets the requirements of Code of Federal Regulations, title 42, sections 484.1 to 494.55, and completes medically oriented tasks written in the plan of care for a recipient.

(e) "Home health agency" means a home care provider agency that is Medicare-certified satisfying the requirements of Code of Federal Regulations, title 42, sections 484.1 to 494.55.

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

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

(h) "Respiratory therapy services" mean the services defined in chapter 147C and Minnesota Rules, part 4668.0003, subpart 37.

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

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

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

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

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

Subd. 3. ~~Therapies through home health agencies~~ Home health aide visits.

~~(a) Medical assistance covers physical therapy and related services, including specialized maintenance therapy. Services provided by a physical therapy assistant shall be reimbursed at the same rate as services performed by a physical therapist when the services of the physical therapy assistant are provided under the direction of a physical therapist who is on the premises. Services provided by a physical therapy assistant that are provided under the direction of a physical therapist who is not on the premises shall be reimbursed at 65 percent of the physical therapist rate. Direction of the physical therapy assistant must be provided by the physical therapist as described in Minnesota Rules, part 9505.0390, subpart 1, item B. The physical therapist and physical therapist assistant may not both bill for services provided to a recipient on the same day.~~

~~(b) Medical assistance covers occupational therapy and related services, including specialized maintenance therapy. Services provided by an occupational therapy assistant shall be reimbursed at the same rate as services performed by an occupational therapist when the services of the occupational therapy assistant are provided under the direction of the occupational therapist who is on the premises. Services provided by an occupational therapy assistant under the direction of an occupational therapist who is not on the premises shall be reimbursed at 65 percent of the occupational therapist rate. Direction of the occupational therapy assistant must be provided by the occupational therapist as described in Minnesota Rules, part 9505.0390, subpart 1, item B. The occupational therapist and occupational therapist assistant may not both bill for services provided to a recipient on the same day.~~

(a) Home health aide visits must be provided by a certified home health aide using a written plan of care that is updated in compliance with Medicare regulations.

210.1 A home health aide shall provide hands-on personal care, perform simple procedures
210.2 as an extension of therapy or nursing services, and assist in instrumental activities of
210.3 daily living as defined in section 256B.0659. Home health aide visits must be provided
210.4 in the recipient's home.

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

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

210.10 Subd. 4. **Skilled nurse visit services.** (a) Skilled nurse visit services must be
210.11 provided by a registered nurse or a licensed practical nurse under the supervision of a
210.12 registered nurse, according to the written plan of care and accepted standards of medical
210.13 and nursing practice according to chapter 148. Skilled nurse visit services must be ordered
210.14 by a physician and documented in a plan of care that is reviewed and approved by the
210.15 ordering physician at least once every 60 days. All skilled nurse visits must be medically
210.16 necessary and provided in the recipient's home residence except as allowed under section
210.17 256B.0625, subdivision 6a.

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

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

210.24 (d) The provision of telehomecare must be made via live, two-way interactive
210.25 audiovisual technology and may be augmented by utilizing store-and-forward
210.26 technologies. Individually identifiable patient data obtained through real-time or
210.27 store-and-forward technology must be maintained as health records according to sections
210.28 144.291 to 144.298. If the video is used for research, training, or other purposes unrelated
210.29 to the care of the patient, the identity of the patient must be concealed.

210.30 (e) Authorization for skilled nurse visits must be completed under section
210.31 256B.0652. A total of nine face-to-face skilled nurses visits per calendar year do not
210.32 require authorization. All telehomecare skilled nurse visits require authorization.

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

210.36 (b) Home care therapies must be:

211.1 (1) provided in the recipient's residence after it has been determined the recipient is
211.2 unable to access outpatient therapy;

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

211.5 (3) assessed by an appropriate therapist; and

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

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

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

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

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

211.18 (2) the following skilled nurse visits:

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

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

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

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

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

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

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

211.34 (4) home care therapies provided in other settings such as a clinic, day program, or as
211.35 an inpatient or when the recipient can access therapy outside of the recipient's residence.

Sec. 28. Minnesota Statutes 2008, section 256B.0654, is amended to read:

256B.0654 PRIVATE DUTY NURSING.

Subdivision 1. **Definitions.** ~~(a) "Assessment" means a review and evaluation of a recipient's need for home care services conducted in person. Assessments for private duty nursing shall be conducted by a registered private duty nurse. Assessments for medical assistance home care services for developmental disabilities and alternative care services for developmentally disabled home and community-based waived recipients may be conducted by the county public health nurse to ensure coordination and avoid duplication.~~

~~(b) (a) "Complex and regular private duty nursing care" means:~~

~~(1) complex care is private duty nursing services provided to recipients who are ventilator dependent or for whom a physician has certified that were it not for private duty nursing the recipient would meet meets the criteria for inpatient hospital intensive care unit (ICU) level of care; and~~

~~(2) regular care is private duty nursing provided to all other recipients.~~

(b) "Private duty nursing" means ongoing professional nursing services by a registered or licensed practical nurse including assessment, professional nursing tasks, and education, based on an assessment and physician orders to maintain or restore optimal health of the recipient.

(c) "Private duty nursing agency" means a medical assistance enrolled provider licensed under chapter 144A to provide private duty nursing services.

(d) "Regular private duty nursing" means nursing services provided to a recipient who is considered stable and not at an inpatient hospital intensive care unit level of care, but may have episodes of instability that are not life threatening.

(e) "Shared private duty nursing" means the provision of nursing services by a private duty nurse to two recipients at the same time and in the same setting.

Subd. 2. **Authorization; private duty nursing services.** (a) All private duty nursing services shall be ~~prior~~ authorized by the commissioner or the commissioner's designee. ~~Prior~~ Authorization for private duty nursing services shall be based on medical necessity and cost-effectiveness when compared with alternative care options. The commissioner may authorize medically necessary private duty nursing services in quarter-hour units when:

(1) the recipient requires more individual and continuous care than can be provided during a skilled nurse visit; or

(2) the cares are outside of the scope of services that can be provided by a home health aide or personal care assistant.

(b) The commissioner may authorize:

(1) up to two times the average amount of direct care hours provided in nursing facilities statewide for case mix classification "K" as established by the annual cost report submitted to the department by nursing facilities in May 1992;

(2) private duty nursing in combination with other home care services up to the total cost allowed under section 256B.0655, subdivision 4;

(3) up to 16 hours per day if the recipient requires more nursing than the maximum number of direct care hours as established in clause (1) and the recipient meets the hospital admission criteria established under Minnesota Rules, parts 9505.0501 to 9505.0540.

(c) The commissioner may authorize up to 16 hours per day of medically necessary private duty nursing services or up to 24 hours per day of medically necessary private duty nursing services until such time as the commissioner is able to make a determination of eligibility for recipients who are cooperatively applying for home care services under the community alternative care program developed under section 256B.49, or until it is determined by the appropriate regulatory agency that a health benefit plan is or is not required to pay for appropriate medically necessary health care services. Recipients or their representatives must cooperatively assist the commissioner in obtaining this determination. Recipients who are eligible for the community alternative care program may not receive more hours of nursing under this section and sections 256B.0651, 256B.0653, ~~256B.0655~~, and 256B.0656, and 256B.0659 than would otherwise be authorized under section 256B.49.

Subd. 2a. **Private duty nursing services.** (a) Private duty nursing services must be used:

(1) in the recipient's home or outside the home when normal life activities require;

(2) when the recipient requires more individual and continuous care than can be provided during a skilled nurse visit; and

(3) when the care required is outside of the scope of services that can be provided by a home health aide or personal care assistant.

(b) Private duty nursing services must be:

(1) assessed by a registered nurse on a form approved by the commissioner;

(2) ordered by a physician and documented in a plan of care that is reviewed by the physician at least once every 60 days; and

(3) authorized by the commissioner under section 256B.0652.

Subd. 2b. **Noncovered private duty nursing services.** Private duty nursing services do not cover the following:

(1) nursing services by a nurse who is the foster care provider of a person who has not reached 18 years of age unless allowed under subdivision 4;

214.1 (2) nursing services to more than two persons receiving shared private duty nursing
214.2 services from a private duty nurse in a single setting; and

214.3 (3) nursing services provided by a registered nurse or licensed practical nurse who is
214.4 the recipient's legal guardian or related to the recipient as spouse, parent, family foster
214.5 parent, or child, whether by blood, marriage, or adoption except as specified in section
214.6 256B.0652, subdivision 4.

214.7 Subd. 3. **Shared private duty nursing care option.** (a) Medical assistance
214.8 payments for shared private duty nursing services by a private duty nurse shall be limited
214.9 according to this subdivision. ~~For the purposes of this section and sections 256B.0651,~~
214.10 ~~256B.0653, 256B.0655, and 256B.0656, "private duty nursing agency" means an agency~~
214.11 ~~licensed under chapter 144A to provide private duty nursing services. Unless otherwise~~
214.12 provided in this subdivision, all other statutory and regulatory provisions relating to
214.13 private duty nursing services apply to shared private duty nursing services. Nothing in
214.14 this subdivision shall be construed to reduce the total number of private duty nursing
214.15 hours authorized for an individual recipient.

214.16 ~~(b) Recipients of private duty nursing services may share nursing staff and the~~
214.17 ~~commissioner shall provide a rate methodology for shared private duty nursing. For two~~
214.18 ~~persons sharing nursing care, the rate paid to a provider shall not exceed 1.5 times the~~
214.19 ~~regular private duty nursing rates paid for serving a single individual by a registered nurse~~
214.20 ~~or licensed practical nurse. These rates apply only to situations in which both recipients~~
214.21 ~~are present and receive shared private duty nursing care on the date for which the service~~
214.22 ~~is billed. No more than two persons may receive shared private duty nursing services~~
214.23 ~~from a private duty nurse in a single setting.~~

214.24 ~~(e)~~ (b) Shared private duty nursing ~~care~~ is the provision of nursing services by a
214.25 private duty nurse to two medical assistance eligible recipients at the same time and in
214.26 the same setting. This subdivision does not apply when a private duty nurse is caring for
214.27 multiple recipients in more than one setting.

214.28 (c) For the purposes of this subdivision, "setting" means:

214.29 (1) the home residence or foster care home of one of the individual recipients as
214.30 defined in section 256B.0651; or

214.31 (2) a child care program licensed under chapter 245A or operated by a local school
214.32 district or private school; ~~or~~

214.33 (3) an adult day care service licensed under chapter 245A; or

214.34 (4) outside the home residence or foster care home of one of the recipients when
214.35 normal life activities take the recipients outside the home.

~~This subdivision does not apply when a private duty nurse is caring for multiple recipients in more than one setting.~~

(d) The private duty nursing agency must offer the recipient the option of shared or one-on-one private duty nursing services. The recipient may withdraw from participating in a shared service arrangement at any time.

~~(d)~~ (e) The recipient or the recipient's legal representative, and the recipient's physician, in conjunction with the ~~home health care~~ private duty nursing agency, shall determine:

(1) whether shared private duty nursing care is an appropriate option based on the individual needs and preferences of the recipient; and

(2) the amount of shared private duty nursing services authorized as part of the overall authorization of nursing services.

~~(e)~~ (f) The recipient or the recipient's legal representative, in conjunction with the private duty nursing agency, shall approve the setting, grouping, and arrangement of shared private duty nursing care based on the individual needs and preferences of the recipients. Decisions on the selection of recipients to share services must be based on the ages of the recipients, compatibility, and coordination of their care needs.

~~(f)~~ (g) The following items must be considered by the recipient or the recipient's legal representative and the private duty nursing agency, and documented in the recipient's health service record:

(1) the additional training needed by the private duty nurse to provide care to two recipients in the same setting and to ensure that the needs of the recipients are met appropriately and safely;

(2) the setting in which the shared private duty nursing care will be provided;

(3) the ongoing monitoring and evaluation of the effectiveness and appropriateness of the service and process used to make changes in service or setting;

(4) a contingency plan which accounts for absence of the recipient in a shared private duty nursing setting due to illness or other circumstances;

(5) staffing backup contingencies in the event of employee illness or absence; and

(6) arrangements for additional assistance to respond to urgent or emergency care needs of the recipients.

~~(g) The provider must offer the recipient or responsible party the option of shared or one-on-one private duty nursing services. The recipient or responsible party can withdraw from participating in a shared service arrangement at any time.~~

~~(h) The private duty nursing agency must document the following in the health service record for each individual recipient sharing private duty nursing care~~

216.1 The documentation for shared private duty nursing must be on a form approved by
216.2 the commissioner for each individual recipient sharing private duty nursing. The
216.3 documentation must be part of the recipient's health service record and include:

216.4 (1) permission by the recipient or the recipient's legal representative for the
216.5 maximum number of shared nursing care hours per week chosen by the recipient and
216.6 permission for shared private duty nursing services provided in and outside the recipient's
216.7 home residence;

216.8 ~~(2) permission by the recipient or the recipient's legal representative for shared~~
216.9 ~~private duty nursing services provided outside the recipient's residence;~~

216.10 ~~(3) permission by the recipient or the recipient's legal representative for others to~~
216.11 ~~receive shared private duty nursing services in the recipient's residence;~~

216.12 ~~(4) (2) revocation by the recipient or the recipient's legal representative of for the~~
216.13 ~~shared private duty nursing care authorization, or the shared care to be provided to others in~~
216.14 ~~the recipient's residence, or the shared private duty nursing services to be provided outside~~
216.15 permission, or services provided to others in and outside the recipient's residence; and

216.16 ~~(5) (3) daily documentation of the shared private duty nursing services provided by~~
216.17 each identified private duty nurse, including:

216.18 (i) the names of each recipient receiving shared private duty nursing services
216.19 ~~together;~~

216.20 (ii) the setting for the shared services, including the starting and ending times that
216.21 the recipient received shared private duty nursing care; and

216.22 (iii) notes by the private duty nurse regarding changes in the recipient's condition,
216.23 problems that may arise from the sharing of private duty nursing services, and scheduling
216.24 and care issues.

216.25 ~~(i) Unless otherwise provided in this subdivision, all other statutory and regulatory~~
216.26 ~~provisions relating to private duty nursing services apply to shared private duty nursing~~
216.27 ~~services.~~

216.28 ~~Nothing in this subdivision shall be construed to reduce the total number of private~~
216.29 ~~duty nursing hours authorized for an individual recipient under subdivision 2.~~

216.30 (i) The commissioner shall provide a rate methodology for shared private duty
216.31 nursing. For two persons sharing nursing care, the rate paid to a provider must not exceed
216.32 1.5 times the regular private duty nursing rates paid for serving a single individual by a
216.33 registered nurse or licensed practical nurse. These rates apply only to situations in which
216.34 both recipients are present and receive shared private duty nursing care on the date for
216.35 which the service is billed.

Subd. 4. **Hardship criteria; private duty nursing.** (a) Payment is allowed for extraordinary services that require specialized nursing skills and are provided by parents of minor children, family foster parents, spouses, and legal guardians who are providing private duty nursing care under the following conditions:

(1) the provision of these services is not legally required of the parents, family foster parents, spouses, or legal guardians;

(2) the services are necessary to prevent hospitalization of the recipient; and

(3) the recipient is eligible for state plan home care or a home and community-based waiver and one of the following hardship criteria are met:

(i) the parent, spouse, or legal guardian resigns from a part-time or full-time job to provide nursing care for the recipient; ~~or~~

(ii) the parent, spouse, or legal guardian goes from a full-time to a part-time job with less compensation to provide nursing care for the recipient; ~~or~~

(iii) the parent, spouse, or legal guardian takes a leave of absence without pay to provide nursing care for the recipient; or

(iv) because of labor conditions, special language needs, or intermittent hours of care needed, the parent, spouse, or legal guardian is needed in order to provide adequate private duty nursing services to meet the medical needs of the recipient.

(b) Private duty nursing may be provided by a parent, spouse, family foster parent, or legal guardian who is a nurse licensed in Minnesota. Private duty nursing services provided by a parent, spouse, family foster parent, or legal guardian cannot be used in lieu of nursing services covered and available under liable third-party payors, including Medicare. The private duty nursing provided by a parent, family foster parent, spouse, or legal guardian must be included in the service plan. Authorized ~~skilled~~ nursing services for a single recipient or recipients with the same residence and provided by the parent, family foster parent, spouse, or legal guardian may not exceed 50 percent of the total approved nursing hours, or eight hours per day, whichever is less, up to a maximum of 40 hours per week. A parent or parents, family foster parents, spouse, or legal guardian shall not provide more than 40 hours of services in a seven-day period. For parents, family foster parents, and legal guardians, 40 hours is the total amount allowed regardless of the number of children or adults who receive services. Nothing in this subdivision precludes the parent's, family foster parents', spouse's, or legal guardian's obligation of assuming the nonreimbursed family responsibilities of emergency backup caregiver and primary caregiver.

(c) A parent, family foster parent, or ~~a~~ spouse may not be paid to provide private duty nursing care if:

218.1 (1) the parent or spouse fails to pass a criminal background check according to
218.2 chapter 245C, ~~or if~~;

218.3 (2) it has been determined by the home ~~health~~ care agency, the case manager, or the
218.4 physician that the private duty nursing ~~care~~ provided by the parent, family foster parents,
218.5 spouse, or legal guardian is unsafe; or

218.6 (3) the parent, family foster parents, spouse, or legal guardian do not follow
218.7 physician orders.

218.8 (d) For purposes of this section, "assessment" means a review and evaluation of a
218.9 recipient's need for home care services conducted in person. Assessments for private duty
218.10 nursing must be conducted by a registered nurse.

218.11 Sec. 29. Minnesota Statutes 2008, section 256B.0655, subdivision 1b, is amended to
218.12 read:

218.13 Subd. 1b. **Assessment.** "Assessment" means a review and evaluation of a recipient's
218.14 need for home care services conducted in person. Assessments for personal care assistant
218.15 services shall be conducted by the county public health nurse or a certified public
218.16 health nurse under contract with the county. ~~A face-to-face~~ An in-person assessment
218.17 must include: documentation of health status, determination of need, evaluation of
218.18 service effectiveness, identification of appropriate services, service plan development
218.19 or modification, coordination of services, referrals and follow-up to appropriate payers
218.20 and community resources, completion of required reports, recommendation of service
218.21 authorization, and consumer education. Once the need for personal care assistant
218.22 services is determined under this section or sections 256B.0651, 256B.0653, 256B.0654,
218.23 and 256B.0656, the county public health nurse or certified public health nurse under
218.24 contract with the county is responsible for communicating this recommendation to the
218.25 commissioner and the recipient. ~~A face-to-face assessment for personal care assistant~~
218.26 ~~services is conducted on those recipients who have never had a county public health~~
218.27 ~~nurse assessment. A face-to-face~~ An in-person assessment must occur at least annually or
218.28 when there is a significant change in the recipient's condition or when there is a change
218.29 in the need for personal care assistant services. A service update may substitute for
218.30 the annual face-to-face assessment when there is not a significant change in recipient
218.31 condition or a change in the need for personal care assistant service. A service update
218.32 may be completed by telephone, used when there is no need for an increase in personal
218.33 care assistant services, and used for two consecutive assessments if followed by a
218.34 face-to-face assessment. A service update must be completed on a form approved by the
218.35 commissioner. A service update or review for temporary increase includes a review of

219.1 initial baseline data, evaluation of service effectiveness, redetermination of service need,
219.2 modification of service plan and appropriate referrals, update of initial forms, obtaining
219.3 service authorization, and on going consumer education. Assessments must be completed
219.4 on forms provided by the commissioner within 30 days of a request for home care services
219.5 by a recipient or responsible party or personal care provider agency.

219.6 Sec. 30. Minnesota Statutes 2008, section 256B.0655, subdivision 4, is amended to
219.7 read:

219.8 Subd. 4. **Prior Authorization; personal care assistance and qualified**
219.9 **professional.** ~~The commissioner, or the commissioner's designee, shall review the~~
219.10 ~~assessment, service update, request for temporary services, request for flexible use option,~~
219.11 ~~service plan, and any additional information that is submitted. The commissioner shall,~~
219.12 ~~within 30 days after receiving a complete request, assessment, and service plan, authorize~~
219.13 ~~home care services as follows:~~

219.14 ~~(1) (a)~~ (a) All personal care assistant services and supervision by a qualified
219.15 professional, if requested by the recipient, and additional services beyond the limits
219.16 established in section 256B.0652, subdivision 11, must be prior authorized by the
219.17 commissioner or the commissioner's designee before services begin except for the
219.18 assessments established in section sections 256B.0651, subdivision 11, and 256B.0655,
219.19 subdivision 1b. The authorization for personal care assistance and qualified professional
219.20 services under section 256B.0659 must be completed within 30 calendar days after
219.21 receiving a complete request.

219.22 (b) The amount of personal care assistant services authorized must be based on
219.23 the recipient's home care rating. The home care rating shall be determined by the
219.24 commissioner or the commissioner's designee based on information submitted to the
219.25 commissioner identifying the following:

219.26 ~~A child may not be found to be dependent in an activity of daily living if because~~
219.27 ~~of the child's age an adult would either perform the activity for the child or assist the~~
219.28 ~~child with the activity and the amount of assistance needed is similar to the assistance~~
219.29 ~~appropriate for a typical child of the same age. Based on medical necessity, the~~
219.30 ~~commissioner may authorize:~~

219.31 ~~(A) up to two times the average number of direct care hours provided in nursing~~
219.32 ~~facilities for the recipient's comparable case mix level; or~~

219.33 ~~(B) up to three times the average number of direct care hours provided in nursing~~
219.34 ~~facilities for recipients who have complex medical needs or are dependent in at least seven~~

220.1 ~~activities of daily living and need physical assistance with eating or have a neurological~~
220.2 ~~diagnosis; or~~

220.3 ~~(C) up to 60 percent of the average reimbursement rate, as of July 1, 1991, for care~~
220.4 ~~provided in a regional treatment center for recipients who have Level I behavior, plus any~~
220.5 ~~inflation adjustment as provided by the legislature for personal care service; or~~

220.6 ~~(D) up to the amount the commissioner would pay, as of July 1, 1991, plus any~~
220.7 ~~inflation adjustment provided for home care services, for care provided in a regional~~
220.8 ~~treatment center for recipients referred to the commissioner by a regional treatment center~~
220.9 ~~preadmission evaluation team. For purposes of this clause, home care services means~~
220.10 ~~all services provided in the home or community that would be included in the payment~~
220.11 ~~to a regional treatment center; or~~

220.12 ~~(E) up to the amount medical assistance would reimburse for facility care for~~
220.13 ~~recipients referred to the commissioner by a preadmission screening team established~~
220.14 ~~under section 256B.0911 or 256B.092; and~~

220.15 ~~(F) a reasonable amount of time for the provision of supervision by a qualified~~
220.16 ~~professional of personal care assistant services, if a qualified professional is requested by~~
220.17 ~~the recipient or responsible party.~~

220.18 ~~(2) The number of direct care hours shall be determined according to the annual cost~~
220.19 ~~report submitted to the department by nursing facilities. The average number of direct care~~
220.20 ~~hours, as established by May 1, 1992, shall be calculated and incorporated into the home~~
220.21 ~~care limits on July 1, 1992. These limits shall be calculated to the nearest quarter hour.~~

220.22 ~~(3) The home care rating shall be determined by the commissioner or the~~
220.23 ~~commissioner's designee based on information submitted to the commissioner by the~~
220.24 ~~county public health nurse on forms specified by the commissioner. The home care rating~~
220.25 ~~shall be a combination of current assessment tools developed under sections 256B.0911~~
220.26 ~~and 256B.501 with an addition for seizure activity that will assess the frequency and~~
220.27 ~~severity of seizure activity and with adjustments, additions, and clarifications that are~~
220.28 ~~necessary to reflect the needs and conditions of recipients who need home care including~~
220.29 ~~children and adults under 65 years of age. The commissioner shall establish these forms~~
220.30 ~~and protocols under this section and sections 256B.0651, 256B.0653, 256B.0654, and~~
220.31 ~~256B.0656 and shall use an advisory group, including representatives of recipients,~~
220.32 ~~providers, and counties, for consultation in establishing and revising the forms and~~
220.33 ~~protocols.~~

220.34 ~~(4) A recipient shall qualify as having complex medical needs if the care required is~~
220.35 ~~difficult to perform and because of recipient's medical condition requires more time than~~

221.1 ~~community-based standards allow or requires more skill than would ordinarily be required~~
221.2 ~~and the recipient needs or has one or more of the following:~~

221.3 ~~(A) daily tube feedings;~~

221.4 ~~(B) daily parenteral therapy;~~

221.5 ~~(C) wound or decubiti care;~~

221.6 ~~(D) postural drainage, percussion, nebulizer treatments, suctioning, tracheotomy~~
221.7 ~~care, oxygen, mechanical ventilation;~~

221.8 ~~(E) catheterization;~~

221.9 ~~(F) ostomy care;~~

221.10 ~~(G) quadriplegia; or~~

221.11 ~~(H) other comparable medical conditions or treatments the commissioner determines~~
221.12 ~~would otherwise require institutional care.~~

221.13 ~~(5) A recipient shall qualify as having Level I behavior if there is reasonable~~
221.14 ~~supporting evidence that the recipient exhibits, or that without supervision, observation, or~~
221.15 ~~redirection would exhibit, one or more of the following behaviors that cause, or have the~~
221.16 ~~potential to cause:~~

221.17 ~~(A) injury to the recipient's own body;~~

221.18 ~~(B) physical injury to other people; or~~

221.19 ~~(C) destruction of property.~~

221.20 ~~(6) Time authorized for personal care relating to Level I behavior in paragraph~~
221.21 ~~(5), clauses (A) to (C), shall be based on the predictability, frequency, and amount of~~
221.22 ~~intervention required.~~

221.23 ~~(7) A recipient shall qualify as having Level II behavior if the recipient exhibits on a~~
221.24 ~~daily basis one or more of the following behaviors that interfere with the completion of~~
221.25 ~~personal care assistant services under subdivision 2, paragraph (a):~~

221.26 ~~(A) unusual or repetitive habits;~~

221.27 ~~(B) withdrawn behavior; or~~

221.28 ~~(C) offensive behavior.~~

221.29 ~~(8) A recipient with a home care rating of Level II behavior in paragraph (7), clauses~~
221.30 ~~(A) to (C), shall be rated as comparable to a recipient with complex medical needs under~~
221.31 ~~paragraph (4). If a recipient has both complex medical needs and Level II behavior, the~~
221.32 ~~home care rating shall be the next complex category up to the maximum rating under~~
221.33 ~~paragraph (1), clause (B):~~

221.34 (1) total number of dependencies of activities of daily living as defined in section
221.35 256B.0659;

221.36 (2) number of complex health-related functions as defined in section 256B.0659; and

222.1 (3) number of behavior criteria as defined in section 256B.0659.

222.2 (c) The methodology to determine total time for personal care assistance services is
222.3 based on the median paid units per day for each home care rating from fiscal year 2007
222.4 data. Each home care rating has a base level of hours assigned. Additional time is added
222.5 through the assessment and identification of the following:

222.6 (1) 30 additional minutes per day for a dependency in each critical activity of daily
222.7 living as defined in section 256B.0659;

222.8 (2) 30 additional minutes per day for each complex health-related need as defined in
222.9 section 256B.0659; and

222.10 (3) 30 additional minutes per day for each behavior criteria as defined in section
222.11 256B.0659.

222.12 (d) A limit of 96 units of qualified professional supervision may be authorized for
222.13 each recipient receiving personal care assistance services. A request to the commissioner
222.14 to exceed this total in a calendar year must be requested by the personal care provider
222.15 agency on a form approved by the commissioner.

222.16 Sec. 31. Minnesota Statutes 2008, section 256B.0657, subdivision 8, is amended to
222.17 read:

222.18 Subd. 8. **Self-directed budget requirements.** The budget for the provision of the
222.19 self-directed service option shall be ~~equal to the greater of either~~ established based on:

222.20 ~~(1) the annual amount of personal care assistant services under section 256B.0655~~
222.21 ~~that the recipient has used in the most recent 12-month period~~ assessed personal care
222.22 assistance units, not to exceed the maximum number of personal care assistance units
222.23 available, as determined by section 256B.0655; or and

222.24 ~~(2) the amount determined using the consumer support grant methodology under~~
222.25 ~~section 256.476, subdivision 11, except that the budget amount shall include the federal~~
222.26 ~~and nonfederal share of the average service costs.~~ the personal care assistance unit rate:

222.27 (i) with a reduction to the unit rate to pay for a program administrator as defined in
222.28 subdivision 10; and

222.29 (ii) an additional adjustment to the unit rate as needed to ensure cost neutrality for
222.30 the state.

222.31 Sec. 32. Minnesota Statutes 2008, section 256B.0657, is amended by adding a
222.32 subdivision to read:

222.33 Subd. 12. **Enrollment and evaluation.** Enrollment in the self-directed supports
222.34 option is available to current personal care assistance recipients upon annual personal care

223.1 assistance reassessment, with a maximum enrollment of 1,000 people in the first fiscal
223.2 year of implementation and an additional 1,000 people in the second fiscal year. The
223.3 commissioner shall evaluate the self-directed supports option during the first two years of
223.4 implementation and make any necessary changes prior to the option becoming available
223.5 statewide.

223.6 Sec. 33. **[256B.0659] PERSONAL CARE ASSISTANCE PROGRAM.**

223.7 Subdivision 1. Definitions. (a) For the purposes of this section, the terms defined in
223.8 paragraphs (b) to (p) have the meanings given unless otherwise provided in text.

223.9 (b) "Activities of daily living" means grooming, dressing, bathing, transferring,
223.10 mobility, positioning, eating, and toileting.

223.11 (c) "Behavior" means categories to determine the home care rating and is based on
223.12 the criteria found in this section. Level I behavior means physical aggression to self or
223.13 others and destruction of property.

223.14 (d) "Complex health-related needs" means a category to determine the home care
223.15 rating and is based on the criteria found in this section.

223.16 (e) "Critical activities of daily living" means transferring, mobility, eating, and
223.17 toileting.

223.18 (f) "Dependency in activities of daily living" means a person requires assistance to
223.19 begin or complete one or more of the activities of daily living.

223.20 (g) "Health-related functions" means functions that can be delegated or assigned
223.21 by a licensed health care professional under state law to be performed by a personal
223.22 care assistant.

223.23 (h) "Instrumental activities of daily living" means activities to include meal planning
223.24 and preparation; basic assistance with paying bills; shopping for food, clothing, and
223.25 other essential items; performing household tasks integral to the personal care assistance
223.26 services; communication by telephone and other media; and traveling, including to
223.27 medical appointments, and participating in the community.

223.28 (i) "Managing employee" has the same definition as described in Code of Federal
223.29 Regulations, title 42, section 455.

223.30 (j) "Qualified professional" means a professional providing supervision of personal
223.31 care assistance services and staff as defined in section 256B.0625, subdivision 19c.

223.32 (k) "Personal care assistance provider agency" means a medical assistance enrolled
223.33 provider that provides or assists with providing personal care assistance services and
223.34 includes personal care assistance provider organizations, personal care assistance choice
223.35 agency, class A licensed nursing agency, and Medicare-certified home health agency.

224.1 (l) "Personal care assistant" means an individual employed by a personal care
224.2 assistance agency that provides personal care assistance services.

224.3 (m) "Personal care assistance care plan" means a written description of personal
224.4 care assistance services developed by the personal care assistance provider according
224.5 to the service plan.

224.6 (n) "Responsible party" means an individual who is capable of providing the support
224.7 necessary to assist the recipient to live in the community.

224.8 (o) "Self-administered medication" means medication taken orally, by injection or
224.9 insertion, or applied topically without the need for assistance.

224.10 (p) "Service plan" means a written summary of the assessment and description of the
224.11 services needed by the recipient.

224.12 Subd. 2. **Personal care assistance services; covered services.** (a) The personal
224.13 care assistance services eligible for payment include services and supports furnished
224.14 to an individual, as needed, to assist in:

224.15 (1) activities of daily living;

224.16 (2) health-related procedures and tasks;

224.17 (3) assistance with behavior needs; and

224.18 (4) instrumental activities of daily living.

224.19 (b) Activities of daily living include the following covered services:

224.20 (1) dressing, including assistance with choosing, application, and changing of
224.21 clothing and application of special appliances, wraps, or clothing;

224.22 (2) grooming, including assistance with basic hair care, oral care, shaving, applying
224.23 cosmetics and deodorant, and care of eyeglasses and hearing aids. Nail care is included,
224.24 except for recipients who are diabetic or have poor circulation;

224.25 (3) bathing, including assistance with basic personal hygiene and skin care;

224.26 (4) eating, including assistance with hand washing and application of orthotics
224.27 required for eating, transfers, and feeding;

224.28 (5) transfers, including assistance with transferring the recipient from one seating or
224.29 reclining area to another;

224.30 (6) mobility, including assistance with ambulation, including use of a wheelchair.
224.31 Mobility does not include providing transportation for a recipient;

224.32 (7) positioning, including assistance with positioning or turning a recipient for
224.33 necessary care and comfort; and

224.34 (8) toileting, including assistance with helping recipient with bowel or bladder
224.35 elimination and care including transfers, mobility, positioning, feminine hygiene, use of

225.1 toileting equipment or supplies, cleansing the perineal area, inspection of the skin, and
225.2 adjusting clothing.

225.3 (c) Health-related procedures or tasks include the following covered services:

225.4 (1) range of motion and passive exercise to maintain a recipient's optimal level of
225.5 strength and muscle functioning;

225.6 (2) assistance with self-administered medication as defined by this section, including
225.7 reminders to take medication, bringing medication to the recipient, and assistance with
225.8 opening medication under the direction of the recipient or responsible party;

225.9 (3) interventions for seizure disorders, including monitoring and observation; and

225.10 (4) other activities considered within the scope of the personal care service and
225.11 meeting the definition of health-related procedures or tasks under this section.

225.12 (d) A personal care assistant may perform health-related procedures and tasks
225.13 associated with the complex health-related needs of a recipient if the tasks meet the
225.14 definition of health-related procedures and tasks under this section and the personal care
225.15 assistant is trained by a qualified professional and demonstrates competency to safely
225.16 complete the task. Delegation of health-related procedures and tasks and all training must
225.17 be documented in the personal care assistance care plan and the recipient's and personal
225.18 care assistant's files.

225.19 (e) For a personal care assistant to provide the health-related procedures and tasks of
225.20 tracheostomy suctioning and services to recipients on ventilator support there must be:

225.21 (1) delegation and training by a registered nurse, certified or licensed respiratory
225.22 therapist, or a physician;

225.23 (2) utilization of clean rather than sterile procedure;

225.24 (3) specialized training about the health-related functions and equipment, including
225.25 ventilator operation and maintenance;

225.26 (4) individualized training regarding the needs of the recipient; and

225.27 (5) supervision by a qualified professional who is a registered nurse.

225.28 (f) A personal care assistant may observe and redirect the recipient for episodes
225.29 where there is a need for redirection due to behaviors. Training of the personal care
225.30 assistant must occur based on the needs of the recipient, the personal care assistance care
225.31 plan, and any other support services provided.

225.32 Subd. 3. **Noncovered personal care assistance services.** (a) Personal care
225.33 assistance services are not eligible for medical assistance payment under this section
225.34 when provided:

226.1 (1) by the recipient's spouse, parent of a recipient under the age of 18, paid legal
226.2 guardian, licensed foster provider, except as allowed under section 256B.0651, subdivision
226.3 9, or responsible party;

226.4 (2) in lieu of other staffing options in a residential or child care setting;

226.5 (3) solely as a child care or babysitting service; or

226.6 (4) without authorization by the commissioner or the commissioner's designee.

226.7 (b) The following personal care services are not eligible for medical assistance
226.8 payment under this section when provided in residential settings:

226.9 (1) when the provider of home care services who is not related by blood, marriage,
226.10 or adoption owns or otherwise controls the living arrangement, including licensed or
226.11 unlicensed services; or

226.12 (2) when personal care assistance services are the responsibility of a residential or
226.13 program license holder under the terms of a service agreement and administrative rules.

226.14 (c) Other specific tasks not covered under paragraph (a) or (b) that are not eligible
226.15 for medical assistance reimbursement for personal care assistance services under this
226.16 section include:

226.17 (1) sterile procedures;

226.18 (2) injections of fluids and medications into veins, muscles, or skin;

226.19 (3) home maintenance or chore services;

226.20 (4) homemaker services not an integral part of assessed personal care assistance
226.21 services needed by a recipient;

226.22 (5) application of restraints or implementation of procedures under section 245.825;

226.23 (6) instrumental activities of daily living for children under the age of 18; and

226.24 (7) assessments for personal care assistance services by personal care assistance
226.25 provider agencies or by independently enrolled registered nurses.

226.26 **Subd. 4. Assessment for personal care assistance services.** (a) An assessment
226.27 as defined in section 256B.0655, subdivision 1b, must be completed for personal care
226.28 assistance services.

226.29 (b) The following conditions apply to the assessment:

226.30 (1) a person must be assessed as dependent in an activity of daily living based
226.31 on the person's need, on a daily basis, for:

226.32 (i) cueing or supervision to complete the task; or

226.33 (ii) hands-on assistance to complete the task; and

226.34 (2) a child may not be found to be dependent in an activity of daily living if because
226.35 of the child's age an adult would either perform the activity for the child or assist the child

227.1 with the activity. Assistance needed is the assistance appropriate for a typical child of
227.2 the same age.

227.3 (c) Assessment for complex health-related needs must meet the criteria in this
227.4 paragraph. During the assessment process, a recipient qualifies as having complex
227.5 health-related functions if the recipient has one or more of the interventions that are
227.6 ordered by a physician, specified in a personal care assistance care plan, and found in
227.7 the following:

227.8 (1) tube feedings requiring:

227.9 (i) a gastro/jejunostomy tube; or

227.10 (ii) continuous tube feeding lasting longer than 12 hours per day;

227.11 (2) wounds described as:

227.12 (i) stage III or stage IV;

227.13 (ii) multiple wounds;

227.14 (iii) requiring sterile or clean dressing changes or a wound vac; or

227.15 (iv) open lesions such as burns, fistulas, tube sites, or ostomy sites that require

227.16 specialized care;

227.17 (3) parenteral therapy described as:

227.18 (i) IV therapy more than two times per week lasting longer than four hours for

227.19 each treatment; or

227.20 (ii) total parenteral nutrition (TPN) daily;

227.21 (4) respiratory interventions including:

227.22 (i) oxygen required more than eight hours per day;

227.23 (ii) respiratory vest more than one time per day;

227.24 (iii) bronchial drainage treatments more than two times per day;

227.25 (iv) sterile or clean suctioning more than six times per day;

227.26 (v) dependence on another to apply respiratory ventilation augmentation devices

227.27 such as BiPAP and CPAP; and

227.28 (vi) ventilator dependence under section 256B.0652;

227.29 (5) insertion and maintenance of catheter including:

227.30 (i) sterile catheter changes more than one time per month;

227.31 (ii) clean self-catheterization more than six times per day; or

227.32 (iii) bladder irrigations;

227.33 (6) bowel program more than two times per week requiring more than 30 minutes to

227.34 perform each time;

227.35 (7) neurological intervention including:

228.1 (i) seizures more than two times per week and requiring significant physical
228.2 assistance to maintain safety; or

228.3 (ii) swallowing disorders diagnosed by a physician and requiring specialized
228.4 assistance from another on a daily basis; and

228.5 (8) other congenital or acquired diseases creating a need for significantly increased
228.6 direct hands-on assistance and interventions in six to eight activities of daily living.

228.7 (d) An assessment of behaviors must meet the criteria in this paragraph. A recipient
228.8 qualifies as having a need for assistance due to behaviors if the recipient's behavior requires
228.9 assistance at least four times per week and shows one or more of the following behaviors:

228.10 (1) physical aggression towards self, others, or property that requires immediate
228.11 response of another;

228.12 (2) increased vulnerability due to cognitive deficits or socially inappropriate
228.13 behavior; or

228.14 (3) verbally aggressive and resistive to care.

228.15 Subd. 5. **Service and support planning and referral.** (a) The assessor, with the
228.16 recipient or responsible party, shall review the assessment information and determine
228.17 referrals for other payers, services, and community supports as appropriate.

228.18 (b) The recipient must be referred for evaluation, services, or supports that are
228.19 appropriate to help meet the recipient's needs including, but not limited to, the following
228.20 circumstances:

228.21 (1) when there is another payer who is responsible to provide the service to meet
228.22 the recipient's needs;

228.23 (2) when the recipient qualifies for assistance due to mental illness or behaviors
228.24 under this section, a referral for a mental health diagnostic and functional assessment
228.25 must be completed, or referral must be made for other specific mental health services
228.26 or community services;

228.27 (3) when the recipient is eligible for medical assistance and meets medical assistance
228.28 eligibility for a home health aide or skilled nurse visit;

228.29 (4) when the recipient would benefit from an evaluation for another service; and

228.30 (5) when there is a more appropriate service to meet the assessed needs.

228.31 (c) The reimbursement rates for public health nurse visits that relate to the provision
228.32 of personal care assistance services under this section and section 256B.0625, subdivision
228.33 19a, are:

228.34 (1) \$210.50 for a face-to-face assessment visit;

228.35 (2) \$105.25 for each service update; and

228.36 (3) \$105.25 for each request for a temporary service increase.

229.1 (d) The rates specified in paragraph (c) must be adjusted to reflect provider rate
229.2 increases for personal care assistance services that are approved by the legislature for the
229.3 fiscal year ending June 30, 2000, and subsequent fiscal years. Any requirements applied
229.4 by the legislature to provider rate increases for personal care assistance services also
229.5 apply to adjustments under this paragraph.

229.6 (e) Effective July 1, 2008, the payment rate for an assessment under this section and
229.7 section 256B.0651 shall be reduced by 25 percent when the assessment is not completed
229.8 on time and the service agreement documentation is not submitted in time to continue
229.9 services. The commissioner shall reduce the amount of the claim for those assessments
229.10 that are not submitted on time.

229.11 Subd. 6. **Service plan.** The service plan must be completed by the assessor with the
229.12 recipient and responsible party on a form determined by the commissioner and include
229.13 a summary of the assessment with a description of the need, authorized amount, and
229.14 expected outcomes and goals of personal care assistance services. The recipient and
229.15 the provider chosen by the recipient or responsible party must be given a copy of the
229.16 completed service plan within ten working days. The recipient or responsible party must
229.17 be given information by the assessor about the options in the personal care assistance
229.18 program to allow for review and decision making.

229.19 Subd. 7. **Personal care assistance care plan.** (a) Each recipient must have a current
229.20 personal care assistance care plan based on the service plan in subdivision 21 that is
229.21 developed by the qualified professional with the recipient and responsible party. A copy of
229.22 the most current personal care assistance care plan is required to be in the recipient's home
229.23 and in the recipient's file at the provider agency.

229.24 (b) The personal care assistance care plan must have the following components:

229.25 (1) start and end date of the care plan;

229.26 (2) recipient demographic information, including name and telephone number;

229.27 (3) emergency numbers, procedures, and a description of measures to address
229.28 identified safety and vulnerability issues, including a backup staffing plan;

229.29 (4) name of responsible party and instructions for contact;

229.30 (5) description of the recipient's individualized needs for assistance with activities of
229.31 daily living, instrumental activities of daily living, health-related tasks, and behaviors; and

229.32 (6) dated signatures of recipient or responsible party and qualified professional.

229.33 (c) The personal care assistance care plan must have instructions and comments
229.34 about the recipient's needs for assistance and any special instructions or procedures
229.35 required. The month-to-month plan for the use of personal care assistance services is part
229.36 of the personal care assistance care plan. The personal care assistance care plan must

be completed within the first week after start of services with a personal care provider agency and must be updated as needed when there is a change in need for personal care assistance services. A new personal care assistance care plan is required annually at the time of the reassessment.

Subd. 8. Communication with recipient's physician. The personal care assistance program requires communication with the recipient's physician about a recipient's assessed needs for personal care assistance services. The commissioner shall work with the state medical director to develop options for communication with the recipient's physician.

Subd. 9. Responsible party; generally. (a) "Responsible party" means an individual who is capable of providing the support necessary to assist the recipient to live in the community.

(b) A responsible party must be 18 years of age, actively participate in planning and directing of personal care assistance services, and attend all assessments for the recipient.

(c) A responsible party must not be the:

(1) personal care assistant;

(2) home care provider agency owner or staff; or

(3) county staff acting as part of employment.

(d) A licensed family foster parent who lives with the recipient may be the responsible party as long as the family foster parent meets the other responsible party requirements.

(e) A responsible party is required when:

(1) the person is a minor according to section 524.5-102, subdivision 10;

(2) the person is an incapacitated adult according to section 524.5-102, subdivision 6, resulting in a court-appointed guardian; or

(3) the assessment according to section 256B.0911 determines that the recipient is in need of a responsible party to direct the recipient's care.

(f) There may be two persons designated as the responsible party for reasons such as divided households and court-ordered custodies. Each person named as responsible party must meet the program criteria and responsibilities.

(g) The recipient or the recipient's legal representative shall appoint a responsible party if necessary to direct and supervise the care provided to the recipient. The responsible party must be identified at the time of assessment and listed on the recipient's service agreement and personal care assistance care plan.

Subd. 10. Responsible party; duties; delegation. (a) A responsible party with a personal care assistance provider agency shall enter into a written agreement, on a form determined by the commissioner, to perform the following duties:

231.1 (1) be available while care is provided in a method agreed upon by the individual
231.2 or the individual's legal representative and documented in the recipient's personal care
231.3 assistance care plan;

231.4 (2) monitor personal care assistance services to ensure the recipient's personal care
231.5 assistance care plan is being followed; and

231.6 (3) review and sign personal care assistance time sheets after services are provided
231.7 to provide verification that personal care assistance services were provided.

231.8 Failure to provide the support required by the recipient must result in a referral to the
231.9 county common entry point.

231.10 (b) Responsible parties who are parents of minors or guardians of minors or
231.11 incapacitated persons may delegate the responsibility to another adult who is not the
231.12 personal care assistant during a temporary absence of at least 24 hours but not more
231.13 than six months. The person delegated as a responsible party must be able to meet the
231.14 definition of the responsible party, except that the delegated responsible party is required
231.15 to reside with the recipient only while serving as the responsible party. The responsible
231.16 party must ensure that the delegate performs the functions of the responsible party, is
231.17 identified at the time of the assessment, and is listed on the personal care assistance
231.18 care plan. The responsible party must communicate to the personal care assistance
231.19 provider agency about the need for a delegate responsible party, including the name of the
231.20 delegated responsible party, dates the delegated responsible party will be acting as the
231.21 responsible party, and contact numbers.

231.22 Subd. 11. **Personal care assistant; requirements.** (a) A personal care assistant
231.23 must meet the following requirements:

231.24 (1) be at least 18 years of age and if 16 or 17 years of age only if:

231.25 (i) supervised by a qualified professional every 60 days; and

231.26 (ii) employed by only one personal care assistance provider agency responsible
231.27 for compliance with current labor laws;

231.28 (2) be employed by a personal care assistance provider agency;

231.29 (3) enroll with the department as a non-pay-to provider after clearing a background
231.30 study. Before a personal care assistant provides services, the personal care assistance
231.31 provider agency must initiate a background study on the personal care assistant under
231.32 chapter 245C, and the personal care assistance provider agency must have received a
231.33 notice from the commissioner that the personal care assistant is:

231.34 (i) not disqualified under section 245C.14; or

231.35 (ii) is disqualified, but the personal care assistant has received a set aside of the
231.36 disqualification under section 245C.22;

232.1 (4) be able to effectively communicate with the recipient and personal care
232.2 assistance provider agency;

232.3 (5) be able to provide covered personal care assistance services according to the
232.4 recipient's personal care assistance care plan, respond appropriately to recipient needs,
232.5 and report changes in the recipient's condition to the supervising qualified professional
232.6 or physician;

232.7 (6) not be a consumer of personal care assistance services;

232.8 (7) maintain daily written records including, but not limited to, time sheets under
232.9 subdivision 12;

232.10 (8) complete standardized training as determined or approved by the commissioner
232.11 before completing enrollment. Personal care assistant training must include successful
232.12 completion of the following training components: basic first aid, vulnerable adult, child
232.13 maltreatment, OSHA universal precautions, basic roles and responsibilities of personal
232.14 care assistants including information about assistance with lifting and transfers for
232.15 recipients, orientation to positive behavior practices, emergency preparedness, fraud
232.16 issues, and completion of time sheets. Upon completion of the training components, the
232.17 personal care assistant must demonstrate the competency to provide assistance to the
232.18 recipient. Personal care assistant training and orientation must be completed within the
232.19 first seven days after the services begin and be directed to the needs of the recipient and
232.20 the recipient's personal care assistance care plan; and

232.21 (9) be limited to providing and being paid for no more than 310 hours per month of
232.22 personal care assistance services that is determined by the commissioner regardless of
232.23 the number of recipients being served or the number of personal care assistance provider
232.24 agencies enrolled with.

232.25 (b) A legal guardian may be a personal care assistant if the guardian is not being paid
232.26 for the guardian services and meets the criteria for personal care assistants in paragraph (a).

232.27 (c) Persons who do not qualify as a personal care assistant include parents and
232.28 stepparents of minors, spouses, paid legal guardians, foster care providers, except as
232.29 otherwise allowed in section 256B.0625, subdivision 19a, or staff of a residential setting.

232.30 Subd. 12. Documentation of personal care assistance services provided. (a)
232.31 Personal care assistance services for a recipient must be documented daily by each personal
232.32 care assistant, on a time sheet form approved by the commissioner. All documentation
232.33 may be Web-based, electronic, or paper documentation. The completed form must be
232.34 submitted on a monthly basis to the provider and kept in the recipient's health record.

232.35 (b) The activity documentation must correspond to the personal care assistance care
232.36 plan and be reviewed by the qualified professional.

- 233.1 (c) The personal care assistant time sheet must be on a form approved by the
233.2 commissioner documenting time the personal care assistant provides services in the home.
233.3 The following criteria must be included in the time sheet:
- 233.4 (1) full name of personal care assistant and individual provider number;
 - 233.5 (2) provider name and telephone numbers;
 - 233.6 (3) full name of recipient;
 - 233.7 (4) consecutive dates, including month, day, and year, and arrival and departure
233.8 time with a.m. or p.m. notations;
 - 233.9 (5) signatures of recipient or the responsible party;
 - 233.10 (6) personal signature of the personal care assistant;
 - 233.11 (7) any shared care provided, if applicable;
 - 233.12 (8) a statement that it is a federal crime to provide false information on personal
233.13 care service billings for medical assistance payments; and
 - 233.14 (9) dates and location of recipient stays in a hospital, care facility, or incarceration.
- 233.15 Subd. 13. **Qualified professional; qualifications.** (a) The qualified professional
233.16 must be employed by a personal care assistance provider agency and meet the definition
233.17 under section 256B.0625, subdivision 19c. Before a qualified professional provides
233.18 services, the personal care assistance provider agency must initiate a background study on
233.19 the qualified professional under chapter 245C, and the personal care assistance provider
233.20 agency must have received a notice from the commissioner that the qualified professional:
- 233.21 (1) is not disqualified under section 245C.14; or
 - 233.22 (2) is disqualified, but the qualified professional has received a set aside of the
233.23 disqualification under section 245C.22.
- 233.24 (b) The qualified professional shall perform the duties of training, supervision, and
233.25 evaluation of the personal care assistance staff and evaluation of the effectiveness of
233.26 personal care assistance services. The qualified professional shall:
- 233.27 (1) develop and monitor with the recipient a personal care assistance care plan based
233.28 on the service plan and individualized needs of the recipient;
 - 233.29 (2) develop and monitor with the recipient a monthly plan for the use of personal
233.30 care assistance services;
 - 233.31 (3) review documentation of personal care assistance services provided;
 - 233.32 (4) provide training and ensure competency for the personal care assistant in the
233.33 individual needs of the recipient; and
 - 233.34 (5) document all training, communication, evaluations, and needed actions to
233.35 improve performance of the personal care assistants.

234.1 (c) The qualified professional shall complete the provider training with basic
234.2 information about the personal care assistance program approved by the commissioner
234.3 within six months of the date hired by a personal care assistance provider agency.
234.4 Qualified professionals who have completed the required trainings as an employee with a
234.5 personal care assistance provider agency do not need to repeat the required trainings if they
234.6 are hired by another agency, if they have completed the training within the last three years.

234.7 Subd. 14. **Qualified professional; duties.** (a) All personal care assistants must
234.8 be supervised by a qualified professional or in a joint supervision relationship with the
234.9 recipient or the responsible party.

234.10 (b) Through direct training, observation, return demonstrations, and consultation
234.11 with the staff and the recipient, the qualified professional must ensure and document
234.12 that the personal care assistant is:

234.13 (1) capable of providing the required personal care assistance services;

234.14 (2) knowledgeable about the plan of personal care assistance services before services
234.15 are performed; and

234.16 (3) able to identify conditions that should be immediately brought to the attention of
234.17 the qualified professional.

234.18 (c) The qualified professional shall evaluate the personal care assistant within the
234.19 first 14 days of starting to provide services for a recipient, except for those providing
234.20 services under the personal care assistant choice option under subdivision 19. The
234.21 qualified professional shall evaluate the personal care assistance services for a recipient
234.22 through direct observation of a personal care assistant's work:

234.23 (1) at least every 90 days thereafter for the first year of a recipient's services; and

234.24 (2) every 120 days after the first year of a recipient's service, or whenever needed for
234.25 response to a recipient's request for increased supervision of the personal care assistance
234.26 staff.

234.27 (d) Communication with the recipient is a part of the evaluation process of the
234.28 personal care assistance staff.

234.29 (e) At each supervisory visit, the qualified professional shall evaluate personal care
234.30 assistance services including the following information:

234.31 (1) satisfaction level of the recipient with personal care assistance services;

234.32 (2) review of the month-to-month plan for use of personal care assistance services;

234.33 (3) review of documentation of personal care assistance services provided;

234.34 (4) whether the personal care assistance services are meeting the goals of the service
234.35 as stated in the personal care assistance care plan and service plan;

235.1 (5) a written record of the results of the evaluation and actions taken to correct any
235.2 deficiencies in the work of a personal care assistant; and

235.3 (6) revision of the personal care assistance care plan as necessary in consultation
235.4 with the recipient or responsible party, to meet the needs of the recipient.

235.5 (f) The qualified professional shall complete the required documentation in the
235.6 agency recipient and employee files and the recipient's home, including the following
235.7 documentation:

235.8 (1) the personal care assistance care plan based on the service plan and individualized
235.9 needs of the recipient;

235.10 (2) a month-to-month plan for use of personal care assistance services;

235.11 (3) changes in need of the recipient requiring a change to the level of service and the
235.12 personal care assistance care plan;

235.13 (4) evaluation results of supervision visits and identified issues with personal care
235.14 assistance staff with actions taken;

235.15 (5) all communication with the recipient and personal care assistance staff; and

235.16 (6) hands-on training or individualized training for the care of the recipient.

235.17 (g) The documentation in paragraph (f) must be completed on agency forms.

235.18 (h) The services that are not eligible for payment as qualified professional services
235.19 include:

235.20 (1) direct professional nursing tasks that could be assessed and authorized as skilled
235.21 nursing tasks;

235.22 (2) supervision of personal care assistance completed by telephone;

235.23 (3) agency administrative activities;

235.24 (4) training other than the individualized training required to provide care for a
235.25 recipient; and

235.26 (5) any other activity that is not described in this section.

235.27 Subd. 15. **Flexible use.** (a) "Flexible use" means the scheduled use of authorized
235.28 hours of personal care assistance services, which vary within a service authorization
235.29 period covering no more than six months, in order to more effectively meet the needs and
235.30 schedule of the recipient. Each 12-month service agreement is divided into two six-month
235.31 authorization date spans. No more than 75 percent of the total authorized units for a
235.32 12-month service agreement may be used in a six-month date span.

235.33 (b) Authorization of flexible use occurs during the authorization process under
235.34 section 256B.0652. The flexible use of authorized hours does not increase the total
235.35 amount of authorized hours available to a recipient. The commissioner shall not authorize
235.36 additional personal care assistance services to supplement a service authorization that

236.1 is exhausted before the end date under a flexible service use plan, unless the assessor
236.2 determines a change in condition and a need for increased services is established.
236.3 Authorized hours not used within the six-month period must not be carried over to another
236.4 time period.

236.5 (c) A recipient who has terminated personal care assistance services before the end
236.6 of the 12-month authorization period must not receive additional hours upon reapplying
236.7 during the same 12-month authorization period, except if a change in condition is
236.8 documented. Services must be prorated for the remainder of the 12-month authorization
236.9 period based on the first six-month assessment.

236.10 (d) The recipient, responsible party, and qualified professional must develop a
236.11 written month-to-month plan of the projected use of personal care assistance services that
236.12 is part of the personal care assistance care plan and ensures:

236.13 (1) that the health and safety needs of the recipient are met throughout both date
236.14 spans of the authorization period; and

236.15 (2) that the total authorized amount of personal care assistance services for each date
236.16 span must not be used before the end of each date span in the authorization period.

236.17 (e) The personal care assistance provider agency shall monitor the use of personal
236.18 care assistance services to ensure health and safety needs of the recipient are met
236.19 throughout both date spans of the authorization period. The commissioner or the
236.20 commissioner's designee shall provide written notice to the provider and the recipient or
236.21 responsible party when a recipient is at risk of exceeding the personal care assistance
236.22 services prior to the end of the six-month period.

236.23 (f) Misuse and abuse of the flexible use of personal care assistance services resulting
236.24 in the overuse of units in a manner where the recipient will not have enough units to meet
236.25 their needs for assistance and ensure health and safety for the entire six-month date span
236.26 may lead to an action by the commissioner. The commissioner may take action including,
236.27 but not limited to: (1) restricting recipients to service authorizations of no more than one
236.28 month in duration; (2) requiring the recipient to have a responsible party; and (3) requiring
236.29 a qualified professional to monitor and report services on a monthly basis.

236.30 Subd. 16. **Shared services.** (a) Medical assistance payments for shared personal
236.31 care assistance services are limited according to this subdivision.

236.32 (b) Shared service is the provision of personal care assistance services by a personal
236.33 care assistant to two or three recipients, eligible for medical assistance, who voluntarily
236.34 enter into an agreement to receive services at the same time and in the same setting.

236.35 (c) For the purposes of this subdivision, "setting" means:

237.1 (1) the home residence or family foster care home of one or more of the individual
237.2 recipients; or

237.3 (2) a child care program licensed under chapter 245A or operated by a local school
237.4 district or private school.

237.5 (d) Shared personal care assistance services follow the same criteria for covered
237.6 services as subdivision 2.

237.7 (e) Noncovered shared personal care assistance services include the following:

237.8 (1) services for more than three recipients by one personal care assistant at one time;

237.9 (2) staff requirements for child care programs under chapter 245C;

237.10 (3) caring for multiple recipients in more than one setting;

237.11 (4) additional units of personal care assistance based on the selection of the option;

237.12 and

237.13 (5) use of more than one personal care assistance provider agency for the shared
237.14 care services.

237.15 (f) The option of shared personal care assistance is elected by the recipient or the

237.16 responsible party with the assistance of the assessor. The option must be determined

237.17 appropriate based on the ages of the recipients, compatibility, and coordination of their

237.18 assessed care needs. The recipient or the responsible party, in conjunction with the

237.19 qualified professional, shall arrange the setting and grouping of shared services based

237.20 on the individual needs and preferences of the recipients. The personal care assistance

237.21 provider agency shall offer the recipient or the responsible party the option of shared or

237.22 one-on-one personal care assistance services or a combination of both. The recipient or

237.23 the responsible party may withdraw from participating in a shared services arrangement at

237.24 any time.

237.25 (g) Authorization for the shared service option must be determined by the

237.26 commissioner based on the criteria that the shared service is appropriate to meet all of the

237.27 recipients' needs and their health and safety is maintained. The authorization of shared

237.28 services is part of the overall authorization of personal care assistance services. Nothing

237.29 in this subdivision must be construed to reduce the total number of hours authorized for

237.30 an individual recipient.

237.31 (h) A personal care assistant providing shared personal care assistance services must:

237.32 (1) receive training specific for each recipient served; and

237.33 (2) follow all required documentation requirements for time and services provided.

237.34 (i) A qualified professional shall:

237.35 (1) evaluate the ability of the personal care assistant to provide services for all of

237.36 the recipients in a shared setting;

(2) visit the shared setting as services are being provided at least once every six months or whenever needed for response to a recipient's request for increased supervision of the personal care assistance staff;

(3) provide ongoing monitoring and evaluation of the effectiveness and appropriateness of the shared services;

(4) develop a contingency plan with each of the recipients which accounts for absence of the recipient in a share services setting due to illness or other circumstances;

(5) obtain permission from each of the recipients who are sharing a personal care assistant for number of shared hours for services provided inside and outside the home residence; and

(6) document the training completed by the personal care assistants specific to the shared setting and recipients sharing services.

Subd. 17. Shared services; rates. The commissioner shall establish a rate system for shared personal care assistance services. For two persons sharing services, the rate paid to a provider must not exceed one and one-half times the rate paid for serving a single individual, and for three persons sharing services, the rate paid to a provider must not exceed twice the rate paid for serving a single individual. These rates apply only when all of the criteria for the shared care personal care assistance service have been met.

Subd. 18. Personal care assistance choice option; generally. (a) The commissioner may allow a recipient of personal care assistance services to use a fiscal intermediary to assist the recipient in paying and account for medically necessary covered personal care assistance services. Unless otherwise provided in this section, all other statutory and regulatory provisions relating to personal care assistance services apply to a recipient using the personal care assistance choice option.

(b) Personal care assistance choice is an option of the personal care assistance program that allows the recipient who receives personal care assistance services to be responsible for the hiring, training, scheduling, and termination of personal care assistants. This program offers greater control and choice for the recipient in deciding who provides the personal care assistance service and when the service is scheduled. The recipient or the recipient's responsible party must choose a personal care assistance choice provider agency as a fiscal intermediary. This personal care assistance choice provider agency manages payroll, invoices the state, is responsible for all payroll related taxes and insurance, and is responsible for providing the consumer training and support in managing the recipient's personal care assistance services.

Subd. 19. Personal care assistance choice option; qualifications; duties. (a) Under personal care assistance choice, the recipient or responsible party shall:

239.1 (1) recruit, hire, schedule, and terminate personal care assistants and a qualified
239.2 professional;

239.3 (2) develop a personal care assistance care plan based on the assessed needs
239.4 and addressing the health and safety of the recipient with the assistance of a qualified
239.5 professional as needed;

239.6 (3) orient and train the personal care assistant with assistance as needed from the
239.7 qualified professional;

239.8 (4) supervise and evaluate the personal care assistant with the qualified professional,
239.9 who is required to visit at least every 180 days;

239.10 (5) monitor and verify in writing and report to the personal care assistance choice
239.11 agency the number of hours worked by the personal care assistant and the qualified
239.12 professional;

239.13 (6) engage in an annual face-to-face reassessment to determine continuing eligibility
239.14 and service authorization; and

239.15 (7) use the same personal care assistance choice provider agency if shared personal
239.16 assistance care is being used.

239.17 (b) The personal care assistance choice provider agency shall:

239.18 (1) meet all personal care assistance provider agency standards;

239.19 (2) enter into a written agreement with the recipient, responsible party, and personal
239.20 care assistants;

239.21 (3) not be related as a parent, child, sibling, or spouse to the recipient, qualified
239.22 professional, or the personal care assistant; and

239.23 (4) ensure arm's-length transactions without undue influence or coercion with the
239.24 recipient and personal care assistant.

239.25 (c) The duties of the personal care assistance choice provider agency are to:

239.26 (1) be the employer of the personal care assistant and the qualified professional for
239.27 employment law and related regulations including but not limited to purchasing and
239.28 maintaining workers' compensation, unemployment insurance, surety and fidelity bonds,
239.29 and liability insurance, and submit any or all necessary documentation including, but not
239.30 limited to, workers' compensation and unemployment insurance;

239.31 (2) bill the medical assistance program for personal care assistance services and
239.32 qualified professional services;

239.33 (3) request and complete background studies that comply with the requirements for
239.34 personal care assistants and qualified professionals;

239.35 (4) pay the personal care assistant and qualified professional based on actual hours
239.36 of services provided;

- 240.1 (5) withhold and pay all applicable federal and state taxes;
- 240.2 (6) verify and keep records of hours worked by the personal care assistant and
- 240.3 qualified professional;
- 240.4 (7) make the arrangements and pay taxes and other benefits, if any; and comply with
- 240.5 any legal requirements for a Minnesota employer;
- 240.6 (8) enroll in the medical assistance program as a personal care assistance choice
- 240.7 agency; and
- 240.8 (9) enter into a written agreement as specified in subdivision 20 before services
- 240.9 are provided.
- 240.10 **Subd. 20. Personal care assistance choice option; administration.** (a) Before
- 240.11 services commence under the personal care assistance choice option, and annually
- 240.12 thereafter, the personal care assistance choice provider agency, recipient, or responsible
- 240.13 party, each personal care assistant, and the qualified professional shall enter into a written
- 240.14 agreement. The agreement must include at a minimum:
- 240.15 (1) duties of the recipient, qualified professional, personal care assistant, and
- 240.16 personal care assistance choice provider agency;
- 240.17 (2) salary and benefits for the personal care assistant and the qualified professional;
- 240.18 (3) administrative fee of the personal care assistance choice provider agency and
- 240.19 services paid for with that fee, including background study fees;
- 240.20 (4) grievance procedures to respond to complaints;
- 240.21 (5) procedures for hiring and terminating the personal care assistant; and
- 240.22 (6) documentation requirements including, but not limited to, time sheets, activity
- 240.23 records, and the personal care assistance care plan.
- 240.24 (b) Except for the administrative fee of the personal care assistance choice provider
- 240.25 agency as reported on the written agreement, the remainder of the rates paid to the
- 240.26 personal care assistance choice provider agency must be used to pay for the salary and
- 240.27 benefits for the personal care assistant or the qualified professional. The personal care
- 240.28 assistance choice provider agency must provide a minimum of 75 percent of the revenue
- 240.29 generated by the medical assistance rate for personal care assistance for employee
- 240.30 personal care assistant wages and benefits.
- 240.31 (c) The commissioner shall deny, revoke, or suspend the authorization to use the
- 240.32 personal care assistance choice option if:
- 240.33 (1) it has been determined by the qualified professional or public health nurse that
- 240.34 the use of this option jeopardizes the recipient's health and safety;
- 240.35 (2) the parties have failed to comply with the written agreement specified in
- 240.36 subdivision 20;

241.1 (3) the use of the option has led to abusive or fraudulent billing for personal care
241.2 assistance services; or

241.3 (4) the department terminates the personal care assistance choice option.

241.4 (d) The recipient or responsible party may appeal the commissioner's decision in
241.5 paragraph (c) according to section 256.045. The denial, revocation, or suspension to
241.6 use the personal care assistance choice option must not affect the recipient's authorized
241.7 level of personal care assistance services.

241.8 Subd. 21. Requirements for initial enrollment of personal care assistance
241.9 provider agencies. (a) All personal care assistance provider agencies must provide, at the
241.10 time of enrollment as a personal care assistance provider agency in a format determined
241.11 by the commissioner, information and documentation that includes, but is not limited to,
241.12 the following:

241.13 (1) the personal care assistance provider agency's current contact information
241.14 including address, telephone number, and e-mail address;

241.15 (2) proof of surety bond coverage in the amount of \$50,000 or ten percent of the
241.16 provider's payments from Medicaid in the previous year, whichever is less;

241.17 (3) proof of fidelity bond coverage in the amount of \$20,000;

241.18 (4) proof of workers' compensation insurance coverage;

241.19 (5) a description of the personal care assistance provider agency's organization
241.20 identifying the names of all owners, managerial officials, staff, board of directors, and the
241.21 affiliations of the directors, owners, or staff to other service providers;

241.22 (6) a copy of the personal care assistance provider agency's written policies and
241.23 procedures including: hiring of employees; training requirements; service delivery;
241.24 and employee and consumer safety including process for notification and resolution
241.25 of consumer grievances, identification and prevention of communicable diseases, and
241.26 employee misconduct;

241.27 (7) copies of all other forms the personal care assistance provider agency uses in
241.28 the course of daily business including, but not limited to:

241.29 (i) a copy of the personal care assistance provider agency's time sheet if the time
241.30 sheet varies from the standard time sheet for personal care assistance services approved
241.31 by the commissioner, and a letter requesting approval of the personal care assistance
241.32 provider agency's nonstandard time sheet;

241.33 (ii) the personal care assistance provider agency's template for the personal care
241.34 assistance care plan; and

242.1 (iii) the personal care assistance provider agency's template and the written
242.2 agreement in subdivision 20 for recipients using the personal care assistance choice
242.3 option, if applicable;

242.4 (8) a list of all trainings and classes that the personal care assistance provider agency
242.5 requires of its staff providing personal care assistance services;

242.6 (9) documentation that the personal care assistance provider agency and staff have
242.7 successfully completed all the training required by this section;

242.8 (10) disclosure of ownership, leasing, or management of all residential properties
242.9 that is used or could be used for providing home care services;

242.10 (11) documentation of the agency's marketing practices; and

242.11 (12) documentation that the agency will provide 75 percent for the personal care
242.12 assistance choice provider agency and 65 percent for regular personal care assistance
242.13 agency, or revenue generated from the medical assistance rate paid for personal care
242.14 assistance services for employee personal care assistant wages and benefits.

242.15 (b) Personal care assistance provider agencies shall provide the information specified
242.16 in paragraph (a) to the commissioner at the time the personal care assistance provider
242.17 agency enrolls as a vendor or upon request from the commissioner. The commissioner
242.18 shall collect the information specified in paragraph (a) from all personal care assistance
242.19 providers beginning upon enactment of this section.

242.20 (c) All personal care assistance provider agencies shall complete mandatory training
242.21 as determined by the commissioner before enrollment as a provider. Personal care
242.22 assistance provider agencies are required to send all owners employed by the agency
242.23 and all other managerial officials to the initial and subsequent trainings. Personal care
242.24 assistance provider agency billing staff shall complete training about personal care
242.25 assistance program financial management. This training is effective upon enactment of
242.26 this section. Any personal care assistance provider agency enrolled before that date shall,
242.27 if it has not already, complete the provider training within 18 months of the effective
242.28 date of this section. Any new owners, new qualified professionals, and new managerial
242.29 officials are required to complete mandatory training as a requisite of hiring.

242.30 **Subd. 22. Annual review for personal care providers.** (a) All personal care
242.31 assistance provider agencies shall resubmit, on an annual basis, the information specified
242.32 in subdivision 21, in a format determined by the commissioner, and provide a copy of the
242.33 personal care assistance provider agency's most current version of its grievance policies
242.34 and procedures along with a written record of grievances and resolutions of the grievances
242.35 that the personal care assistance provider agency has received in the previous year and any
242.36 other information requested by the commissioner.

243.1 (b) The commissioner shall send annual review notification to personal care
243.2 assistance provider agencies 30 days prior to renewal. The notification must:
243.3 (1) list the materials and information the personal care assistance provider agency is
243.4 required to submit;
243.5 (2) provide instructions on submitting information to the commissioner; and
243.6 (3) provide a due date by which the commissioner must receive the requested
243.7 information.

243.8 Personal care assistance provider agencies shall submit required documentation for
243.9 annual review within 30 days of notification from the commissioner. If no documentation
243.10 is submitted, the personal care assistance provider agency enrollment number must be
243.11 terminated or suspended.

243.12 (c) Personal care assistance provider agencies also currently licensed under
243.13 Minnesota Rules, part 4668.0012, as a class A provider or currently certified for
243.14 participation in Medicare as a home health agency under Code of Federal Regulations,
243.15 title 42, part 484, are deemed in compliance with the personal care assistance requirements
243.16 for enrollment, annual review process, and documentation.

243.17 Subd. 23. **Enrollment requirements following termination.** (a) A terminated
243.18 personal care assistance provider agency, including all named individuals on the current
243.19 enrollment disclosure form and known or discovered affiliates of the personal care
243.20 assistance provider agency, is not eligible to enroll as a personal care assistance provider
243.21 agency for two years following the termination.

243.22 (b) After the two-year period in paragraph (a), if the provider seeks to reenroll
243.23 as a personal care assistance provider agency, the personal care assistance provider
243.24 agency must be placed on a one-year probation period, beginning after completion of
243.25 the following:

243.26 (1) the department's provider trainings under this section; and
243.27 (2) initial enrollment requirements under subdivision 21.

243.28 (c) During the probationary period the commissioner shall complete site visits and
243.29 request submission of documentation to review compliance with program policies.

243.30 Subd. 24. **Personal care assistance provider agency; general duties.** A personal
243.31 care assistance provider agency shall:

243.32 (1) enroll as a Medicaid provider meeting all provider standards, including
243.33 completion of the required provider training;

243.34 (2) comply with general medical assistance coverage requirements;

243.35 (3) demonstrate compliance with law and policies of the personal care assistance
243.36 program to be determined by the commissioner;

- 244.1 (4) comply with background study requirements;
- 244.2 (5) verify and keep records of hours worked by the personal care assistant and
- 244.3 qualified professional;
- 244.4 (6) pay the personal care assistant or qualified professional based on actual hours of
- 244.5 services provided;
- 244.6 (7) document that the agency uses a minimum of 75 percent of the revenue generated
- 244.7 from the medical assistance rate for personal care assistant services for employee personal
- 244.8 care assistant wages and benefits;
- 244.9 (8) withhold and pay all applicable federal and state taxes;
- 244.10 (9) make the arrangements and pay unemployment insurance, taxes, workers'
- 244.11 compensation, liability insurance, and other benefits, if any;
- 244.12 (10) enter into a written agreement under subdivision 21 before services are
- 244.13 provided;
- 244.14 (11) report suspected neglect and abuse to the common entry point according to
- 244.15 section 256B.0651;
- 244.16 (12) provide the recipient with a copy of the home care bill of rights at start of
- 244.17 service;
- 244.18 (13) market agency services only through printed information in brochures and on
- 244.19 Web sites and not engage in any direct contact or marketing in person, by telephone, or
- 244.20 other electronic means to potential recipients, guardians, or family members; and
- 244.21 (14) request reassessments at least 60 days prior to the end of the current
- 244.22 authorization for personal care assistant services on forms provided by the commissioner.
- 244.23 **Subd. 25. Personal care assistance provider agency; background studies.**
- 244.24 Personal care assistance provider agencies enrolled to provide personal care assistance
- 244.25 services under the medical assistance program shall comply with the following:
- 244.26 (1) owners who have a five percent interest or more and all managerial officials are
- 244.27 subject to a background study as provided in chapter 245C. This applies to currently
- 244.28 enrolled personal care assistance provider agencies and those agencies seeking enrollment
- 244.29 as a personal care assistance provider agency. Managerial official has the same meaning
- 244.30 as Code of Federal Regulations, title 42, section 455. An organization is barred from
- 244.31 enrollment if:
- 244.32 (i) the organization has not initiated background studies on owners and managerial
- 244.33 officials; or
- 244.34 (ii) the organization has initiated background studies on owners and managerial
- 244.35 officials, but the commissioner has sent the organization a notice that an owner or
- 244.36 managerial official of the organization has been disqualified under section 245C.14,

245.1 and the owner or managerial official has not received a set aside of the disqualification
245.2 under section 245C.22;

245.3 (2) a background study must be initiated and completed for all qualified
245.4 professionals; and

245.5 (3) a background study must be initiated and completed for all personal care
245.6 assistants.

245.7 **Subd. 26. Personal care assistance provider agency; communicable disease**
245.8 **prevention.** A personal care assistance provider agency shall establish and implement
245.9 policies and procedures for prevention, control, and investigation of infections and
245.10 communicable diseases according to current nationally recognized infection control
245.11 practices or guidelines established by the United States Centers for Disease Control and
245.12 Prevention, as well as applicable regulations of other federal or state agencies.

245.13 **Subd. 27. Personal care assistance provider agency; ventilator training.** The
245.14 personal care assistance provider agency is required to provide training for the personal
245.15 care assistant responsible for working with a recipient who is ventilator dependent. All
245.16 training must be administered by a respiratory therapist, nurse, or physician. Qualified
245.17 professional supervision by a nurse must be completed and documented on file in the
245.18 personal care assistant's employment record and the recipient's health record. If offering
245.19 personal care services to a ventilator-dependent recipient, the personal care assistance
245.20 provider agency shall demonstrate the ability to:

245.21 (1) train the personal care assistant;

245.22 (2) supervise the personal care assistant in ventilator operation and maintenance; and

245.23 (3) supervise the recipient and responsible party in ventilator operation and
245.24 maintenance.

245.25 **Subd. 28. Personal care assistance provider agency; required documentation.**
245.26 Required documentation must be completed and kept in the personal care assistance
245.27 provider agency file or the recipient's home residence. The required documentation
245.28 consists of:

245.29 (1) employee files, including:

245.30 (i) applications for employment;

245.31 (ii) background study requests and results;

245.32 (iii) orientation records about the agency policies;

245.33 (iv) trainings completed with demonstration of competence;

245.34 (v) supervisory visits;

245.35 (vi) evaluations of employment; and

245.36 (vii) signature on fraud statement;

- 246.1 (2) recipient files, including:
246.2 (i) demographics;
246.3 (ii) emergency contact information and emergency backup plan;
246.4 (iii) personal care assistance service plan;
246.5 (iv) personal care assistance care plan;
246.6 (v) month-to-month service use plan;
246.7 (vi) all communication records;
246.8 (vii) start of service information, including the written agreement with recipient; and
246.9 (viii) date the home care bill of rights was given to the recipient;
246.10 (3) agency policy manual, including:
246.11 (i) policies for employment and termination;
246.12 (ii) grievance policies with resolution of consumer grievances;
246.13 (iii) staff and consumer safety;
246.14 (iv) staff misconduct; and
246.15 (v) staff hiring, service delivery, staff and consumer safety, staff misconduct, and
246.16 resolution of consumer grievances; and
246.17 (4) time sheets for each personal care assistant along with completed activity sheets
246.18 for each recipient served.

246.19 Subd. 29. **Transitional assistance.** Notwithstanding any contrary provision in
246.20 this section, the commissioner, counties, and personal care assistance providers shall
246.21 work together to provide transitional assistance for recipients and families to come into
246.22 compliance with the requirements of this section, and ensure that personal care assistance
246.23 services are not provided by the housing provider. The commissioner and counties shall
246.24 provide this assistance until July 1, 2010.

246.25 Subd. 30. **Notice of service changes to recipients.** All recipients who will be
246.26 affected by the changes in medical assistance home care services must be provided notice
246.27 of the changes at least 30 days before the effective date of the change. The notice shall
246.28 include how to get further information on the changes, how to get help to obtain other
246.29 services, a list of community resources, and appeal rights. Notwithstanding section
246.30 256.045, a recipient may request continued services pending appeal within the time period
246.31 allowed to request an appeal.

246.32 Sec. 34. Minnesota Statutes 2008, section 256B.0911, subdivision 1, is amended to
246.33 read:

246.34 Subdivision 1. **Purpose and goal.** (a) The purpose of long-term care consultation
246.35 services is to assist persons with long-term or chronic care needs in making long-term

care decisions and selecting options that meet their needs and reflect their preferences. The availability of, and access to, information and other types of assistance, including assessment and support planning, is also intended to prevent or delay certified nursing facility placements and to provide transition assistance after admission. Further, the goal of these services is to contain costs associated with unnecessary certified nursing facility admissions. Long-term consultation services must be available to any person regardless of public program eligibility. The ~~commissioners~~ commissioner of human services ~~and health~~ shall seek to maximize use of available federal and state funds and establish the broadest program possible within the funding available.

(b) These services must be coordinated with ~~services~~ long-term care options counseling provided under section 256.975, subdivision 7, and ~~with services provided by other public and private agencies in the community~~ section 256.01, subdivision 24, for telephone assistance and follow up and to offer a variety of cost-effective alternatives to persons with disabilities and elderly persons. The county or tribal agency or managed care plan providing long-term care consultation services shall encourage the use of volunteers from families, religious organizations, social clubs, and similar civic and service organizations to provide community-based services.

Sec. 35. Minnesota Statutes 2008, section 256B.0911, subdivision 1a, is amended to read:

Subd. 1a. **Definitions.** For purposes of this section, the following definitions apply:

(a) "Long-term care consultation services" means:

~~(1) providing information and education to the general public regarding availability of the services authorized under this section;~~

~~(2) an intake process that provides access to the services described in this section;~~

~~(3) assessment of the health, psychological, and social needs of referred individuals;~~

~~(4) (1) assistance in identifying services needed to maintain an individual in the least restrictive~~ most inclusive environment;

~~(5) (2) providing recommendations on cost-effective community services that are available to the individual;~~

~~(6) (3) development of an individual's~~ person-centered community support plan;

~~(7) (4) providing information regarding eligibility for Minnesota health care programs;~~

(5) face-to-face long-term care consultation assessments, which may be completed in a hospital, nursing facility, intermediate care facility for persons with developmental

248.1 disabilities (ICF/DDs), regional treatment centers, or the person's current or planned
248.2 residence;

248.3 ~~(8) preadmission~~ (6) federally mandated screening to determine the need for
248.4 a ~~nursing facility~~ institutional level of care under section 256B.0911, subdivision 4,
248.5 paragraph (a);

248.6 ~~(9) preliminary~~ (7) determination of Minnesota health care programs home and
248.7 community-based waiver service eligibility including level of care determination for
248.8 individuals who need a ~~nursing facility~~ an institutional level of care as defined under
248.9 section 144.0724, subdivision 11, or 256B.092, service eligibility including state plan
248.10 home care services identified in section 256B.0625, subdivisions 6, 7, and 19, paragraphs
248.11 (a) and (c), based on assessment and support plan development with appropriate referrals
248.12 for final determination;

248.13 ~~(10)~~ (8) providing recommendations for nursing facility placement when there are
248.14 no cost-effective community services available; and

248.15 ~~(11)~~ (9) assistance to transition people back to community settings after facility
248.16 admission.

248.17 (b) "Long-term care options counseling" means the services provided by the linkage
248.18 lines as mandated by sections 256.01 and 256.975, subdivision 7.

248.19 ~~(b)~~ (c) "Minnesota health care programs" means the medical assistance program
248.20 under chapter 256B and the alternative care program under section 256B.0913.

248.21 (d) "Lead agencies" means counties or a collaboration of counties, tribes, and health
248.22 plans administering long-term care consultation assessment and support planning services.

248.23 **EFFECTIVE DATE.** The amendment to paragraph (a), clause (7), replacing a
248.24 reference to nursing facility level of care with institutional level of care as defined under
248.25 Minnesota Statutes, section 144.0724, subdivision 11, or 256B.092, is effective July 1,
248.26 2011.

248.27 Sec. 36. Minnesota Statutes 2008, section 256B.0911, is amended by adding a
248.28 subdivision to read:

248.29 **Subd. 2b. Certified assessors.** (a) Beginning January 1, 2011, each lead agency
248.30 shall have certified assessors who have completed training and certification process
248.31 determined by the commissioner in subdivision 2c. Certified assessors shall demonstrate
248.32 best practices in assessment and support planning including person-centered planning
248.33 principals and have a common set of skills that must ensure consistency and equitable
248.34 access to services statewide.

249.1 (b) Certified assessors are persons with a minimum of a bachelor's degree in social
249.2 work, nursing with a public health nursing certificate, or other closely related field with at
249.3 least one year of home and community-based experience or a two-year registered nursing
249.4 degree with at least three years of home and community-based experience that have
249.5 received training and certification specific to assessment and consultation for long-term
249.6 care services in the state.

249.7 Sec. 37. Minnesota Statutes 2008, section 256B.0911, is amended by adding a
249.8 subdivision to read:

249.9 Subd. 2c. **Assessor training and certification.** The commissioner shall develop
249.10 curriculum and a certification process to begin no later than January 1, 2010. All existing
249.11 lead agency staff designated to provide the services defined in subdivision 1a must be
249.12 certified by December 30, 2010. Each lead agency is required to ensure that they have
249.13 sufficient numbers of certified assessors to provide long-term consultation assessment and
249.14 support planning within the timelines and parameters of the service by January 1, 2011.
249.15 Certified assessors are required to be recertified every three years.

249.16 Sec. 38. Minnesota Statutes 2008, section 256B.0911, subdivision 3, is amended to
249.17 read:

249.18 Subd. 3. **Long-term care consultation team.** (a) Until January 1, 2011, a long-term
249.19 care consultation team shall be established by the county board of commissioners. Each
249.20 local consultation team shall consist of at least one social worker and at least one public
249.21 health nurse from their respective county agencies. The board may designate public
249.22 health or social services as the lead agency for long-term care consultation services. If a
249.23 county does not have a public health nurse available, it may request approval from the
249.24 commissioner to assign a county registered nurse with at least one year experience in
249.25 home care to participate on the team. Two or more counties may collaborate to establish
249.26 a joint local consultation team or teams.

249.27 (b) The team is responsible for providing long-term care consultation services to
249.28 all persons located in the county who request the services, regardless of eligibility for
249.29 Minnesota health care programs.

249.30 (c) The commissioner shall allow arrangements and make recommendations that
249.31 encourage counties to collaborate to establish joint local long-term care consultation
249.32 teams to ensure that long-term care consultations are done within the timelines and
249.33 parameters of the service. This includes integrated service models as required in section
249.34 256B.0911, subdivision 1, paragraph (b).

Sec. 39. Minnesota Statutes 2008, section 256B.0911, subdivision 3a, is amended to read:

Subd. 3a. **Assessment and support planning.** (a) Persons requesting assessment, services planning, or other assistance intended to support community-based living, including persons who need assessment in order to determine personal care assistance services, private duty nursing services, home health agency services, waiver or alternative care program eligibility, must be visited by a long-term care consultation team or after January 1, 2011, a certified assessor within ten working 20 working days after the date on which an assessment was requested or recommended. Face-to-face assessments must be conducted according to paragraphs (b) to ~~(i)~~ (k).

(b) The county may utilize a team of either the social worker or public health nurse, or both, after January 1, 2011, lead agencies shall use a certified assessor to conduct the assessment in a face-to-face interview. The consultation team members must confer regarding the most appropriate care for each individual screened or assessed.

(c) ~~The long-term care consultation team must assess the health and social needs of the person~~ assessment must be comprehensive and include a person-centered assessment of the health, psychological, functional, environmental, and social needs of referred individuals and provide information necessary to develop a support plan that meets the consumers needs, using an assessment form provided by the commissioner.

(d) ~~The team must conduct the assessment~~ must be conducted in a face-to-face interview with the person being assessed and the person's legal representative, ~~if applicable as required by legally executed documents, and other individuals as requested by the person, who can provide information on the needs, strengths, and preferences of the person necessary to develop a support plan that ensures the person's health and safety, but who is not a provider of service or has any financial interest in the provision of services.~~

(e) ~~The team must provide the person, or the person's legal representative, must be provided with written recommendations for facility- or community-based services: The team must document or institutional care that include documentation~~ that the most cost-effective alternatives available were offered to the individual. For purposes of this requirement, "cost-effective alternatives" means community services and living arrangements that cost the same as or less than ~~nursing facility~~ institutional care.

(f) If the person chooses to use community-based services, ~~the team must provide the person or the person's legal representative must be provided~~ with a written community support plan, regardless of whether the individual is eligible for Minnesota health care programs. ~~The A~~ A person may request assistance in ~~developing a community support plan~~ identifying community supports without participating in a complete assessment. Upon

251.1 a request for assistance identifying community support, the person must be transferred
251.2 or referred to the services available under sections 256.975, subdivision 7, and 256.01,
251.3 subdivision 24, for telephone assistance and follow up.

251.4 (g) The person has the right to make the final decision between ~~nursing~~
251.5 ~~facility~~ institutional placement and community placement after the ~~screening team's~~
251.6 ~~recommendation~~ recommendations have been provided, except as provided in subdivision
251.7 4a, paragraph (c).

251.8 (h) The team must give the person receiving assessment or support planning, or
251.9 the person's legal representative, materials, and forms supplied by the commissioner
251.10 containing the following information:

251.11 (1) the need for and purpose of preadmission screening if the person selects nursing
251.12 facility placement;

251.13 (2) the role of the long-term care consultation assessment and support planning in
251.14 waiver and alternative care program eligibility determination;

251.15 (3) information about Minnesota health care programs;

251.16 (4) the person's freedom to accept or reject the recommendations of the team;

251.17 (5) the person's right to confidentiality under the Minnesota Government Data
251.18 Practices Act, chapter 13;

251.19 (6) the long-term care consultant's decision regarding the person's need for ~~nursing~~
251.20 ~~facility~~ institutional level of care as determined under criteria established in section
251.21 144.0724, subdivision 11, or 256B.092; and

251.22 (7) the person's right to appeal the decision regarding the need for nursing facility
251.23 level of care or the county's final decisions regarding public programs eligibility according
251.24 to section 256.045, subdivision 3.

251.25 (i) Face-to-face assessment completed as part of eligibility determination for
251.26 the alternative care, elderly waiver, community alternatives for disabled individuals,
251.27 community alternative care, and traumatic brain injury waiver programs under sections
251.28 256B.0915, 256B.0917, and 256B.49 is valid to establish service eligibility for no more
251.29 than 60 calendar days after the date of assessment. The effective eligibility start date
251.30 for these programs can never be prior to the date of assessment. If an assessment was
251.31 completed more than 60 days before the effective waiver or alternative care program
251.32 eligibility start date, assessment and support plan information must be updated in a
251.33 face-to-face visit and documented in the department's Medicaid Management Information
251.34 System (MMIS). The effective date of program eligibility in this case cannot be prior to
251.35 the date the updated assessment is completed.

252.1 **EFFECTIVE DATE.** The amendment to paragraph (h), clause (6), is effective
252.2 July 1, 2011.

252.3 Sec. 40. Minnesota Statutes 2008, section 256B.0911, subdivision 4a, is amended to
252.4 read:

252.5 Subd. 4a. **Preadmission screening activities related to nursing facility**
252.6 **admissions.** (a) All applicants to Medicaid certified nursing facilities, including certified
252.7 boarding care facilities, must be screened prior to admission regardless of income, assets,
252.8 or funding sources for nursing facility care, except as described in subdivision 4b. The
252.9 purpose of the screening is to determine the need for nursing facility level of care as
252.10 described in paragraph (d) and to complete activities required under federal law related to
252.11 mental illness and developmental disability as outlined in paragraph (b).

252.12 (b) A person who has a diagnosis or possible diagnosis of mental illness or
252.13 developmental disability must receive a preadmission screening before admission
252.14 regardless of the exemptions outlined in subdivision 4b, paragraph (b), to identify the need
252.15 for further evaluation and specialized services, unless the admission prior to screening is
252.16 authorized by the local mental health authority or the local developmental disabilities case
252.17 manager, or unless authorized by the county agency according to Public Law 101-508.

252.18 The following criteria apply to the preadmission screening:

252.19 (1) the county must use forms and criteria developed by the commissioner to identify
252.20 persons who require referral for further evaluation and determination of the need for
252.21 specialized services; and

252.22 (2) the evaluation and determination of the need for specialized services must be
252.23 done by:

252.24 (i) a qualified independent mental health professional, for persons with a primary or
252.25 secondary diagnosis of a serious mental illness; or

252.26 (ii) a qualified developmental disability professional, for persons with a primary or
252.27 secondary diagnosis of developmental disability. For purposes of this requirement, a
252.28 qualified developmental disability professional must meet the standards for a qualified
252.29 developmental disability professional under Code of Federal Regulations, title 42, section
252.30 483.430.

252.31 (c) The local county mental health authority or the state developmental disability
252.32 authority under Public Law Numbers 100-203 and 101-508 may prohibit admission to a
252.33 nursing facility if the individual does not meet the nursing facility level of care criteria or
252.34 needs specialized services as defined in Public Law Numbers 100-203 and 101-508. For
252.35 purposes of this section, "specialized services" for a person with developmental disability

253.1 means active treatment as that term is defined under Code of Federal Regulations, title
253.2 42, section 483.440 (a)(1).

253.3 (d) The determination of the need for nursing facility level of care must be made
253.4 according to criteria established in section 144.0724, subdivision 11, and 256B.092,
253.5 using forms developed by the commissioner. In assessing a person's needs, consultation
253.6 team members shall have a physician available for consultation and shall consider the
253.7 assessment of the individual's attending physician, if any. The individual's physician must
253.8 be included if the physician chooses to participate. Other personnel may be included on
253.9 the team as deemed appropriate by the county.

253.10 **EFFECTIVE DATE.** The section is effective July 1, 2011.

253.11 Sec. 41. Minnesota Statutes 2008, section 256B.0911, subdivision 5, is amended to
253.12 read:

253.13 Subd. 5. **Administrative activity.** The commissioner shall minimize the number
253.14 of ~~forms required in the provision of long-term care consultation services and shall~~
253.15 ~~limit the screening document to items necessary for community support plan approval,~~
253.16 ~~reimbursement, program planning, evaluation, and policy development~~ business processes
253.17 required to provide the services in this section and shall implement integrated solutions
253.18 to automate the business processes to the extent necessary for community support plan
253.19 approval, reimbursement, program planning, evaluation, and policy development.

253.20 Sec. 42. Minnesota Statutes 2008, section 256B.0911, subdivision 6, is amended to
253.21 read:

253.22 Subd. 6. **Payment for long-term care consultation services.** (a) The total payment
253.23 for each county must be paid monthly by certified nursing facilities in the county. The
253.24 monthly amount to be paid by each nursing facility for each fiscal year must be determined
253.25 by dividing the county's annual allocation for long-term care consultation services by 12
253.26 to determine the monthly payment and allocating the monthly payment to each nursing
253.27 facility based on the number of licensed beds in the nursing facility. Payments to counties
253.28 in which there is no certified nursing facility must be made by increasing the payment
253.29 rate of the two facilities located nearest to the county seat.

253.30 (b) The commissioner shall include the total annual payment determined under
253.31 paragraph (a) for each nursing facility reimbursed under section 256B.431 or 256B.434
253.32 according to section 256B.431, subdivision 2b, paragraph (g).

253.33 (c) In the event of the layaway, delicensure and decertification, or removal from
253.34 layaway of 25 percent or more of the beds in a facility, the commissioner may adjust

the per diem payment amount in paragraph (b) and may adjust the monthly payment amount in paragraph (a). The effective date of an adjustment made under this paragraph shall be on or after the first day of the month following the effective date of the layaway, delicensure and decertification, or removal from layaway.

(d) Payments for long-term care consultation services are available to the county or counties to cover staff salaries and expenses to provide the services described in subdivision 1a. The county shall employ, or contract with other agencies to employ, within the limits of available funding, sufficient personnel to provide long-term care consultation services while meeting the state's long-term care outcomes and objectives as defined in section 256B.0917, subdivision 1. The county shall be accountable for meeting local objectives as approved by the commissioner in the biennial home and community-based services quality assurance plan on a form provided by the commissioner.

(e) Notwithstanding section 256B.0641, overpayments attributable to payment of the screening costs under the medical assistance program may not be recovered from a facility.

(f) The commissioner of human services shall amend the Minnesota medical assistance plan to include reimbursement for the local consultation teams.

(g) The county may bill, as case management services, assessments, support planning, and follow-along provided to persons determined to be eligible for case management under Minnesota health care programs. No individual or family member shall be charged for an initial assessment or initial support plan development provided under subdivision 3a or 3b.

(h) The commissioner shall develop an alternative payment methodology for long-term care consultation services that includes the funding available under this subdivision, and sections 256B.092 and 256B.0655. In developing the new payment methodology, the commissioner shall consider the maximization of federal funding for this activity.

Sec. 43. Minnesota Statutes 2008, section 256B.0911, subdivision 7, is amended to read:

Subd. 7. Reimbursement for certified nursing facilities. (a) Medical assistance reimbursement for nursing facilities shall be authorized for a medical assistance recipient only if a preadmission screening has been conducted prior to admission or the county has authorized an exemption. Medical assistance reimbursement for nursing facilities shall not be provided for any recipient who the local screener has determined does not meet the level of care criteria for nursing facility placement in section 144.0724, subdivision 11, or, if indicated, has not had a level II OBRA evaluation as required under the federal Omnibus

255.1 Budget Reconciliation Act of 1987 completed unless an admission for a recipient with
255.2 mental illness is approved by the local mental health authority or an admission for a
255.3 recipient with developmental disability is approved by the state developmental disability
255.4 authority.

255.5 (b) The nursing facility must not bill a person who is not a medical assistance
255.6 recipient for resident days that preceded the date of completion of screening activities as
255.7 required under subdivisions 4a, 4b, and 4c. The nursing facility must include unreimbursed
255.8 resident days in the nursing facility resident day totals reported to the commissioner.

255.9 **EFFECTIVE DATE.** The section is effective July 1, 2011.

255.10 Sec. 44. Minnesota Statutes 2008, section 256B.0913, subdivision 4, is amended to
255.11 read:

255.12 Subd. 4. **Eligibility for funding for services for nonmedical assistance recipients.**

255.13 (a) Funding for services under the alternative care program is available to persons who
255.14 meet the following criteria:

255.15 (1) the person has been determined by a community assessment under section
255.16 256B.0911 to be a person who would require the level of care provided in a nursing
255.17 facility according to the criteria established in section 144.0724, subdivision 11, but for
255.18 the provision of services under the alternative care program;

255.19 (2) the person is age 65 or older;

255.20 (3) the person would be eligible for medical assistance within 135 days of admission
255.21 to a nursing facility;

255.22 (4) the person is not ineligible for the payment of long-term care services by the
255.23 medical assistance program due to an asset transfer penalty under section 256B.0595 or
255.24 equity interest in the home exceeding \$500,000 as stated in section 256B.056;

255.25 (5) the person needs long-term care services that are not funded through other state
255.26 or federal funding;

255.27 (6) the monthly cost of the alternative care services funded by the program for
255.28 this person does not exceed 75 percent of the monthly limit described under section
255.29 256B.0915, subdivision 3a. This monthly limit does not prohibit the alternative care
255.30 client from payment for additional services, but in no case may the cost of additional
255.31 services purchased under this section exceed the difference between the client's monthly
255.32 service limit defined under section 256B.0915, subdivision 3, and the alternative care
255.33 program monthly service limit defined in this paragraph. If care-related supplies and
255.34 equipment or environmental modifications and adaptations are or will be purchased for
255.35 an alternative care services recipient, the costs may be prorated on a monthly basis for

256.1 up to 12 consecutive months beginning with the month of purchase. If the monthly cost
256.2 of a recipient's other alternative care services exceeds the monthly limit established in
256.3 this paragraph, the annual cost of the alternative care services shall be determined. In this
256.4 event, the annual cost of alternative care services shall not exceed 12 times the monthly
256.5 limit described in this paragraph; and

256.6 (7) the person is making timely payments of the assessed monthly fee.

256.7 A person is ineligible if payment of the fee is over 60 days past due, unless the person
256.8 agrees to:

256.9 (i) the appointment of a representative payee;

256.10 (ii) automatic payment from a financial account;

256.11 (iii) the establishment of greater family involvement in the financial management of
256.12 payments; or

256.13 (iv) another method acceptable to the lead agency to ensure prompt fee payments.

256.14 The lead agency may extend the client's eligibility as necessary while making
256.15 arrangements to facilitate payment of past-due amounts and future premium payments.

256.16 Following disenrollment due to nonpayment of a monthly fee, eligibility shall not be
256.17 reinstated for a period of 30 days.

256.18 (b) Alternative care funding under this subdivision is not available for a person
256.19 who is a medical assistance recipient or who would be eligible for medical assistance
256.20 without a spenddown or waiver obligation. A person whose initial application for medical
256.21 assistance and the elderly waiver program is being processed may be served under the
256.22 alternative care program for a period up to 60 days. If the individual is found to be eligible
256.23 for medical assistance, medical assistance must be billed for services payable under the
256.24 federally approved elderly waiver plan and delivered from the date the individual was
256.25 found eligible for the federally approved elderly waiver plan. Notwithstanding this
256.26 provision, alternative care funds may not be used to pay for any service the cost of which:
256.27 (i) is payable by medical assistance; (ii) is used by a recipient to meet a waiver obligation;
256.28 or (iii) is used to pay a medical assistance income spenddown for a person who is eligible
256.29 to participate in the federally approved elderly waiver program under the special income
256.30 standard provision.

256.31 (c) Alternative care funding is not available for a person who resides in a licensed
256.32 nursing home, certified boarding care home, hospital, or intermediate care facility, except
256.33 for case management services which are provided in support of the discharge planning
256.34 process for a nursing home resident or certified boarding care home resident to assist with
256.35 a relocation process to a community-based setting.

(d) Alternative care funding is not available for a person whose income is greater than the maintenance needs allowance under section 256B.0915, subdivision 1d, but equal to or less than 120 percent of the federal poverty guideline effective July 1 in the fiscal year for which alternative care eligibility is determined, who would be eligible for the elderly waiver with a waiver obligation.

EFFECTIVE DATE. The section is effective July 1, 2011.

Sec. 45. Minnesota Statutes 2008, section 256B.0915, subdivision 3e, is amended to read:

Subd. 3e. **Customized living service rate.** (a) Payment for customized living services shall be a monthly rate ~~negotiated and~~ authorized by the lead agency within the parameters established by the commissioner. The payment agreement must delineate the ~~services that have been customized for each recipient and specify the amount of each component service included in the recipient's customized living service to be provided~~ plan. The lead agency shall ensure that there is a documented need ~~for all~~ within the parameters established by the commissioner for all component customized living services authorized. ~~Customized living services must not include rent or raw food costs.~~

~~(b)~~ (b) The ~~negotiated~~ payment rate must be based on the amount of component services to be provided utilizing component rates established by the commissioner. Counties and tribes shall use tools issued by the commissioner to develop and document customized living service plans and rates.

~~Negotiated~~ (c) Component service rates must not exceed payment rates for comparable elderly waiver or medical assistance services and must reflect economies of scale. Customized living services must not include rent or raw food costs.

~~(b)~~ (d) The individualized monthly ~~negotiated~~ authorized payment for the customized living services service plan shall not exceed ~~the nonfederal share, in effect on July 1 of the state fiscal year for which the rate limit is being calculated, 50 percent~~ of the greater of either the statewide or any of the geographic groups' weighted average monthly nursing facility rate of the case mix resident class to which the elderly waiver eligible client would be assigned under Minnesota Rules, parts 9549.0050 to 9549.0059, less the maintenance needs allowance as described in subdivision 1d, paragraph (a), until the July 1 of the state fiscal year in which the resident assessment system as described in section 256B.438 for nursing home rate determination is implemented. Effective on July 1 of the state fiscal year in which the resident assessment system as described in section 256B.438 for nursing home rate determination is implemented and July 1 of each subsequent state fiscal year, the individualized monthly ~~negotiated~~ authorized payment

258.1 for the services described in this clause shall not exceed the limit ~~described in this clause~~
258.2 which was in effect on June 30 of the previous state fiscal year ~~and which has been~~
258.3 ~~adjusted by the greater of any legislatively adopted home and community-based services~~
258.4 ~~cost-of-living percentage increase or any legislatively adopted statewide percent rate~~
258.5 ~~increase for nursing facilities~~ updated annually based on legislatively adopted changes to
258.6 all service rate maximums for home and community-based service providers.

258.7 ~~(e)~~ (e) Customized living services are delivered by a provider licensed by the
258.8 Department of Health as a class A or class F home care provider and provided in a
258.9 building that is registered as a housing with services establishment under chapter 144D.

258.10 Sec. 46. Minnesota Statutes 2008, section 256B.0915, subdivision 3h, is amended to
258.11 read:

258.12 Subd. 3h. **Service rate limits; 24-hour customized living services.** (a) The
258.13 payment rates for 24-hour customized living services ~~is~~ are a monthly rate ~~negotiated and~~
258.14 authorized by the lead agency within the parameters established by the commissioner
258.15 of human services. The payment agreement must delineate the ~~services that have been~~
258.16 ~~customized for each recipient and specify the~~ amount of each component service included
258.17 in each recipient's customized living service to be provided plan. The lead agency
258.18 shall ensure that there is a documented need within the parameters established by the
258.19 commissioner for all component customized living services authorized. The lead agency
258.20 shall not authorize 24-hour customized living services unless there is a documented need
258.21 for 24-hour supervision.

258.22 (b) For purposes of this section, "24-hour supervision" means that the recipient
258.23 requires assistance due to needs related to one or more of the following:

- 258.24 (1) intermittent assistance with toileting or transferring;
258.25 (2) cognitive or behavioral issues;
258.26 (3) a medical condition that requires clinical monitoring; or
258.27 (4) other conditions or needs as defined by the commissioner of human services.

258.28 The lead agency shall ensure that the frequency and mode of supervision of the recipient
258.29 and the qualifications of staff providing supervision are described and meet the needs of
258.30 the recipient. ~~Customized living services must not include rent or raw food costs.~~

258.31 (c) The ~~negotiated~~ payment rate for 24-hour customized living services must be
258.32 based on the amount of component services to be provided utilizing component rates
258.33 established by the commissioner. Counties and tribes will use tools issued by the
258.34 commissioner to develop and document customized living plans and authorize rates.

~~Negotiated~~ (d) Component service rates must not exceed payment rates for comparable elderly waiver or medical assistance services and must reflect economies of scale.

(e) The individually ~~negotiated~~ authorized 24-hour customized living payments, in combination with the payment for other elderly waiver services, including case management, must not exceed the recipient's community budget cap specified in subdivision 3a. Customized living services must not include rent or raw food costs.

(f) The individually authorized 24-hour customized living payment rates shall not exceed the 95 percentile of statewide monthly authorizations for 24-hour customized living services in effect and in the Medicaid management information systems on March 31, 2009, for each case mix resident class under Minnesota Rules, parts 9549.0050 to 9549.0059, to which elderly waiver service clients are assigned. When there are fewer than 50 authorizations in effect in the case mix resident class, the commissioner shall multiply the calculated service payment rate maximum for the A classification by the standard weight for that classification under Minnesota Rules, parts 9549.0050 to 9549.0059, to determine the applicable payment rate maximum. Service payment rate maximums shall be updated annually based on legislatively adopted changes to all service rates for home and community-based service providers.

(g) Notwithstanding the requirements of paragraphs (d) and (f), the commissioner may establish alternative payment rate systems for 24-hour customized living services in housing with services establishments which are freestanding buildings with a capacity of 16 or fewer, by applying a single hourly rate for covered component services provided in either:

(1) licensed corporate adult foster homes; or

(2) specialized dementia care units which meet the requirements of section 144D.065 and in which:

(i) each resident is offered the option of having their own apartment; or

(ii) the units are licensed as board and lodge establishments with maximum capacity of eight residents, and which meet the requirements of Minnesota Rules, part 9555.6205, subparts 1, 2, 3, and 4, item A.

Sec. 47. Minnesota Statutes 2008, section 256B.0915, subdivision 5, is amended to read:

Subd. 5. **Assessments and reassessments for waiver clients.** (a) Each client shall receive an initial assessment of strengths, informal supports, and need for services in accordance with section 256B.0911, subdivisions 3, 3a, and 3b. A reassessment of a

260.1 client served under the elderly waiver must be conducted at least every 12 months and at
260.2 other times when the case manager determines that there has been significant change in
260.3 the client's functioning. This may include instances where the client is discharged from
260.4 the hospital. There must be a determination that the client requires nursing facility level of
260.5 care as defined in section 144.0724, subdivision 11, at initial and subsequent assessments
260.6 to initiate and maintain participation in the waiver program.

260.7 (b) Regardless of other assessments identified in section 144.0724, subdivision
260.8 4, as appropriate to determine nursing facility level of care for purposes of medical
260.9 assistance payment for nursing facility services, only face-to-face assessments conducted
260.10 according to section 256B.0911, subdivisions 3a and 3b, that result in a nursing facility
260.11 level of care determination will be accepted for purposes of initial and ongoing access to
260.12 waiver service payment.

260.13 **EFFECTIVE DATE.** The section is effective July 1, 2011.

260.14 Sec. 48. Minnesota Statutes 2008, section 256B.0915, is amended by adding a
260.15 subdivision to read:

260.16 **Subd. 10. Waiver payment rates; managed care organizations.** The
260.17 commissioner shall adjust the elderly waiver capitation payment rates for managed care
260.18 organizations paid under section 256B.69, subdivisions 6a and 23, to reflect the maximum
260.19 service rate limits for customized living services and 24-hour customized living services
260.20 under subdivisions 3e and 3h for the contract period beginning October 1, 2009. Medical
260.21 assistance rates paid to customized living providers by managed care organizations
260.22 under this section shall not exceed the maximum service rate limits determined by the
260.23 commissioner under subdivisions 3e and 3h.

260.24 Sec. 49. Minnesota Statutes 2008, section 256B.0916, subdivision 2, is amended to
260.25 read:

260.26 **Subd. 2. Distribution of funds; partnerships.** (a) Beginning with fiscal year 2000,
260.27 the commissioner shall distribute all funding available for home and community-based
260.28 waiver services for persons with developmental disabilities to individual counties or to
260.29 groups of counties that form partnerships to jointly plan, administer, and authorize funding
260.30 for eligible individuals. The commissioner shall encourage counties to form partnerships
260.31 that have a sufficient number of recipients and funding to adequately manage the risk
260.32 and maximize use of available resources.

(b) Counties must submit a request for funds and a plan for administering the program as required by the commissioner. The plan must identify the number of clients to be served, their ages, and their priority listing based on:

- (1) requirements in Minnesota Rules, part 9525.1880; and
- (2) ~~unstable living situations due to the age or incapacity of the primary caregiver;~~
- statewide priorities identified in section 256B.092, subdivision 12.
- ~~(3) the need for services to avoid out-of-home placement of children;~~
- ~~(4) the need to serve persons affected by private sector ICF/MR closures; and~~
- ~~(5) the need to serve persons whose consumer support grant exception amount was eliminated in 2004.~~

The plan must also identify changes made to improve services to eligible persons and to improve program management.

(c) In allocating resources to counties, priority must be given to groups of counties that form partnerships to jointly plan, administer, and authorize funding for eligible individuals and to counties determined by the commissioner to have sufficient waiver capacity to maximize resource use.

(d) Within 30 days after receiving the county request for funds and plans, the commissioner shall provide a written response to the plan that includes the level of resources available to serve additional persons.

(e) Counties are eligible to receive medical assistance administrative reimbursement for administrative costs under criteria established by the commissioner.

Sec. 50. Minnesota Statutes 2008, section 256B.0917, is amended by adding a subdivision to read:

Subd. 14. **Essential community supports grants.** (a) The purpose of the essential community supports grant program is to provide targeted services to persons 65 years and older who need essential community support, but whose needs do not meet the level of care required for nursing facility placement under section 144.0724, subdivision 11.

(b) Within the limits of the appropriation and not to exceed \$400 per person per month, funding must be available to a person who:

- (1) is age 65 or older;
- (2) is not eligible for medical assistance;
- (3) would otherwise be financially eligible for the alternative care program under section 256B.0913, subdivision 4;
- (4) has received a community assessment under section 256B.0911, subdivision 3a or 3b, and does not require the level of care provided in a nursing facility;

- 262.1 (5) has a community support plan; and
- 262.2 (6) has been determined by a community assessment under section 256B.0911,
- 262.3 subdivision 3a or 3b, to be a person who would require provision of at least one of the
- 262.4 following services, as defined in the approved elderly waiver plan, in order to maintain
- 262.5 their community residence:
- 262.6 (i) caregiver support;
- 262.7 (ii) homemaker;
- 262.8 (iii) chore; or
- 262.9 (iv) a personal emergency response device or system.
- 262.10 (c) The person receiving any of the essential community supports in this subdivision
- 262.11 must also receive service coordination as part of their community support plan.
- 262.12 (d) A person who has been determined to be eligible for an essential community
- 262.13 support grant must be reassessed at least annually and continue to meet the criteria in
- 262.14 paragraph (b) to remain eligible for an essential community support grant.
- 262.15 (e) The commissioner shall allocate grants to counties and tribes under contract with
- 262.16 the department based upon the historic use of the medical assistance elderly waiver and
- 262.17 alternative care grant programs and other criteria as determined by the commissioner.

262.18 **EFFECTIVE DATE.** This section is effective July 1, 2011.

262.19 Sec. 51. Minnesota Statutes 2008, section 256B.092, subdivision 8a, is amended to

262.20 read:

262.21 Subd. 8a. **County concurrence.** (a) If the county of financial responsibility wishes

262.22 to place a person in another county for services, the county of financial responsibility shall

262.23 seek concurrence from the proposed county of service and the placement shall be made

262.24 cooperatively between the two counties. Arrangements shall be made between the two

262.25 counties for ongoing social service, including annual reviews of the person's individual

262.26 service plan. The county where services are provided may not make changes in the

262.27 person's service plan without approval by the county of financial responsibility.

262.28 (b) When a person has been screened and authorized for services in an intermediate

262.29 care facility for persons with developmental disabilities or for home and community-based

262.30 services for persons with developmental disabilities, the case manager shall assist that

262.31 person in identifying a service provider who is able to meet the needs of the person

262.32 according to the person's individual service plan. If the identified service is to be provided

262.33 in a county other than the county of financial responsibility, the county of financial

262.34 responsibility shall request concurrence of the county where the person is requesting to

262.35 receive the identified services. The county of service may refuse to concur if:

(1) it can demonstrate that the provider is unable to provide the services identified in the person's individual service plan as services that are needed and are to be provided; or

(2) in the case of an intermediate care facility for persons with developmental disabilities, there has been no authorization for admission by the admission review team as required in section 256B.0926; or

~~(3) in the case of home and community-based services for persons with developmental disabilities, the county of service can demonstrate that the prospective provider has failed to substantially comply with the terms of a past contract or has had a prior contract terminated within the last 12 months for failure to provide adequate services, or has received a notice of intent to terminate the contract.~~

(c) The county of service shall notify the county of financial responsibility of concurrence or refusal to concur no later than 20 working days following receipt of the written request. Unless other mutually acceptable arrangements are made by the involved county agencies, the county of financial responsibility is responsible for costs of social services and the costs associated with the development and maintenance of the placement. The county of service may request that the county of financial responsibility purchase case management services from the county of service or from a contracted provider of case management when the county of financial responsibility is not providing case management as defined in this section and rules adopted under this section, unless other mutually acceptable arrangements are made by the involved county agencies. Standards for payment limits under this section may be established by the commissioner. Financial disputes between counties shall be resolved as provided in section 256G.09.

Sec. 52. Minnesota Statutes 2008, section 256B.092, is amended by adding a subdivision to read:

Subd. 11. **Residential support services.** (a) Upon federal approval, there is established a new service called residential support that is available on the CAC, CADI, DD, and TBI waivers. Existing waiver service descriptions must be modified to the extent necessary to ensure there is no duplication between other services. Residential support services must be provided by vendors licensed under category community residential setting as defined in section 245A.11, subdivision 8.

(b) Residential support services must meet the following criteria:

(1) providers of residential support services must own or control the residential site;

(2) the residential site must not be the primary residence of the license holder;

(3) the residential site must have a designated program supervisor responsible for program oversight, development, and implementation of policies and procedures;

264.1 (4) the provider of residential support services must provide supervision, training,
264.2 and assistance as described in the person's community support plan; and

264.3 (5) the provider of residential support services must meet the requirements of
264.4 licensure and additional requirements of the person's community support plan.

264.5 (c) Providers of residential support services that meet the definition in paragraph (a)
264.6 must be registered using a process determined by the commissioner beginning July 1, 2009.

264.7 Sec. 53. Minnesota Statutes 2008, section 256B.092, is amended by adding a
264.8 subdivision to read:

264.9 Subd. 12. **Waivered services statewide priorities.** (a) The commissioner shall
264.10 establish statewide priorities for individuals on the waiting list for developmental
264.11 disabilities (DD) waiver services, as of January 1, 2010. The statewide priorities must
264.12 include, but are not limited to, individuals who continue to have a need for waiver services
264.13 after they have maximized the use of state plan services and other funding resources,
264.14 including natural supports, prior to accessing waiver services, and who meet at least one
264.15 of the following criteria:

264.16 (1) have unstable living situations due to the age, incapacity, or sudden loss of
264.17 the primary caregivers;

264.18 (2) are moving from an institution due to bed closures;

264.19 (3) experience a sudden closure of their current living arrangement;

264.20 (4) require protection from confirmed abuse, neglect, or exploitation;

264.21 (5) experience a sudden change in need that can no longer be met through state plan
264.22 services or other funding resources alone; or

264.23 (6) meet other priorities established by the department.

264.24 (b) When allocating resources to lead agencies, the commissioner shall take into
264.25 consideration the number of individuals waiting who meet statewide priorities.

264.26 (c) The commissioner shall evaluate the impact of the use of statewide priorities and
264.27 provide recommendations to the legislature on whether to continue the use of statewide
264.28 priorities in the November 1, 2011, annual report required by the commissioner in sections
264.29 256B.0916, subdivision 7, and 256B.49, subdivision 21.

264.30 Sec. 54. Minnesota Statutes 2008, section 256B.37, subdivision 1, is amended to read:

264.31 Subdivision 1. **Subrogation.** Upon furnishing medical assistance or alternative
264.32 care services under section 256B.0913 to any person who has private accident or health
264.33 care coverage, or receives or has a right to receive health or medical care from any
264.34 type of organization or entity, or has a cause of action arising out of an occurrence that

265.1 necessitated the payment of medical assistance, the state agency or the state agency's agent
265.2 shall be subrogated, to the extent of the cost of medical care furnished, to any rights the
265.3 person may have under the terms of the coverage, or against the organization or entity
265.4 providing or liable to provide health or medical care, or under the cause of action.

265.5 The right of subrogation created in this section includes all portions of the cause
265.6 of action, notwithstanding any settlement allocation or apportionment that purports to
265.7 dispose of portions of the cause of action not subject to subrogation.

265.8 Sec. 55. Minnesota Statutes 2008, section 256B.37, subdivision 5, is amended to read:

265.9 Subd. 5. **Private benefits to be used first.** Private accident and health care coverage
265.10 including Medicare for medical services is primary coverage and must be exhausted before
265.11 medical assistance ~~is~~ or alternative care services are paid for medical services including
265.12 home health care, personal care assistant services, hospice, supplies and equipment, or
265.13 services covered under a Centers for Medicare and Medicaid Services waiver. When a
265.14 person who is otherwise eligible for medical assistance has private accident or health care
265.15 coverage, including Medicare or a prepaid health plan, the private health care benefits
265.16 available to the person must be used first and to the fullest extent.

265.17 Sec. 56. Minnesota Statutes 2008, section 256B.437, subdivision 6, is amended to read:

265.18 Subd. 6. **Planned closure rate adjustment.** (a) The commissioner of human
265.19 services shall calculate the amount of the planned closure rate adjustment available under
265.20 subdivision 3, paragraph (b), for up to 5,140 beds according to clauses (1) to (4):

265.21 (1) the amount available is the net reduction of nursing facility beds multiplied
265.22 by \$2,080;

265.23 (2) the total number of beds in the nursing facility or facilities receiving the planned
265.24 closure rate adjustment must be identified;

265.25 (3) capacity days are determined by multiplying the number determined under
265.26 clause (2) by 365; and

265.27 (4) the planned closure rate adjustment is the amount available in clause (1), divided
265.28 by capacity days determined under clause (3).

265.29 (b) A planned closure rate adjustment under this section is effective on the first day
265.30 of the month following completion of closure of the facility designated for closure in the
265.31 application and becomes part of the nursing facility's total operating payment rate.

265.32 (c) Applicants may use the planned closure rate adjustment to allow for a property
265.33 payment for a new nursing facility or an addition to an existing nursing facility or as an
265.34 operating payment rate adjustment. Applications approved under this subdivision are

266.1 exempt from other requirements for moratorium exceptions under section 144A.073,
266.2 subdivisions 2 and 3.

266.3 (d) Upon the request of a closing facility, the commissioner must allow the facility a
266.4 closure rate adjustment as provided under section 144A.161, subdivision 10.

266.5 (e) A facility that has received a planned closure rate adjustment may reassign it
266.6 to another facility that is under the same ownership at any time within three years of its
266.7 effective date. The amount of the adjustment shall be computed according to paragraph (a).

266.8 (f) If the per bed dollar amount specified in paragraph (a), clause (1), is increased,
266.9 the commissioner shall recalculate planned closure rate adjustments for facilities that
266.10 delicense beds under this section on or after July 1, 2001, to reflect the increase in the per
266.11 bed dollar amount. The recalculated planned closure rate adjustment shall be effective
266.12 from the date the per bed dollar amount is increased.

266.13 (g) For planned closures approved after June 30, 2009, the commissioner of human
266.14 services shall calculate the amount of the planned closure rate adjustment available under
266.15 subdivision 3, paragraph (b), according to paragraph (a), clauses (1) to (4).

266.16 Sec. 57. Minnesota Statutes 2008, section 256B.441, is amended by adding a
266.17 subdivision to read:

266.18 Subd. 24a. **Medicare costs.** For purposes of computing rates under this section for
266.19 rate years beginning on or after October 1, 2009, "Medicare costs" means 70.4 percent of
266.20 Medicare Part A and Part B revenues received during the reporting year.

266.21 Sec. 58. Minnesota Statutes 2008, section 256B.441, subdivision 48, is amended to
266.22 read:

266.23 Subd. 48. **Calculation of operating per diems.** The direct care per diem for
266.24 each facility shall be the facility's direct care costs divided by its standardized days.
266.25 The other care-related per diem shall be the sum of the facility's activities costs, other
266.26 direct care costs, raw food costs, therapy costs, and social services costs, divided by the
266.27 facility's resident days. The other operating per diem shall be the sum of the facility's
266.28 administrative costs, dietary costs, housekeeping costs, laundry costs, and maintenance
266.29 and plant operations costs divided by the facility's resident days. For rate years beginning
266.30 on or after October 1, 2009, the calculations of the direct care per diem, other care-related
266.31 per diem, and other operating per diem shall:

266.32 (1) have allowable costs reduced by Medicare costs as defined in subdivision 24a.
266.33 The Medicare costs must be allocated between direct care, other care-related, and other
266.34 operating based on a ratio of allowable expenses from the cost report; and

267.1 (2) have resident days and standardized days computed without using days paid
267.2 by Medicare.

267.3 Sec. 59. Minnesota Statutes 2008, section 256B.441, subdivision 55, is amended to
267.4 read:

267.5 Subd. 55. **Phase-in of rebased operating payment rates.** (a) For the rate years
267.6 beginning October 1, 2008, to October 1, 2015, the operating payment rate calculated
267.7 under this section shall be phased in by blending the operating rate with the operating
267.8 payment rate determined under section 256B.434. For purposes of this subdivision, the
267.9 rate to be used that is determined under section 256B.434 shall not include the portion of
267.10 the operating payment rate related to performance-based incentive payments under section
267.11 256B.434, subdivision 4, paragraph (d). For the rate year beginning October 1, 2008, the
267.12 operating payment rate for each facility shall be 13 percent of the operating payment rate
267.13 from this section, and 87 percent of the operating payment rate from section 256B.434.
267.14 For the rate ~~year period~~ beginning October 1, 2009, through September 30, 2013, the
267.15 operating payment rate for each facility shall be 14 percent of the operating payment rate
267.16 from this section, and 86 percent of the operating payment rate from section 256B.434.
267.17 ~~For the rate year beginning October 1, 2010, the operating payment rate for each facility~~
267.18 ~~shall be 14 percent of the operating payment rate from this section, and 86 percent of the~~
267.19 ~~operating payment rate from section 256B.434. For the rate year beginning October 1,~~
267.20 ~~2011, the operating payment rate for each facility shall be 31 percent of the operating~~
267.21 ~~payment rate from this section, and 69 percent of the operating payment rate from section~~
267.22 ~~256B.434. For the rate year beginning October 1, 2012, the operating payment rate for~~
267.23 ~~each facility shall be 48 percent of the operating payment rate from this section, and 52~~
267.24 ~~percent of the operating payment rate from section 256B.434. For the rate year beginning~~
267.25 October 1, 2013, the operating payment rate for each facility shall be 65 percent of the
267.26 operating payment rate from this section, and 35 percent of the operating payment rate
267.27 from section 256B.434. For the rate year beginning October 1, 2014, the operating
267.28 payment rate for each facility shall be 82 percent of the operating payment rate from this
267.29 section, and 18 percent of the operating payment rate from section 256B.434. For the rate
267.30 year beginning October 1, 2015, the operating payment rate for each facility shall be the
267.31 operating payment rate determined under this section. The blending of operating payment
267.32 rates under this section shall be performed separately for each RUG's class.

267.33 (b) For the rate year beginning October 1, 2008, the commissioner shall apply limits
267.34 to the operating payment rate increases under paragraph (a) by creating a minimum
267.35 percentage increase and a maximum percentage increase.

268.1 (1) Each nursing facility that receives a blended October 1, 2008, operating payment
268.2 rate increase under paragraph (a) of less than one percent, when compared to its operating
268.3 payment rate on September 30, 2008, computed using rates with RUG's weight of 1.00,
268.4 shall receive a rate adjustment of one percent.

268.5 (2) The commissioner shall determine a maximum percentage increase that will
268.6 result in savings equal to the cost of allowing the minimum increase in clause (1). Nursing
268.7 facilities with a blended October 1, 2008, operating payment rate increase under paragraph
268.8 (a) greater than the maximum percentage increase determined by the commissioner, when
268.9 compared to its operating payment rate on September 30, 2008, computed using rates with
268.10 a RUG's weight of 1.00, shall receive the maximum percentage increase.

268.11 (3) Nursing facilities with a blended October 1, 2008, operating payment rate
268.12 increase under paragraph (a) greater than one percent and less than the maximum
268.13 percentage increase determined by the commissioner, when compared to its operating
268.14 payment rate on September 30, 2008, computed using rates with a RUG's weight of 1.00,
268.15 shall receive the blended October 1, 2008, operating payment rate increase determined
268.16 under paragraph (a).

268.17 (4) The October 1, 2009, through October 1, 2015, operating payment rate for
268.18 facilities receiving the maximum percentage increase determined in clause (2) shall be
268.19 the amount determined under paragraph (a) less the difference between the amount
268.20 determined under paragraph (a) for October 1, 2008, and the amount allowed under clause
268.21 (2). This rate restriction does not apply to rate increases provided in any other section.

268.22 (c) A portion of the funds received under this subdivision that are in excess of
268.23 operating payment rates that a facility would have received under section 256B.434, as
268.24 determined in accordance with clauses (1) to (3), shall be subject to the requirements in
268.25 section 256B.434, subdivision 19, paragraphs (b) to (h).

268.26 (1) Determine the amount of additional funding available to a facility, which shall be
268.27 equal to total medical assistance resident days from the most recent reporting year times
268.28 the difference between the blended rate determined in paragraph (a) for the rate year being
268.29 computed and the blended rate for the prior year.

268.30 (2) Determine the portion of all operating costs, for the most recent reporting year,
268.31 that are compensation related. If this value exceeds 75 percent, use 75 percent.

268.32 (3) Subtract the amount determined in clause (2) from 75 percent.

268.33 (4) The portion of the fund received under this subdivision that shall be subject to
268.34 the requirements in section 256B.434, subdivision 19, paragraphs (b) to (h), shall equal
268.35 the amount determined in clause (1) times the amount determined in clause (3).

269.1 Sec. 60. Minnesota Statutes 2008, section 256B.441, is amended by adding a
269.2 subdivision to read:

269.3 Subd. 59. **Single-bed payments for medical assistance recipients.** Effective
269.4 October 1, 2009, the amount paid for a private room under Minnesota Rules, part
269.5 9549.0070, subpart 3, is reduced from 115 percent to 111.5 percent.

269.6 Sec. 61. Minnesota Statutes 2008, section 256B.49, is amended by adding a
269.7 subdivision to read:

269.8 Subd. 11a. **Waivered services waiting list.** (a) The commissioner shall establish
269.9 statewide priorities for individuals on the waiting list for CAC, CADI, and TBI waiver
269.10 services, as of January 1, 2010. The statewide priorities must include, but are not limited
269.11 to, individuals who continue to have a need for waiver services after they have maximized
269.12 the use of state plan services and other funding resources, including natural supports, prior
269.13 to accessing waiver services, and who meet at least one of the following criteria:

269.14 (1) have unstable living situations due to the age, incapacity, or sudden loss of
269.15 the primary caregivers;

269.16 (2) are moving from an institution due to bed closures;

269.17 (3) experience a sudden closure of their current living arrangement;

269.18 (4) require protection from confirmed abuse, neglect, or exploitation;

269.19 (5) experience a sudden change in need that can no longer be met through state plan
269.20 services or other funding resources alone; or

269.21 (6) meet other priorities established by the department.

269.22 (b) When allocating resources to lead agencies, the commissioner shall take into
269.23 consideration the number of individuals waiting who meet statewide priorities.

269.24 (c) The commissioner shall evaluate the impact of the use of statewide priorities and
269.25 provide recommendations to the legislature on whether to continue the use of statewide
269.26 priorities in the November 1, 2011, annual report required by the commissioner in sections
269.27 256B.0916, subdivision 7, and 256B.49, subdivision 21.

269.28 Sec. 62. Minnesota Statutes 2008, section 256B.49, subdivision 12, is amended to read:

269.29 Subd. 12. **Informed choice.** Persons who are determined likely to require the
269.30 level of care provided in a nursing facility as determined under sections 256B.0911 and
269.31 144.0724, subdivision 11, or hospital shall be informed of the home and community-based
269.32 support alternatives to the provision of inpatient hospital services or nursing facility
269.33 services. Each person must be given the choice of either institutional or home and

community-based services using the provisions described in section 256B.77, subdivision 2, paragraph (p).

EFFECTIVE DATE. The section is effective July 1, 2011.

Sec. 63. Minnesota Statutes 2008, section 256B.49, subdivision 13, is amended to read:

Subd. 13. **Case management.** (a) Each recipient of a home and community-based waiver shall be provided case management services by qualified vendors as described in the federally approved waiver application. The case management service activities provided will include:

(1) assessing the needs of the individual within 20 working days of a recipient's request;

(2) developing the written individual service plan within ten working days after the assessment is completed;

(3) informing the recipient or the recipient's legal guardian or conservator of service options;

(4) assisting the recipient in the identification of potential service providers;

(5) assisting the recipient to access services;

(6) coordinating, evaluating, and monitoring of the services identified in the service plan;

(7) completing the annual reviews of the service plan; and

(8) informing the recipient or legal representative of the right to have assessments completed and service plans developed within specified time periods, and to appeal county action or inaction under section 256.045, subdivision 3, including the determination of nursing facility level of care.

(b) The case manager may delegate certain aspects of the case management service activities to another individual provided there is oversight by the case manager. The case manager may not delegate those aspects which require professional judgment including assessments, reassessments, and care plan development.

Sec. 64. Minnesota Statutes 2008, section 256B.49, subdivision 14, is amended to read:

Subd. 14. **Assessment and reassessment.** (a) Assessments of each recipient's strengths, informal support systems, and need for services shall be completed within 20 working days of the recipient's request. Reassessment of each recipient's strengths, support systems, and need for services shall be conducted at least every 12 months and at other times when there has been a significant change in the recipient's functioning.

(b) There must be a determination that the client requires a hospital level of care or a nursing facility level of care as defined in section 144.0724, subdivision 11, at initial and subsequent assessments to initiate and maintain participation in the waiver program.

(c) Regardless of other assessments identified in section 144.0724, subdivision 4, as appropriate to determine nursing facility level of care for purposes of medical assistance payment for nursing facility services, only face-to-face assessments conducted according to section 256B.0911, subdivisions 3a, 3b, and 4d, that result in a hospital level of care determination or a nursing facility level of care determination must be accepted for purposes of initial and ongoing access to waiver services payment.

(d) Persons with developmental disabilities who apply for services under the nursing facility level waiver programs shall be screened for the appropriate level of care according to section 256B.092.

~~(e)~~ (e) Recipients who are found eligible for home and community-based services under this section before their 65th birthday may remain eligible for these services after their 65th birthday if they continue to meet all other eligibility factors.

EFFECTIVE DATE. The section is effective July 1, 2011.

Sec. 65. Minnesota Statutes 2008, section 256B.49, is amended by adding a subdivision to read:

Subd. 22. **Residential support services.** For the purposes of this section, the provisions of section 256B.092, subdivision 11, are controlling.

Sec. 66. **[256B.4912] HOME AND COMMUNITY-BASED WAIVERS; PROVIDERS AND PAYMENT.**

Subdivision 1. **Provider qualifications.** For the home and community-based waivers providing services to seniors and individuals with disabilities, the commissioner shall establish:

(1) agreements with enrolled waiver service providers to ensure providers meet qualifications defined in the waiver plans;

(2) regular reviews of provider qualifications; and

(3) processes to gather the necessary information to determine provider qualifications.

By July 2010, staff that provide direct contact, as defined in section 245C.02, subdivision 11, that are employees of waiver service providers must meet the requirements of chapter

272.1 245C prior to providing waiver services and as part of ongoing enrollment. Upon federal
272.2 approval, this requirement must also apply to consumer-directed community supports.

272.3 Subd. 2. **Rate-setting methodologies.** The commissioner shall establish
272.4 statewide rate-setting methodologies that meet federal waiver requirements for home
272.5 and community-based waiver services for individuals with disabilities. The rate-setting
272.6 methodologies must utilize person-centered methods that result in quality of life beyond
272.7 custodial care, promote individual choice and service stability, are understandable to
272.8 families and nonfinancial county staff, are equitable across the state, are transparent and
272.9 available to the public, and are flexible to adapt to recipients' individual service needs.
272.10 The methodologies must involve a uniform process of structuring rates for each service
272.11 and must promote quality and participant choice.

272.12 Sec. 67. Minnesota Statutes 2008, section 256B.5011, subdivision 2, is amended to
272.13 read:

272.14 Subd. 2. **Contract provisions.** (a) The service contract with each intermediate
272.15 care facility must include provisions for:

272.16 (1) modifying payments when significant changes occur in the needs of the
272.17 consumers;

272.18 ~~(2) the establishment and use of a quality improvement plan. Using criteria and~~
272.19 ~~options for performance measures developed by the commissioner, each intermediate care~~
272.20 ~~facility must identify a minimum of one performance measure on which to focus its efforts~~
272.21 ~~for quality improvement during the contract period;~~

272.22 ~~(3)~~ appropriate and necessary statistical information required by the commissioner;

272.23 ~~(4)~~ annual aggregate facility financial information; and

272.24 ~~(5)~~ (4) additional requirements for intermediate care facilities not meeting the
272.25 standards set forth in the service contract.

272.26 (b) The commissioner of human services and the commissioner of health, in
272.27 consultation with representatives from counties, advocacy organizations, and the provider
272.28 community, shall review the consolidated standards under chapter 245B and the supervised
272.29 living facility rule under Minnesota Rules, chapter 4665, to determine what provisions
272.30 in Minnesota Rules, chapter 4665, may be waived by the commissioner of health for
272.31 intermediate care facilities in order to enable facilities to implement the performance
272.32 measures in their contract and provide quality services to residents without a duplication
272.33 of or increase in regulatory requirements.

273.1 Sec. 68. Minnesota Statutes 2008, section 256B.5012, is amended by adding a
273.2 subdivision to read:

273.3 Subd. 8. **ICF/MR rate decreases effective July 1, 2009.** The commissioner shall
273.4 decrease each facility reimbursed under this section operating payment adjustments
273.5 equal to 3.0 percent of the operating payment rates in effect on June 30, 2009. For each
273.6 facility, the commissioner shall implement the rate reduction, based on occupied beds,
273.7 using the percentage specified in this subdivision multiplied by the total payment rate,
273.8 including the variable rate but excluding the property-related payment rate, in effect on
273.9 the preceding date. The total rate reduction shall include the adjustment provided in
273.10 section 256B.502, subdivision 7.

273.11 Sec. 69. Minnesota Statutes 2008, section 256B.5013, subdivision 1, is amended to
273.12 read:

273.13 Subdivision 1. **Variable rate adjustments.** (a) For rate years beginning on or after
273.14 October 1, 2000, when there is a documented increase in the needs of a current ICF/MR
273.15 recipient, the county of financial responsibility may recommend a variable rate to enable
273.16 the facility to meet the individual's increased needs. Variable rate adjustments made under
273.17 this subdivision replace payments for persons with special needs under section 256B.501,
273.18 subdivision 8, and payments for persons with special needs for crisis intervention services
273.19 under section 256B.501, subdivision 8a. Effective July 1, 2003, facilities with a base rate
273.20 above the 50th percentile of the statewide average reimbursement rate for a Class A
273.21 facility or Class B facility, whichever matches the facility licensure, are not eligible for a
273.22 variable rate adjustment. Variable rate adjustments may not exceed a 12-month period,
273.23 except when approved for purposes established in paragraph (b), clause (1). Variable rate
273.24 adjustments approved solely on the basis of changes on a developmental disabilities
273.25 screening document will end June 30, 2002.

273.26 (b) A variable rate may be recommended by the county of financial responsibility
273.27 for increased needs in the following situations:

273.28 (1) a need for resources due to an individual's full or partial retirement from
273.29 participation in a day training and habilitation service when the individual: (i) has reached
273.30 the age of 65 or has a change in health condition that makes it difficult for the person
273.31 to participate in day training and habilitation services over an extended period of time
273.32 because it is medically contraindicated; and (ii) has expressed a desire for change through
273.33 the developmental disability screening process under section 256B.092;

273.34 (2) a need for additional resources for intensive short-term programming which is
273.35 necessary prior to an individual's discharge to a less restrictive, more integrated setting;

(3) a demonstrated medical need that significantly impacts the type or amount of services needed by the individual; or

(4) a demonstrated behavioral need that significantly impacts the type or amount of services needed by the individual.

(c) The county of financial responsibility must justify the purpose, the projected length of time, and the additional funding needed for the facility to meet the needs of the individual.

~~(d) The facility shall provide a quarterly report to the county case manager on the use of the variable rate funds and the status of the individual on whose behalf the funds were approved. The county case manager will forward the facility's report with a recommendation to the commissioner to approve or disapprove a continuation of the variable rate.~~

~~(e)~~ Funds made available through the variable rate process that are not used by the facility to meet the needs of the individual for whom they were approved shall be returned to the state.

Sec. 70. Minnesota Statutes 2008, section 256B.69, subdivision 5a, is amended to read:

Subd. 5a. **Managed care contracts.** (a) Managed care contracts under this section and sections 256L.12 and 256D.03, shall be entered into or renewed on a calendar year basis beginning January 1, 1996. Managed care contracts which were in effect on June 30, 1995, and set to renew on July 1, 1995, shall be renewed for the period July 1, 1995 through December 31, 1995 at the same terms that were in effect on June 30, 1995. The commissioner may issue separate contracts with requirements specific to services to medical assistance recipients age 65 and older.

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

(c) Effective for services rendered on or after January 1, 2003, the commissioner shall withhold five percent of managed care plan payments under this section for the prepaid medical assistance and general assistance medical care programs pending completion of performance targets. Each performance target must be quantifiable, objective, measurable, and reasonably attainable, except in the case of a performance target based on a federal or state law or rule. Criteria for assessment of each performance target must be outlined in writing prior to the contract effective date. The managed

care plan must demonstrate, to the commissioner's satisfaction, that the data submitted regarding attainment of the performance target is accurate. The commissioner shall periodically change the administrative measures used as performance targets in order to improve plan performance across a broader range of administrative services. The performance targets must include measurement of plan efforts to contain spending on health care services and administrative activities. The commissioner may adopt plan-specific performance targets that take into account factors affecting only one plan, including characteristics of the plan's enrollee population. The withheld funds must be returned no sooner than July of the following year if performance targets in the contract are achieved. The commissioner may exclude special demonstration projects under subdivision 23. A managed care plan or a county-based purchasing plan under section 256B.692 may include as admitted assets under section 62D.044 any amount withheld under this paragraph that is reasonably expected to be returned.

(d)(1) Effective for services rendered on or after January 1, 2009, the commissioner shall withhold three percent of managed care plan payments under this section for the prepaid medical assistance and general assistance medical care programs. The withheld funds must be returned no sooner than July 1 and no later than July 31 of the following year. The commissioner may exclude special demonstration projects under subdivision 23.

(2) A managed care plan or a county-based purchasing plan under section 256B.692 may include as admitted assets under section 62D.044 any amount withheld under this paragraph. The return of the withhold under this paragraph is not subject to the requirements of paragraph (c).

(e) Effective for services provided on or after January 1, 2010, the commissioner shall require that managed care plans use the fee-for-service medical assistance assessment and authorization processes, forms, timelines, standards, documentation, and data reporting requirements, protocols, billing processes, and policies for all personal care assistance services under section 256B.0659.

Sec. 71. Minnesota Statutes 2008, section 256D.44, subdivision 5, is amended to read:

Subd. 5. **Special needs.** In addition to the state standards of assistance established in subdivisions 1 to 4, payments are allowed for the following special needs of recipients of Minnesota supplemental aid who are not residents of a nursing home, a regional treatment center, or a group residential housing facility.

(a) The county agency shall pay a monthly allowance for medically prescribed diets if the cost of those additional dietary needs cannot be met through some other maintenance benefit. The need for special diets or dietary items must be prescribed by

276.1 a licensed physician. Costs for special diets shall be determined as percentages of the
276.2 allotment for a one-person household under the thrifty food plan as defined by the United
276.3 States Department of Agriculture. The types of diets and the percentages of the thrifty
276.4 food plan that are covered are as follows:

276.5 (1) high protein diet, at least 80 grams daily, 25 percent of thrifty food plan;

276.6 (2) controlled protein diet, 40 to 60 grams and requires special products, 100 percent
276.7 of thrifty food plan;

276.8 (3) controlled protein diet, less than 40 grams and requires special products, 125
276.9 percent of thrifty food plan;

276.10 (4) low cholesterol diet, 25 percent of thrifty food plan;

276.11 (5) high residue diet, 20 percent of thrifty food plan;

276.12 (6) pregnancy and lactation diet, 35 percent of thrifty food plan;

276.13 (7) gluten-free diet, 25 percent of thrifty food plan;

276.14 (8) lactose-free diet, 25 percent of thrifty food plan;

276.15 (9) antidumping diet, 15 percent of thrifty food plan;

276.16 (10) hypoglycemic diet, 15 percent of thrifty food plan; or

276.17 (11) ketogenic diet, 25 percent of thrifty food plan.

276.18 (b) Payment for nonrecurring special needs must be allowed for necessary home
276.19 repairs or necessary repairs or replacement of household furniture and appliances using
276.20 the payment standard of the AFDC program in effect on July 16, 1996, for these expenses,
276.21 as long as other funding sources are not available.

276.22 (c) A fee for guardian or conservator service is allowed at a reasonable rate
276.23 negotiated by the county or approved by the court. This rate shall not exceed five percent
276.24 of the assistance unit's gross monthly income up to a maximum of \$100 per month. If the
276.25 guardian or conservator is a member of the county agency staff, no fee is allowed.

276.26 (d) The county agency shall continue to pay a monthly allowance of \$68 for
276.27 restaurant meals for a person who was receiving a restaurant meal allowance on June 1,
276.28 1990, and who eats two or more meals in a restaurant daily. The allowance must continue
276.29 until the person has not received Minnesota supplemental aid for one full calendar month
276.30 or until the person's living arrangement changes and the person no longer meets the criteria
276.31 for the restaurant meal allowance, whichever occurs first.

276.32 (e) A fee of ten percent of the recipient's gross income or \$25, whichever is less,
276.33 is allowed for representative payee services provided by an agency that meets the
276.34 requirements under SSI regulations to charge a fee for representative payee services. This
276.35 special need is available to all recipients of Minnesota supplemental aid regardless of
276.36 their living arrangement.

(f)(1) Notwithstanding the language in this subdivision, an amount equal to the maximum allotment authorized by the federal Food Stamp Program for a single individual which is in effect on the first day of July of each year will be added to the standards of assistance established in subdivisions 1 to 4 for adults under the age of 65 who qualify as shelter needy and are: (i) relocating from an institution, or an adult mental health residential treatment program under section 256B.0622; (ii) eligible for the self-directed supports option as defined under section 256B.0657, subdivision 2; or (iii) home and community-based waiver recipients living in their own home or rented or leased apartment which is not owned, operated, or controlled by a provider of service not related by blood or marriage.

(2) Notwithstanding subdivision 3, paragraph (c), an individual eligible for the shelter needy benefit under this paragraph is considered a household of one. An eligible individual who receives this benefit prior to age 65 may continue to receive the benefit after the age of 65.

(3) "Shelter needy" means that the assistance unit incurs monthly shelter costs that exceed 40 percent of the assistance unit's gross income before the application of this special needs standard. "Gross income" for the purposes of this section is the applicant's or recipient's income as defined in section 256D.35, subdivision 10, or the standard specified in subdivision 3, paragraph (a) or (b), whichever is greater. A recipient of a federal or state housing subsidy, that limits shelter costs to a percentage of gross income, shall not be considered shelter needy for purposes of this paragraph.

(g) Notwithstanding this subdivision, recipients of home and community-based services may relocate to services without 24-hour supervision and receive the equivalent of the recipient's group residential housing allocation in Minnesota supplemental assistance shelter needy funding if the cost of the services and housing is equal to or less than provided to the recipient in home and community-based services and the relocation is the recipient's choice and is approved by the recipient or guardian.

(h) To access housing and services as provided in paragraph (g), the recipient may choose housing that may or may not be owned, operated, or controlled by the recipient's service provider.

(i) The provisions in paragraphs (g) and (h) are effective to June 30, 2011. The commissioner shall assess the development of publicly owned housing, other housing alternatives, and whether a public equity housing fund may be established that would maintain the state's interest, to the extent paid from group residential housing and Minnesota supplemental aid shelter needy funds in provider-owned housing so that when sold, the state would recover its share for a public equity fund to be used for future public

278.1 needs under this chapter. The commissioner shall report findings and recommendations to
278.2 the legislative committees and budget divisions with jurisdiction over health and human
278.3 services policy and financing by January 15, 2012.

278.4 (j) In selecting prospective services needed by recipients for whom home and
278.5 community-based services have been authorized, the recipient and the recipient's guardian
278.6 shall first consider alternatives to home and community-based services. Minnesota
278.7 supplemental aid shelter needy funding for recipients who utilize Minnesota supplemental
278.8 aid shelter needy funding as provided in this section shall remain permanent unless the
278.9 recipient with the recipient's guardian later chooses to access home and community-based
278.10 services.

278.11 Sec. 72. Minnesota Statutes 2008, section 626.556, subdivision 3c, is amended to read:

278.12 Subd. 3c. **Local welfare agency, Department of Human Services or Department**
278.13 **of Health responsible for assessing or investigating reports of maltreatment.** (a)
278.14 The county local welfare agency is the agency responsible for assessing or investigating
278.15 allegations of maltreatment in child foster care, family child care, ~~and~~ legally unlicensed
278.16 child care ~~and in~~ juvenile correctional facilities licensed under section 241.021 located
278.17 in the local welfare agency's county, and unlicensed personal care assistance provider
278.18 organizations providing services and receiving reimbursements under chapter 256B.

278.19 (b) The Department of Human Services is the agency responsible for assessing or
278.20 investigating allegations of maltreatment in facilities licensed under chapters 245A and
278.21 245B, except for child foster care and family child care.

278.22 (c) The Department of Health is the agency responsible for assessing or investigating
278.23 allegations of child maltreatment in facilities licensed under sections 144.50 to 144.58 and
278.24 144A.46, and in unlicensed home health care.

278.25 (d) The commissioners of human services, public safety, and education must
278.26 jointly submit a written report by January 15, 2007, to the education policy and finance
278.27 committees of the legislature recommending the most efficient and effective allocation
278.28 of agency responsibility for assessing or investigating reports of maltreatment and must
278.29 specifically address allegations of maltreatment that currently are not the responsibility
278.30 of a designated agency.

278.31 Sec. 73. Minnesota Statutes 2008, section 626.5572, subdivision 13, is amended to
278.32 read:

278.33 Subd. 13. **Lead agency.** "Lead agency" is the primary administrative agency
278.34 responsible for investigating reports made under section 626.557.

279.1 (a) The Department of Health is the lead agency for the facilities which are licensed
279.2 or are required to be licensed as hospitals, home care providers, nursing homes, residential
279.3 care homes, or boarding care homes.

279.4 (b) The Department of Human Services is the lead agency for the programs licensed
279.5 or required to be licensed as adult day care, adult foster care, programs for people with
279.6 developmental disabilities, mental health programs, or chemical health programs,~~or~~
279.7 ~~personal care provider organizations.~~

279.8 (c) The county social service agency or its designee is the lead agency for all other
279.9 reports, including personal care provider organizations under section 256B.0659.

279.10 Sec. 74. **LONG-TERM VERSUS SHORT-TERM NURSING HOME BED**
279.11 **STUDY.**

279.12 The commissioner of health shall study nursing facility intake procedures. The
279.13 commissioner shall compare intake procedures for short-term versus long-term nursing
279.14 facility stays and, as a result of the study, shall consider waiving certain intake procedures
279.15 for individuals requiring a short-term stay.

279.16 Sec. 75. **COMMISSIONER TO REPORT ON PERSONAL CARE ASSISTANCE**
279.17 **PROGRAM.**

279.18 The commissioner of human services must report to the legislative committees
279.19 with jurisdiction over health and human services policy and finance by January 1, 2010,
279.20 on the training developed and delivered for all types of participants in the personal
279.21 care assistance program, audit and financial integrity measures and results, information
279.22 developed for consumers and responsible parties, available demographic, health care
279.23 service use, and housing information about individuals who no longer qualify for personal
279.24 care assistance, and quality assurance measures and results.

279.25 Sec. 76. **COLA COMPENSATION REQUIREMENTS.**

279.26 Effective July 1, 2009, providers who received rate increases under Laws 2007,
279.27 chapter 147, article 7, section 71, as amended by Laws 2008, chapter 363, article 15,
279.28 section 17, and Minnesota Statutes, section 256B.5012, subdivision 7, for state fiscal years
279.29 2008 and 2009 are no longer required to continue or retain employee compensation or
279.30 wage-related increases required by those sections.

279.31 Sec. 77. **PROVIDER RATE AND GRANT REDUCTIONS.**

280.1 (a) The commissioner of human services shall decrease grants, allocations,
280.2 reimbursement rates, or rate limits, as applicable, by 2.58 percent effective July 1, 2009,
280.3 for services rendered on or after that date. County or tribal contracts for services specified
280.4 in this section must be amended to pass through these rate reductions within 60 days of
280.5 the effective date of the decrease and must be retroactive from the effective date of the
280.6 rate decrease.

280.7 (b) The annual rate decreases described in this section must be provided to:

280.8 (1) home and community-based waived services for persons with developmental
280.9 disabilities or related conditions, including consumer-directed community supports, under
280.10 Minnesota Statutes, section 256B.501;

280.11 (2) home and community-based waived services for the elderly, including
280.12 consumer-directed community supports, under Minnesota Statutes, section 256B.0915;

280.13 (3) waived services under community alternatives for disabled individuals,
280.14 including consumer-directed community supports, under Minnesota Statutes, section
280.15 256B.49;

280.16 (4) community alternative care waived services, including consumer-directed
280.17 community supports, under Minnesota Statutes, section 256B.49;

280.18 (5) traumatic brain injury waived services, including consumer-directed
280.19 community supports, under Minnesota Statutes, section 256B.49;

280.20 (6) nursing services and home health services under Minnesota Statutes, section
280.21 256B.0625, subdivision 6a;

280.22 (7) personal care services and qualified professional supervision of personal care
280.23 services under Minnesota Statutes, section 256B.0625, subdivisions 6a and 19a;

280.24 (8) private duty nursing services under Minnesota Statutes, section 256B.0625,
280.25 subdivision 7;

280.26 (9) day training and habilitation services for adults with developmental disabilities
280.27 or related conditions under Minnesota Statutes, sections 252.40 to 252.46, including the
280.28 additional cost of rate adjustments on day training and habilitation services, provided as a
280.29 social service under Minnesota Statutes, section 256M.60;

280.30 (10) alternative care services under Minnesota Statutes, section 256B.0913;

280.31 (11) the group residential housing supplementary service rate under Minnesota
280.32 Statutes, section 256I.05, subdivision 1a;

280.33 (12) semi-independent living services (SILS) under Minnesota Statutes, section
280.34 252.275, including SILS funding under county social services grants formerly funded
280.35 under Minnesota Statutes, chapter 256I;

281.1 (13) community support services for deaf and hard-of-hearing adults with mental
281.2 illness who use or wish to use sign language as their primary means of communication
281.3 under Minnesota Statutes, section 256.01, subdivision 2; and deaf and hard-of-hearing
281.4 grants under Minnesota Statutes, sections 256C.233 and 256C.25; Laws 1985, chapter 9;
281.5 and Laws 1997, First Special Session chapter 5, section 20;

281.6 (14) consumer support grants under Minnesota Statutes, section 256.476;

281.7 (15) family support grants under Minnesota Statutes, section 252.32;

281.8 (16) aging grants under Minnesota Statutes, sections 256.975 to 256.977, 256B.0917,
281.9 and 256B.0928;

281.10 (17) disability linkage line grants under Minnesota Statutes, section 256.01,
281.11 subdivision 24; and

281.12 (18) housing access grants under Minnesota Statutes, section 256B.0658.

281.13 (c) A managed care plan receiving state payments for the services in this section
281.14 must include these decreases in their payments to providers effective on January 1
281.15 following the effective date of the rate decrease.

281.16 Sec. 78. **RECOMMENDATIONS FOR PERSONAL CARE ASSISTANCE**
281.17 **SERVICES CHANGES AND CONSULTATION WITH STAKEHOLDERS.**

281.18 The commissioner shall consult with representatives of interested stakeholders
281.19 beginning in July 2009 to examine and develop recommendations for the personal care
281.20 assistance services program, including recommendations to streamline the home care
281.21 ratings and assignment of units of service to eligible recipients. The recommendations
281.22 shall include proposed changes, alternative services, and costs for those whose services
281.23 will change, as well as personal care assistance program data for public reporting.

281.24 The recommendations are to result in a reduction of spending growth as authorized
281.25 by the legislature in personal care assistance services beginning January 1, 2011. The
281.26 recommendations shall be provided to the chairs and ranking minority members of the
281.27 legislative committees having jurisdiction over health and human services by January
281.28 15, 2010.

281.29 Sec. 79. **ESTABLISHING A SINGLE SET OF STANDARDS.**

281.30 (a) The commissioner of human services shall consult with disability service
281.31 providers, advocates, counties, and consumer families to develop a single set of standards
281.32 governing services for people with disabilities receiving services under the home and
281.33 community-based waiver services program to replace all or portions of existing laws and
281.34 rules including, but not limited to, data practices, licensure of facilities and providers,

282.1 background studies, reporting of maltreatment of minors, reporting of maltreatment of
282.2 vulnerable adults, and the psychotropic medication checklist. The standards must:
282.3 (1) enable optimum consumer choice;
282.4 (2) be consumer driven;
282.5 (3) link services to individual needs and life goals;
282.6 (4) be based on quality assurance and individual outcomes;
282.7 (5) utilize the people closest to the recipient, who may include family, friends, and
282.8 health and service providers, in conjunction with the recipient's risk management plan to
282.9 assist the recipient or the recipient's guardian in making decisions that meet the recipient's
282.10 needs in a cost-effective manner and assure the recipient's health and safety;
282.11 (6) utilize person-centered planning; and
282.12 (7) maximize federal financial participation.
282.13 (b) The commissioner may consult with existing stakeholder groups convened under
282.14 the commissioner's authority, including the home and community-based expert services
282.15 panel established by the commissioner in 2008, to meet all or some of the requirements
282.16 of this section.
282.17 (c) The commissioner shall provide the reports and plans required by this section to
282.18 the legislative committees and budget divisions with jurisdiction over health and human
282.19 services policy and finance by January 15, 2012.

282.20 Sec. 80. **COMMON SERVICE MENU FOR HOME AND COMMUNITY-BASED**
282.21 **WAIVER PROGRAMS.**

282.22 The commissioner of human services shall confer with representatives of recipients,
282.23 advocacy groups, counties, providers, and health plans to develop and update a common
282.24 service menu for home and community-based waiver programs. The commissioner may
282.25 consult with existing stakeholder groups convened under the commissioner's authority to
282.26 meet all or some of the requirements of this section.

282.27 Sec. 81. **INTERMEDIATE CARE FACILITIES FOR PERSONS WITH**
282.28 **DEVELOPMENTAL DISABILITIES REPORT.**

282.29 The commissioner of human services shall consult with providers and advocates of
282.30 intermediate care facilities for persons with developmental disabilities to monitor progress
282.31 made in response to the commissioner's December 15, 2008, report to the legislature
282.32 regarding intermediate care facilities for persons with developmental disabilities.

282.33 Sec. 82. **HOUSING OPTIONS.**

The commissioner of human services, in consultation with the commissioner of administration and the Minnesota Housing Finance Agency, and representatives of counties, residents' advocacy groups, consumers of housing services, and provider agencies shall explore ways to maximize the availability and affordability of housing choices available to persons with disabilities or who need care assistance due to other health challenges. A goal shall also be to minimize state physical plant costs in order to serve more persons with appropriate program and care support. Consideration shall be given to:

- (1) improved access to rent subsidies;
- (2) use of cooperatives, land trusts, and other limited equity ownership models;
- (3) the desirability of the state acquiring an ownership interest or promoting the use of publicly owned housing;
- (4) promoting more choices in the market for accessible housing that meets the needs of persons with physical challenges; and
- (5) what consumer ownership models, if any, are appropriate.

The commissioner shall provide a written report on the findings of the evaluation of housing options to the chairs and ranking minority members of the house of representatives and senate standing committees with jurisdiction over health and human services policy and funding by December 15, 2010. This report shall replace the November 1, 2010, annual report by the commissioner required in Minnesota Statutes, sections 256B.0916, subdivision 7, and 256B.49, subdivision 21.

Sec. 83. REVIEW OF ELIGIBILITY.

A county may utilize an eligibility review panel comprised of the county social services director or designee, a county commissioner, and a social worker to review the eligibility of each person currently receiving services under Minnesota Statutes, sections 256B.0659, 256B.092, and 256B.49. If a person currently receiving services is found to be ineligible, the county must discontinue the inappropriately received services to that person. The commissioner of human services may provide technical assistance to the counties in redetermining eligibility for these programs.

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

Sec. 84. TEFRA PREMIUMS.

The commissioner shall reduce TEFRA premiums, effective July 1, 2009, using general fund savings resulting from increased private sector insurance coverage for autism spectrum disorders under section 62A.3094.

Sec. 85. **REVISOR'S INSTRUCTION.**

Subdivision 1. Renumbering of Minnesota Statutes, section 256B.0652, authorization and review of home care services. (a) The revisor of statutes shall renumber each section of Minnesota Statutes listed in column A with the number in column B.

<u>Column A</u>	<u>Column B</u>
<u>256B.0652, subdivision 3</u>	<u>256B.0652, subdivision 14</u>
<u>256B.0651, subdivision 6, paragraph (a)</u>	<u>256B.0652, subdivision 3</u>
<u>256B.0651, subdivision 6, paragraph (b)</u>	<u>256B.0652, subdivision 4</u>
<u>256B.0651, subdivision 6, paragraph (c)</u>	<u>256B.0652, subdivision 7</u>
<u>256B.0651, subdivision 7, paragraph (a)</u>	<u>256B.0652, subdivision 8</u>
<u>256B.0651, subdivision 7, paragraph (b)</u>	<u>256B.0652, subdivision 14</u>
<u>256B.0651, subdivision 8</u>	<u>256B.0652, subdivision 9</u>
<u>256B.0651, subdivision 9</u>	<u>256B.0652, subdivision 10</u>
<u>256B.0651, subdivision 11</u>	<u>256B.0652, subdivision 11</u>
<u>256B.0654, subdivision 2</u>	<u>256B.0652, subdivision 5</u>
<u>256B.0655, subdivision 4</u>	<u>256B.0652, subdivision 6</u>

(b) The revisor of statutes shall make necessary cross-reference changes in statutes and rules consistent with the renumbering in paragraph (a). The Department of Human Services shall assist the revisor with any cross-reference changes. The revisor may make changes necessary to correct the punctuation, grammar, or structure of the remaining text to conform with the intent of the renumbering in paragraph (a).

Subd. 2. Renumbering personal care assistance services. The revisor of statutes shall replace any reference to Minnesota Statutes, section 256B.0655 with section 256B.0659, wherever it appears in statutes or rules. The revisor shall correct any cross reference changes that are necessary as a result of this section. The Department of Human Services shall assist the revisor in making these changes, and if necessary, shall draft a corrections bill with changes for introduction in the 2010 legislative session. The revisor may make changes to punctuation, grammar, or sentence structure to preserve the integrity of statutes and effectuate the intention of this section.

Sec. 86. **REPEALER.**

(a) Minnesota Statutes 2008, sections 256B.0655, subdivisions 1, 1a, 1c, 1d, 1e, 1f, 1g, 1h, 1i, 2, 3, 5, 6, 7, 8, 9, 10, 11, 12, and 13; and 256B.071, subdivisions 1, 2, 3, and 4, are repealed.

(b) Laws 1988, chapter 689, section 251, is repealed effective July 1, 2009.

(c) Minnesota Statutes 2008, sections 256B.19, subdivision 1d; and 256B.431, subdivision 23, are repealed effective May 1, 2009.

ARTICLE 10

STATE-COUNTY RESULTS, ACCOUNTABILITY, AND SERVICE
DELIVERY REFORM ACT

Section 1. [402A.01] CITATION.

Sections 402A.01 to 402A.50 may be cited as the "State-County Results, Accountability, and Service Delivery Reform Act."

Sec. 2. [402A.10] DEFINITIONS.

Subdivision 1. Terms defined. For the purposes of this chapter, the terms defined in this subdivision have the meanings given.

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

Subd. 3. Council. "Council" means the Council on State-County Results, Accountability, and Service Delivery Redesign established in section 402A.40.

Subd. 4. Essential human services programs. "Essential human services programs" means assistance and services to recipients or potential recipients of public welfare and other services delivered by counties that are mandated in state law that are to be available in all counties of the state.

Subd. 5. Redesign. "Redesign" means the State-County Results, Accountability, and Service Delivery Redesign under this chapter.

Subd. 6. Service delivery authority. "Service delivery authority" means a single county, or group of counties operating by execution of a joint powers agreement under section 471.59 or other contractual agreement, that has voluntarily chosen by resolution of the county board of commissioners to participate in the redesign under this chapter.

Subd. 7. Steering committee. "Steering committee" means the Steering Committee on Performance and Outcome Reforms.

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

Sec. 3. [402A.15] STEERING COMMITTEE ON PERFORMANCE AND
OUTCOME REFORMS.

Subdivision 1. Duties. (a) The Steering Committee on Performance and Outcome Reforms shall develop a uniform process to establish and review performance and outcome standards for all essential human services programs based on the current level of resources available, and to develop appropriate reporting measures and a uniform accountability process for responding to a county's or human service authority's failure to make adequate

progress on achieving performance measures. The accountability process shall focus on the performance measures rather than inflexible implementation requirements.

(b) The steering committee shall:

(1) by November 1, 2009, establish an agreed upon list of essential services;

(2) by January 10, 2010, develop and recommend to the legislature a uniform, graduated process for responding to a county's failure to make adequate progress on achieving performance measures, including recommendations for the specific measures and penalties to be imposed; and

(3) by December 15, 2009, establish a schedule to complete program reviews of all essential services within three years, evaluate and establish performance measures and goals based on those measures, modify the reporting system, and review the distribution of state and federal funds for those services. The funding recommendations shall take into consideration program demand and the unique differences of local areas in geography and the populations served. Priority shall be given to services with the greatest variation in availability and greatest administrative demands. The schedule shall be published on the agency Web site and reported to the legislative committees with jurisdiction over health and human services.

(c) As far as possible, the performance measures, reporting system, and distribution formulas shall be consistent across program areas. The development of performance measures shall consider the manner in which data will be collected and performance will be reported. An estimate of increased or decreased state and local administrative costs in collecting and reporting outcomes shall be addressed when performance measures are established. The steering committee shall take into consideration that the goal of implementing changes to program monitoring and reporting the progress toward achieving outcomes is to significantly minimize the cost of administrative requirements and to allow funds freed by reduced administrative expenditures to be used to provide additional services, allow flexibility in service design and management, and focus energies on achieving program and client outcomes.

(d) In making its recommendations, the steering committee shall consider input from the council established in section 402A.40. The steering committee shall review the measurable goals established under section 402A.30, subdivision 2, paragraph (b), and consider whether they may be applied as statewide performance outcomes.

(e) The steering committee shall form work groups that include persons who provide or receive essential services and representatives of organizations who advocate on behalf of those persons.

(f) By January 15 of each year starting January 15, 2010, the steering committee shall report to the governor and legislative committees with jurisdiction over health and human services its recommendations for performance measures, a reporting system, and funding distribution formulas. The steering committee shall also recommend statutory provisions, rules and requirements, and reports that should be repealed or eliminated. In addition, the commissioner shall post quarterly updates on the progress of the steering committee on the department Web site.

Subd. 2. **Composition.** (a) The steering committee shall include:

(1) the commissioner of human services, or designee;

(2) three county commissioners, representative of rural, suburban, and urban counties, selected by the Association of Minnesota Counties;

(3) three county directors of human services, representative of rural, suburban, and urban counties, selected by the Minnesota Association of County Social Service Administrators; and

(4) five clients or client advocates representing different populations receiving services from the Department of Human Services, who are appointed by the commissioner.

(b) The commissioner, or designee, and a county commissioner shall serve as cochair of the committee. The committee shall be convened within 60 days of final enactment of this legislation.

(c) State agency staff shall serve as informational resources and staff to the steering committee. Statewide county associations shall assemble county program data as required.

(d) To promote information sharing and coordination between the steering committee and council, one of the county representatives from paragraph (a), clause (2), and one of the county representatives from paragraph (a), clause (3), must also serve as a representative on the council under section 402A.40, subdivision 1, paragraph (b), clause (5) or (6).

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

Sec. 4. [402A.20] STATE-COUNTY RESULTS, ACCOUNTABILITY, AND SERVICE DELIVERY REDESIGN.

The State-County Results, Accountability, and Service Delivery Redesign is established to authorize implementation of methods and procedures for administering assistance and services to recipients or potential recipients of public welfare and other services delivered by counties which encourage greater transparency, more effective governance, and innovation through the use of flexibility and performance measurement.

Sec. 5. [402A.30] DESIGNATION OF SERVICE DELIVERY AUTHORITY.

Subdivision 1. **Establishment.** A county or consortium of counties may establish a service delivery authority to redesign the delivery of some or all essential services, or other services as appropriate.

Subd. 2. **New state-county governance framework.** (a) Upon recommendation of the council and approval of the commissioner, a single county with a population over 55,000, or two or more counties meeting the criteria in subdivision 4 may, by resolution of their county boards of commissioners, establish a service delivery authority having the composition, powers, and duties agreed upon. These counties may, by agreement entered into through action of their bodies, jointly or cooperatively exercise any power common to the contracting parties in carrying out their duties under current law, including, but not limited to, chapters 245 to 267, 393, and 402. Participating county boards shall establish acceptable ways of apportioning the cost of the services.

(b) To establish a service delivery authority, each participating county and the state must enter into the following binding agreements to establish a joint state-county governance framework:

(1) a governance agreement which defines the scope of essential services or other services over which the service delivery authority has jurisdiction, and the respective authority, powers, roles, and responsibilities of the state and service delivery authorities. Each service delivery authority shall designate a single administrative structure to oversee the delivery of services over which the service delivery authority has jurisdiction. As part of the governance agreement, the service delivery authority shall be held accountable for achieving measurable goals as defined in the performance agreement under clause (2). The state and participating counties shall identify in the agreement the waivers from statutory requirements that are needed to ensure greater local control and flexibility to determine the most cost-effective means of achieving specified measurable goals. The commissioner shall grant the identified waivers, subject to clause (2). The governance agreement shall set forth the terms under which a county may withdraw from participation;

(2) a performance agreement which defines measurable goals in key operational areas that the service delivery authority is expected to achieve. This agreement must identify the dependencies and other requirements necessary for the service delivery authority to achieve the measurable goals as defined in the performance agreement. The dependencies and requirements may include, but are not limited to, specific resource commitments of the state and the service delivery authority, and funding or expenditure flexibility.

The performance goals must, at a minimum, satisfy performance outcomes recommended by the steering committee and enacted into law; and

289.1 (3) a service level agreement which specifies the expectations and responsibilities
289.2 of the state and the service delivery authority regarding administrative and information
289.3 technology support necessary to achieve the measurable goals specified in the performance
289.4 agreement under clause (2). The service level agreement shall set forth a reasonable level
289.5 of targeted reductions in overhead and administrative costs for each county participating
289.6 in the service delivery authority.

289.7 (c) After January 1, 2010, each county board in Minnesota shall vote to determine
289.8 whether the county intends to participate in a service delivery authority under this chapter.
289.9 Counties may withdraw from participation as set forth in the governance agreement, but
289.10 no county may withdraw except under the following conditions:

289.11 (1) the county shall submit written notification to the council after August 1 in the
289.12 preceding calendar year in which the county wishes to withdraw; and

289.13 (2) if a county wishing to withdraw has received an appropriation from the state for
289.14 costs related to the county's participation in the redesign, those funds must be repaid. If a
289.15 county withdraws after participating in the redesign for:

289.16 (i) one year or less, the county must repay 75 percent of the money appropriated;

289.17 (ii) more than one year but less than two years, the county must repay 50 percent of
289.18 the money appropriated;

289.19 (iii) two years or more but less than three years, the county must repay 25 percent of
289.20 the money appropriated; or

289.21 (iv) three years or more, the county is not required to repay the appropriation.

289.22 The commissioner may waive the repayment requirement in clause (2).

289.23 (d) Nothing in this chapter precludes local governments from utilizing sections
289.24 465.81 and 465.82 to establish procedures for local governments to merge, with the
289.25 consent of the voters. Any agreement under subdivision 2, paragraph (b), must be
289.26 governed by this chapter. Nothing in this chapter limits the authority of a county board
289.27 to enter into contractual agreements for services not covered by the provisions of the
289.28 redesign with other agencies or with other units of government.

289.29 Subd. 3. **Duties.** (a) The service delivery authority shall:

289.30 (1) carry out the responsibilities required of local agencies under chapter 393 and
289.31 human service boards under chapter 402;

289.32 (2) manage the public resources devoted to human services and other public services
289.33 delivered or purchased by the counties that are subsidized or regulated by the Department
289.34 of Human Services under chapter 245 or 267;

289.35 (3) employ staff to assist in carrying out the redesign;

290.1 (4) develop and maintain a continuity of operations plan to ensure the continued
290.2 operation or resumption of essential human services functions in the event of any business
290.3 interruption according to local, state, and federal emergency planning requirements;

290.4 (5) receive and expend funds received for the redesign;

290.5 (6) plan and deliver services directly or through contract with other governmental
290.6 or nongovernmental providers;

290.7 (7) rent, purchase, sell, and otherwise dispose of real and personal property as
290.8 necessary to carry out the redesign; and

290.9 (8) carry out any other service designated as a responsibility of a county.

290.10 (b) Each service delivery authority certified under subdivision 4 shall designate a
290.11 single administrative structure that has the powers and duties assigned to the service
290.12 delivery authority.

290.13 Subd. 4. **Certification of service delivery authority.** The council shall recommend
290.14 certification of a county or consortium of counties as a service delivery authority to the
290.15 commissioner of human services if:

290.16 (1) the conditions in subdivision 2, paragraphs (a) and (b), are met; and

290.17 (2) the county or consortium of counties are:

290.18 (i) a single county with a population of 55,000 or more;

290.19 (ii) a consortium of counties with a total combined population of 55,000 or more and
290.20 the counties comprising the consortium are in reasonable geographic proximity;

290.21 (iii) four or more counties in reasonable geographic proximity without regard to
290.22 population; or

290.23 (iv) a single county or consortium of counties meeting the criteria for exemption
290.24 from minimum population standards in this subdivision and subdivision 6.

290.25 Subd. 5. **Single county service delivery authority.** For counties with populations
290.26 over 55,000, the board of county commissioners may be the service delivery authority
290.27 and retain existing authority under law. Counties with populations over 55,000 that serve
290.28 as their own service delivery authority may enter into shared services arrangements with
290.29 other service delivery authorities or smaller counties. These shared services arrangements
290.30 may include, but are not limited to, human services, corrections, public health, veterans
290.31 planning, human resources, program development and operations, training, technical
290.32 systems, joint purchasing, and consultative services or direct services to transient, special
290.33 needs, or low-incidence populations.

290.34 Subd. 6. **Exemption.** The council may recommend that the commissioner of
290.35 human services exempt a single county or multicounty service delivery authority from the

291.1 minimum population standard in this subdivision if that service delivery authority can
291.2 demonstrate that it can otherwise meet the requirements of this chapter.

291.3 Subd. 7. **Commissioner remedies.** The commissioner may submit to the council
291.4 a recommendation of remedies for performance improvement for any service delivery
291.5 authority not meeting the measurable goals agreed upon in performance agreements
291.6 under subdivision 2, paragraph (b). This provision does not preclude other powers of the
291.7 commissioner of human services to remedy county performance issues in a county or
291.8 counties not certified as a service delivery authority.

291.9 Sec. 6. **[402A.40] COUNCIL.**

291.10 Subdivision 1. **Council.** (a) A State-County Results, Accountability, and Service
291.11 Delivery Redesign Council is established. The council is responsible for review of the
291.12 redesign and must be convened by the commissioner of human services. Appointed council
291.13 members must be appointed by their respective agencies, associations, or governmental
291.14 units by November 1, 2009. The council shall be cochaired by the commissioner of human
291.15 services, or designee, and a county representative from paragraph (b), clause (5) or (6),
291.16 appointed by the Association of Minnesota Counties. Recommendations of the council
291.17 must be approved by a majority of the council members. The provisions of section 15.059
291.18 do not apply to this council, and this council does not expire.

291.19 (b) The council must consist of the following members:

291.20 (1) one representative from the governor's office;

291.21 (2) from the house of representatives, one member of the majority party and one
291.22 member of the minority party, appointed by the speaker of the house;

291.23 (3) from the senate, one member of the majority party and one member of the
291.24 minority party, appointed by the senate majority leader;

291.25 (4) the commissioner of human services, or designee, and two employees from
291.26 the department;

291.27 (5) two county commissioners appointed by the Association of Minnesota Counties;

291.28 (6) two county representatives appointed by the Minnesota Association of County
291.29 Social Service Administrators;

291.30 (7) one representative appointed by AFSCME; and

291.31 (8) one representative appointed by the Teamsters.

291.32 (c) Administrative support to the council may be provided by the Association of
291.33 Minnesota Counties and affiliates.

291.34 (d) Member agencies and associations are responsible for initial and subsequent
291.35 appointments to the council.

Subd. 2. **Council duties.** (a) The council shall:

(1) provide oversight of administration of the redesign;

(2) recommend the approval of waivers from statutory requirements, administrative rules, and standards necessary to achieve the requirements of the agreements under section 402A.30, subdivision 2, paragraph (b), to the commissioner of human services or other appropriate entity, for counties certified as service delivery authorities under section 402A.30;

(3) recommend approval of the agreements in section 402A.30, subdivision 2, paragraph (b), to the commissioner of human services and ensure the consistency of the agreements with the performance standards recommended by the steering committee and enacted by the legislature;

(4) recommend certification of a county or consortium of counties as a service delivery authority to the commissioner of human services;

(5) recommend approval of shared services arrangements under section 402A.30, subdivision 5;

(6) establish a process to take public input on a proposed service delivery authority and the governance framework;

(7) form work groups as necessary to carry out the duties of the council under the redesign; and

(8) establish a process for the mediation of conflicts among participating counties or between participating counties and the commissioner of human services.

(b) In order to carry out the provisions of the redesign, and to effectuate the agreements established under section 402A.30, subdivision 2, paragraph (b), the commissioner of human services shall exercise authority under section 256.01, subdivision 2, paragraph (l), including seeking all necessary waivers. The commissioner of human services has authority to approve shared service arrangements as defined in section 402A.30, subdivision 5.

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

Sec. 7. **[402A.50]; PRIVATE SECTOR FUNDING.**

The council may support stakeholder agencies, if not otherwise prohibited by law, to separately or jointly seek and receive funds to provide expert technical assistance to the council, the council's work group, and any sub-work groups for executing the provisions of the redesign.

Sec. 8. **APPROPRIATION.**

293.1 \$350,000 is appropriated for the biennium beginning July 1, 2009, from the general
293.2 fund to the Council on State-County Results, Accountability, and Service Delivery
293.3 Redesign, for the purposes of the State-County Results, Accountability, and Service
293.4 Delivery Reform Act under Minnesota Statutes, sections 402A.01 to 402A.50. The
293.5 council shall establish a methodology for distributing funds to certified service delivery
293.6 authorities for the purposes of carrying out the requirements of the redesign.

ARTICLE 11
PUBLIC HEALTH

293.9 Section 1. Minnesota Statutes 2008, section 103I.208, subdivision 2, is amended to
293.10 read:

293.11 Subd. 2. **Permit fee.** The permit fee to be paid by a property owner is:

293.12 (1) for a water supply well that is not in use under a maintenance permit, \$175
293.13 annually;

293.14 (2) for construction of a monitoring well, \$215, which includes the state core
293.15 function fee;

293.16 (3) for a monitoring well that is unsealed under a maintenance permit, \$175 annually;

293.17 (4) for a monitoring well owned by a federal agency, state agency, or local unit of
293.18 government that is unsealed under a maintenance permit, \$50 annually. "Local unit of
293.19 government" means a statutory or home rule charter city, town, county, or soil and water
293.20 conservation district, watershed district, an organization formed for the joint exercise of
293.21 powers under section 471.59, a board of health or community health board, or other
293.22 special purpose district or authority with local jurisdiction in water and related land
293.23 resources management;

293.24 (5) for monitoring wells used as a leak detection device at a single motor fuel retail
293.25 outlet, a single petroleum bulk storage site excluding tank farms, or a single agricultural
293.26 chemical facility site, the construction permit fee is \$215, which includes the state core
293.27 function fee, per site regardless of the number of wells constructed on the site, and
293.28 the annual fee for a maintenance permit for unsealed monitoring wells is \$175 per site
293.29 regardless of the number of monitoring wells located on site;

293.30 ~~(5)~~ (6) for a groundwater thermal exchange device, in addition to the notification fee

293.31 for water supply wells, \$215, which includes the state core function fee;

293.32 ~~(6)~~ (7) for a vertical heat exchanger with less than ten tons of heating/cooling
293.33 capacity, \$215;

293.34 (8) for a vertical heat exchanger with ten to 50 tons of heating/cooling capacity, \$425;

294.1 (9) for a vertical heat exchanger with greater than 50 tons of heating/cooling
294.2 capacity, \$650;

294.3 ~~(7)~~ (10) for a dewatering well that is unsealed under a maintenance permit, \$175
294.4 annually for each dewatering well, except a dewatering project comprising more than five
294.5 dewatering wells shall be issued a single permit for \$875 annually for dewatering wells
294.6 recorded on the permit; and
294.7 ~~(8)~~ (11) for an elevator boring, \$215 for each boring.

294.8 Sec. 2. Minnesota Statutes 2008, section 144.121, subdivision 1a, is amended to read:

294.9 Subd. 1a. **Fees for ionizing radiation-producing equipment.** (a) A facility with
294.10 ionizing radiation-producing equipment must pay an annual initial or annual renewal
294.11 registration fee consisting of a base facility fee of ~~\$66~~ \$100 and an additional fee for
294.12 each radiation source, as follows:

294.13	(1) medical or veterinary equipment	\$ 53 <u>100</u>
294.14	(2) dental x-ray equipment	\$ 33 <u>40</u>
294.15	(3) accelerator	\$ 66
294.16	(4) radiation therapy equipment	\$ 66
294.17	(5) <u>(3)</u> x-ray equipment not used on	\$ 53 <u>100</u>
294.18	humans or animals	
294.19	(6) <u>(4)</u> devices with sources of ionizing	\$ 53 <u>100</u>
294.20	radiation not used on humans or	
294.21	animals	

294.22 (b) A facility with radiation therapy and accelerator equipment must pay an annual
294.23 registration fee of \$500. A facility with an industrial accelerator must pay an annual
294.24 registration fee of \$150.

294.25 (c) Electron microscopy equipment is exempt from the registration fee requirements
294.26 of this section.

294.27 Sec. 3. Minnesota Statutes 2008, section 144.121, subdivision 1b, is amended to read:

294.28 Subd. 1b. **Penalty fee for late registration.** Applications for initial or renewal
294.29 registrations submitted to the commissioner after the time specified by the commissioner
294.30 shall be accompanied by a ~~penalty fee of \$20~~ an amount equal to 25 percent of the fee
294.31 due in addition to the fees prescribed in subdivision 1a.

294.32 Sec. 4. Minnesota Statutes 2008, section 144.1222, subdivision 1a, is amended to read:

294.33 Subd. 1a. **Fees.** All plans and specifications for public pool and spa construction,
294.34 installation, or alteration or requests for a variance that are submitted to the commissioner
294.35 according to Minnesota Rules, part 4717.3975, shall be accompanied by the appropriate

295.1 fees. All public pool construction plans submitted for review after January 1, 2009,
295.2 must be certified by a professional engineer registered in the state of Minnesota. If the
295.3 commissioner determines, upon review of the plans, that inadequate fees were paid, the
295.4 necessary additional fees shall be paid before plan approval. For purposes of determining
295.5 fees, a project is defined as a proposal to construct or install a public pool, spa, special
295.6 purpose pool, or wading pool and all associated water treatment equipment and drains,
295.7 gutters, decks, water recreation features, spray pads, and those design and safety features
295.8 that are within five feet of any pool or spa. The commissioner shall charge the following
295.9 fees for plan review and inspection of public pools and spas and for requests for variance
295.10 from the public pool and spa rules:

- 295.11 (1) each pool, ~~\$800~~ \$1,500;
- 295.12 (2) each spa pool, ~~\$500~~ \$800;
- 295.13 (3) each slide, ~~\$400~~ \$600;
- 295.14 (4) projects valued at \$250,000 or more, the greater of the sum of the fees in clauses
295.15 (1), (2), and (3) or 0.5 percent of the documented estimated project cost to a maximum
295.16 fee of ~~\$10,000~~ \$15,000;
- 295.17 (5) alterations to an existing pool without changing the size or configuration of
295.18 the pool, ~~\$400~~ \$600;
- 295.19 (6) removal or replacement of pool disinfection equipment only, ~~\$75~~ \$100; and
295.20 (7) request for variance from the public pool and spa rules, \$500.

295.21 Sec. 5. Minnesota Statutes 2008, section 144.125, subdivision 1, is amended to read:

295.22 Subdivision 1. **Duty to perform testing.** It is the duty of (1) the administrative
295.23 officer or other person in charge of each institution caring for infants 28 days or less of age,
295.24 (2) the person required in pursuance of the provisions of section 144.215, to register the
295.25 birth of a child, or (3) the nurse midwife or midwife in attendance at the birth, to arrange
295.26 to have administered to every infant or child in its care tests for heritable and congenital
295.27 disorders according to subdivision 2 and rules prescribed by the state commissioner of
295.28 health. Testing and the recording and reporting of test results shall be performed at the
295.29 times and in the manner prescribed by the commissioner of health. The commissioner shall
295.30 charge a fee so that the total of fees collected will approximate the costs of conducting the
295.31 tests and implementing and maintaining a system to follow-up infants with heritable or
295.32 congenital disorders, including hearing loss detected through the early hearing detection
295.33 and intervention program under section 144.966. The fee is ~~\$101~~ \$105 per specimen.
295.34 Costs associated with capital expenditures and the development of new procedures may be
295.35 prorated over a three-year period when calculating the amount of the fees.

296.1 **EFFECTIVE DATE.** This section is effective July 1, 2010.

296.2 Sec. 6. Minnesota Statutes 2008, section 144.72, subdivision 1, is amended to read:

296.3 Subdivision 1. ~~Permits~~ **License required.** The state commissioner of health is
296.4 authorized to issue ~~permits for the operation of youth camps which are required to obtain~~
296.5 ~~the permits~~ a license according to chapter 157.

296.6 Sec. 7. Minnesota Statutes 2008, section 144.72, subdivision 3, is amended to read:

296.7 Subd. 3. **Issuance of permits license.** If the commissioner should determine from
296.8 the application that the health and safety of the persons using the camp will be properly
296.9 safeguarded, the commissioner may, prior to actual inspection of the camp, issue the
296.10 ~~permit license~~ in writing. No fee shall be charged for the permit. The ~~permit license~~ shall
296.11 be posted in a conspicuous place on the premises occupied by the camp.

296.12 Sec. 8. Minnesota Statutes 2008, section 144.9501, is amended by adding a subdivision
296.13 to read:

296.14 Subd. 8a. **Disclosure pamphlet.** "Disclosure pamphlet" means the EPA pamphlet
296.15 titled "Renovate Right: Important Lead Hazard Information for Families, Child Care
296.16 Providers and Schools" developed under section 406(a) of the Toxic Substance Control
296.17 Act.

296.18 Sec. 9. Minnesota Statutes 2008, section 144.9501, subdivision 22b, is amended to
296.19 read:

296.20 Subd. 22b. **Lead sampling technician.** "Lead sampling technician" means an
296.21 individual who performs clearance inspections for ~~nonabatement or nonorder lead hazard~~
296.22 ~~reduction~~ renovation sites; and lead dust sampling in other settings, or visual assessment
296.23 ~~for deteriorated paint for nonabatement sites~~, and who is registered with the commissioner
296.24 under section 144.9505.

296.25 Sec. 10. Minnesota Statutes 2008, section 144.9501, subdivision 26a, is amended to
296.26 read:

296.27 Subd. 26a. **Regulated lead work.** (a) "Regulated lead work" means:

- 296.28 (1) abatement;
296.29 (2) interim controls;
296.30 (3) a clearance inspection;
296.31 (4) a lead hazard screen;

- 297.1 (5) a lead inspection;
297.2 (6) a lead risk assessment;
297.3 (7) lead project designer services;
297.4 (8) lead sampling technician services; ~~or~~
297.5 (9) swab team services;
297.6 (10) renovation activities; or
297.7 (11) activities performed to comply with lead orders issued by a board of health.

297.8 (b) Regulated lead work does not include abatement, interim controls, swab team
297.9 services, or renovation activities that disturb painted surfaces that total no more than:

297.10 ~~(1) activities such as remodeling, renovation, installation, rehabilitation, or~~
297.11 ~~landscaping activities, the primary intent of which is to remodel, repair, or restore a~~
297.12 ~~structure or dwelling, rather than to permanently eliminate lead hazards, even though these~~
297.13 ~~activities may incidentally result in a reduction in lead hazards; or~~

297.14 ~~(2) interim control activities that are not performed as a result of a lead order and~~
297.15 ~~that do not disturb painted surfaces that total more than:~~

297.16 ~~(i) (1) 20 square feet (two square meters) on exterior surfaces; or~~

297.17 ~~(ii) two (2) six square feet (0.2 0.6 square meters) in an interior room; or~~

297.18 ~~(iii) ten percent of the total surface area on an interior or exterior type of component~~
297.19 ~~with a small surface area.~~

297.20 Sec. 11. Minnesota Statutes 2008, section 144.9501, is amended by adding a
297.21 subdivision to read:

297.22 Subd. 26b. **Renovation.** "Renovation" means the modification of any affected
297.23 property that results in the disturbance of painted surfaces, unless that activity is performed
297.24 as an abatement. A renovation performed for the purpose of converting a building or part
297.25 of a building into an affected property is a renovation under this subdivision.

297.26 Sec. 12. Minnesota Statutes 2008, section 144.9505, subdivision 1g, is amended to
297.27 read:

297.28 Subd. 1g. **Certified lead firm.** A person within the state intending to directly
297.29 perform or cause to be performed through subcontracting or similar delegation any
297.30 regulated lead work shall first obtain certification from the commissioner. A person who
297.31 employs individuals to perform regulated lead work outside of the person's property must
297.32 obtain certification as a lead firm. The certificate must be in writing, contain an expiration
297.33 date, be signed by the commissioner, and give the name and address of the person to
297.34 whom it is issued. The certification fee is \$100, is nonrefundable, and must be submitted

298.1 with each application. The certificate or a copy of the certificate must be readily available
298.2 at the worksite for review by the contracting entity, the commissioner, and other public
298.3 health officials charged with the health, safety, and welfare of the state's citizens.

298.4 Sec. 13. Minnesota Statutes 2008, section 144.9505, subdivision 4, is amended to read:

298.5 Subd. 4. **Notice of regulated lead work.** (a) At least five working days before
298.6 starting work at each regulated lead worksite, the person performing the regulated lead
298.7 work shall give written notice to the commissioner and the appropriate board of health.

298.8 (b) This provision does not apply to lead hazard screen, lead inspection, lead risk
298.9 assessment, lead sampling technician, renovation, or lead project design activities.

298.10 Sec. 14. Minnesota Statutes 2008, section 144.9508, subdivision 2, is amended to read:

298.11 Subd. 2. **Regulated lead work standards and methods.** (a) The commissioner
298.12 shall adopt rules establishing regulated lead work standards and methods in accordance
298.13 with the provisions of this section, for lead in paint, dust, drinking water, and soil in
298.14 a manner that protects public health and the environment for all residences, including
298.15 residences also used for a commercial purpose, child care facilities, playgrounds, and
298.16 schools.

298.17 (b) In the rules required by this section, the commissioner shall require lead hazard
298.18 reduction of intact paint only if the commissioner finds that the intact paint is on a
298.19 chewable or lead-dust producing surface that is a known source of actual lead exposure to
298.20 a specific individual. The commissioner shall prohibit methods that disperse lead dust into
298.21 the air that could accumulate to a level that would exceed the lead dust standard specified
298.22 under this section. The commissioner shall work cooperatively with the commissioner
298.23 of administration to determine which lead hazard reduction methods adopted under this
298.24 section may be used for lead-safe practices including prohibited practices, preparation,
298.25 disposal, and cleanup. The commissioner shall work cooperatively with the commissioner
298.26 of the Pollution Control Agency to develop disposal procedures. In adopting rules under
298.27 this section, the commissioner shall require the best available technology for regulated
298.28 lead work methods, paint stabilization, and repainting.

298.29 (c) The commissioner of health shall adopt regulated lead work standards and
298.30 methods for lead in bare soil in a manner to protect public health and the environment.
298.31 The commissioner shall adopt a maximum standard of 100 parts of lead per million in
298.32 bare soil. The commissioner shall set a soil replacement standard not to exceed 25 parts
298.33 of lead per million. Soil lead hazard reduction methods shall focus on erosion control
298.34 and covering of bare soil.

299.1 (d) The commissioner shall adopt regulated lead work standards and methods for
299.2 lead in dust in a manner to protect the public health and environment. Dust standards
299.3 shall use a weight of lead per area measure and include dust on the floor, on the window
299.4 sills, and on window wells. Lead hazard reduction methods for dust shall focus on dust
299.5 removal and other practices which minimize the formation of lead dust from paint, soil, or
299.6 other sources.

299.7 (e) The commissioner shall adopt lead hazard reduction standards and methods for
299.8 lead in drinking water both at the tap and public water supply system or private well
299.9 in a manner to protect the public health and the environment. The commissioner may
299.10 adopt the rules for controlling lead in drinking water as contained in Code of Federal
299.11 Regulations, title 40, part 141. Drinking water lead hazard reduction methods may include
299.12 an educational approach of minimizing lead exposure from lead in drinking water.

299.13 (f) The commissioner of the Pollution Control Agency shall adopt rules to ensure that
299.14 removal of exterior lead-based coatings from residences and steel structures by abrasive
299.15 blasting methods is conducted in a manner that protects health and the environment.

299.16 (g) All regulated lead work standards shall provide reasonable margins of safety that
299.17 are consistent with more than a summary review of scientific evidence and an emphasis on
299.18 overprotection rather than underprotection when the scientific evidence is ambiguous.

299.19 (h) No unit of local government shall have an ordinance or regulation governing
299.20 regulated lead work standards or methods for lead in paint, dust, drinking water, or soil
299.21 that require a different regulated lead work standard or method than the standards or
299.22 methods established under this section.

299.23 (i) Notwithstanding paragraph (h), the commissioner may approve the use by a unit
299.24 of local government of an innovative lead hazard reduction method which is consistent
299.25 in approach with methods established under this section.

299.26 (j) The commissioner shall adopt rules for issuing lead orders required under section
299.27 144.9504, rules for notification of abatement or interim control activities requirements,
299.28 and other rules necessary to implement sections 144.9501 to 144.9512.

299.29 (k) The commissioner shall adopt rules consistent with section 402(c)(3) of the
299.30 Toxic Substances Control Act to ensure that renovation in a pre-1978 affected property
299.31 where a child or pregnant female resides is conducted in a manner that protects health
299.32 and the environment.

299.33 (l) The commissioner shall adopt rules consistent with sections 406(a) and 406(b) of
299.34 the Toxic Substances Control Act.

299.35 Sec. 15. Minnesota Statutes 2008, section 144.9508, subdivision 3, is amended to read:

300.1 Subd. 3. **Licensure and certification.** The commissioner shall adopt rules to
300.2 license lead supervisors, lead workers, lead project designers, lead inspectors, ~~and lead~~
300.3 risk assessors, and lead sampling technicians. The commissioner shall also adopt rules
300.4 requiring certification of firms that perform regulated lead work ~~and rules requiring~~
300.5 ~~registration of lead sampling technicians.~~ The commissioner shall require periodic renewal
300.6 of licenses, and certificates, and registrations and shall establish the renewal periods.

300.7 Sec. 16. Minnesota Statutes 2008, section 144.9508, subdivision 4, is amended to read:

300.8 Subd. 4. **Lead training course.** The commissioner shall establish by rule
300.9 requirements for training course providers and the renewal period for each lead-related
300.10 training course required for certification or licensure. The commissioner shall establish
300.11 criteria in rules for the content and presentation of training courses intended to qualify
300.12 trainees for licensure under subdivision 3. The commissioner shall establish criteria
300.13 in rules for the content and presentation of training courses for lead ~~interim control~~
300.14 ~~workers~~ renovation and lead sampling technicians. Training course permit fees shall be
300.15 nonrefundable and must be submitted with each application in the amount of \$500 for an
300.16 initial training course, \$250 for renewal of a permit for an initial training course, \$250 for
300.17 a refresher training course, and \$125 for renewal of a permit of a refresher training course.

300.18 Sec. 17. Minnesota Statutes 2008, section 144.9512, subdivision 2, is amended to read:

300.19 Subd. 2. **Grants; administration.** Within the limits of the available appropriation,
300.20 the commissioner shall make grants to ~~a nonprofit organization currently operating the~~
300.21 ~~CLEARCorps lead hazard reduction project~~ organizations to train workers to provide lead
300.22 screening, education, outreach, and swab team services for residential property. Projects
300.23 that provide Americorps funding or positions, or leverage matching funds, as part of the
300.24 delivery of the services must be given priority for the grant funds.

300.25 Sec. 18. Minnesota Statutes 2008, section 144.966, is amended by adding a subdivision
300.26 to read:

300.27 Subd. 3a. **Support services to families.** The commissioner shall contract with
300.28 a nonprofit organization to provide support and assistance to families with children
300.29 who are deaf or have a hearing loss. The family support provided must include direct
300.30 parent-to-parent assistance and information on communication, educational, and medical
300.31 options. The commissioner shall give preference to a nonprofit organization that has the
300.32 ability to provide these services throughout the state.

301.1 Sec. 19. Minnesota Statutes 2008, section 144.97, subdivision 2, is amended to read:

301.2 Subd. 2. **Certification Accreditation.** ~~"Certification" means written~~
301.3 ~~acknowledgment of a laboratory's demonstrated capability to perform tests for a specific~~
301.4 ~~purpose~~ "Accreditation" means written acknowledgment that a laboratory has the
301.5 policies, procedures, equipment, and practices to produce reliable data in the analysis of
301.6 environmental samples.

301.7 **EFFECTIVE DATE.** This section is effective July 1, 2009.

301.8 Sec. 20. Minnesota Statutes 2008, section 144.97, subdivision 4, is amended to read:

301.9 Subd. 4. **Contract Commercial laboratory.** ~~"Contract Commercial laboratory"~~
301.10 means a laboratory that performs tests on samples on a contract or fee-for-service basis.

301.11 **EFFECTIVE DATE.** This section is effective July 1, 2009.

301.12 Sec. 21. Minnesota Statutes 2008, section 144.97, is amended by adding a subdivision
301.13 to read:

301.14 Subd. 5a. **Field of testing.** "Field of testing" means the combination of analyte,
301.15 method, matrix, and test category for which a laboratory may hold accreditation.

301.16 **EFFECTIVE DATE.** This section is effective July 1, 2009.

301.17 Sec. 22. Minnesota Statutes 2008, section 144.97, subdivision 6, is amended to read:

301.18 Subd. 6. **Laboratory.** "Laboratory" means the state, a person, corporation, or other
301.19 entity, including governmental, that examines, analyzes, or tests samples in a specified
301.20 physical location.

301.21 **EFFECTIVE DATE.** This section is effective July 1, 2009.

301.22 Sec. 23. Minnesota Statutes 2008, section 144.97, is amended by adding a subdivision
301.23 to read:

301.24 Subd. 8. **Test category.** "Test category" means the combination of program and
301.25 category as provided by section 144.98, subdivisions 3, paragraph (b), clauses (1) to (10),
301.26 and 3a, paragraph (a), clauses (1) to (5).

301.27 **EFFECTIVE DATE.** This section is effective July 1, 2009.

301.28 Sec. 24. Minnesota Statutes 2008, section 144.98, subdivision 1, is amended to read:

302.1 Subdivision 1. **Authorization.** The commissioner of health ~~may certify~~ shall
302.2 accredit environmental laboratories that test environmental samples according to national
302.3 standards developed using a consensus process as established by Circular A-119,
302.4 published by the United States Office of Management and Budget.

302.5 **EFFECTIVE DATE.** This section is effective July 1, 2009.

302.6 Sec. 25. Minnesota Statutes 2008, section 144.98, subdivision 2, is amended to read:

302.7 Subd. 2. **Rules and standards.** The commissioner may adopt rules to ~~implement~~
302.8 ~~this section, including:~~ carry out the commissioner's responsibilities under the national
302.9 standards specified in subdivisions 1 and 2a.

302.10 ~~(1) procedures, requirements, and fee adjustments for laboratory certification,~~
302.11 ~~including provisional status and recertification;~~

302.12 ~~(2) standards and fees for certificate approval, suspension, and revocation;~~

302.13 ~~(3) standards for environmental samples;~~

302.14 ~~(4) analysis methods that assure reliable test results;~~

302.15 ~~(5) laboratory quality assurance, including internal quality control, proficiency~~
302.16 ~~testing, and personnel training; and~~

302.17 ~~(6) criteria for recognition of certification programs of other states and the federal~~
302.18 ~~government.~~

302.19 **EFFECTIVE DATE.** This section is effective July 1, 2009.

302.20 Sec. 26. Minnesota Statutes 2008, section 144.98, is amended by adding a subdivision
302.21 to read:

302.22 Subd. 2a. **Standards.** The commissioner shall accredit laboratories according to
302.23 the most current environmental laboratory accreditation standards under subdivision 1
302.24 and as accepted by the accreditation bodies recognized by the National Environmental
302.25 Laboratory Accreditation Program (NELAP) of the NELAC Institute.

302.26 **EFFECTIVE DATE.** This section is effective July 1, 2009.

302.27 Sec. 27. Minnesota Statutes 2008, section 144.98, subdivision 3, is amended to read:

302.28 Subd. 3. **Annual fees.** (a) An application for ~~certification accreditation~~ under
302.29 subdivision ~~1~~ 6 must be accompanied by the ~~biennial fee~~ annual fees specified in this
302.30 subdivision. ~~The fees are for~~ annual fees include:

302.31 (1) base ~~certification accreditation~~ fee, ~~\$1,600~~ \$1,500;

302.32 (2) sample preparation techniques ~~fees~~ fee, ~~\$100~~ \$200 per technique; ~~and~~

- 303.1 (3) an administrative fee for laboratories located outside this state, \$3,750; and
- 303.2 (4) test category certification fees;

303.3	Test Category	Certification Fee
303.4	Clean water program bacteriology	\$800
303.5	Safe drinking water program bacteriology	\$800
303.6	Clean water program inorganic chemistry	\$800
303.7	Safe drinking water program inorganic chemistry	\$800
303.8	Clean water program chemistry metals	\$1,200
303.9	Safe drinking water program chemistry metals	\$1,200
303.10	Resource conservation and recovery program chemistry metals	\$1,200
303.11	Clean water program volatile organic compounds	\$1,500
303.12	Safe drinking water program volatile organic compounds	\$1,500
303.13	Resource conservation and recovery program volatile organic	
303.14	compounds	\$1,500
303.15	Underground storage tank program volatile organic compounds	\$1,500
303.16	Clean water program other organic compounds	\$1,500
303.17	Safe drinking water program other organic compounds	\$1,500
303.18	Resource conservation and recovery program other organic compounds	\$1,500
303.19	Clean water program radiochemistry	\$2,500
303.20	Safe drinking water program radiochemistry	\$2,500
303.21	Resource conservation and recovery program agricultural contaminants	\$2,500
303.22	Resource conservation and recovery program emerging contaminants	\$2,500

- 303.23 (b) ~~Laboratories located outside of this state that require an on-site inspection shall be~~
- 303.24 ~~assessed an additional \$3,750 fee.~~ For the programs in subdivision 3a, the commissioner
- 303.25 may accredit laboratories for fields of testing under the categories listed in clauses (1) to
- 303.26 (10) upon completion of the application requirements provided by subdivision 6 and
- 303.27 receipt of the fees for each category under each program that accreditation is requested.

303.28 The categories offered and related fees include:

- 303.29 (1) microbiology, \$450;
- 303.30 (2) inorganics, \$450;
- 303.31 (3) metals, \$1,000;
- 303.32 (4) volatile organics, \$1,300;
- 303.33 (5) other organics, \$1,300;
- 303.34 (6) radiochemistry, \$1,500;
- 303.35 (7) emerging contaminants, \$1,500;
- 303.36 (8) agricultural contaminants, \$1,250;
- 303.37 (9) toxicity (bioassay), \$1,000; and
- 303.38 (10) physical characterization, \$250.

(c) The total ~~biennial certification~~ annual fee includes the base fee, the sample preparation techniques fees, the test category fees per program, and, when applicable, ~~the on-site inspection fee~~ an administrative fee for out-of-state laboratories.

~~(d) Fees must be set so that the total fees support the laboratory certification program. Direct costs of the certification service include program administration, inspections, the agency's general support costs, and attorney general costs attributable to the fee function.~~

~~(e) A change fee shall be assessed if a laboratory requests additional analytes or methods at any time other than when applying for or renewing its certification. The change fee is equal to the test category certification fee for the analyte.~~

~~(f) A variance fee shall be assessed if a laboratory requests and is granted a variance from a rule adopted under this section. The variance fee is \$500 per variance.~~

~~(g) Refunds or credits shall not be made for analytes or methods requested but not approved.~~

~~(h) Certification of a laboratory shall not be awarded until all fees are paid.~~

Sec. 28. Minnesota Statutes 2008, section 144.98, is amended by adding a subdivision to read:

Subd. 3a. Available programs, categories, and analytes. (a) The commissioner shall accredit laboratories that test samples under the following programs:

(1) the clean water program, such as compliance monitoring under the federal Clean Water Act, and ambient monitoring of surface and groundwater, or analysis of biological tissue;

(2) the safe drinking water program, including compliance monitoring under the federal Safe Drinking Water Act, and the state requirements for monitoring private wells;

(3) the resource conservation and recovery program, including federal and state requirements for monitoring solid and hazardous wastes, biological tissue, leachates, and groundwater monitoring wells not intended as drinking water sources;

(4) the underground storage tank program; and

(5) the clean air program, including air and emissions testing under the federal Clean Air Act, and state and federal requirements for vapor intrusion monitoring.

(b) The commissioner shall maintain and publish a list of analytes available for accreditation. The list must be reviewed at least once every six months and the changes published in the State Register and posted on the program's Web site. The commissioner shall publish the notification of changes and review comments on the changes no less than 30 days from the date the list is published.

Sec. 29. Minnesota Statutes 2008, section 144.98, is amended by adding a subdivision to read:

Subd. 3b. **Additional fees.** (a) Laboratories located outside of this state that require an on-site assessment more frequent than once every two years must pay an additional assessed fee of \$3,000 per assessment for each additional on-site assessment conducted. The laboratory must pay the fee within 15 business days of receiving the commissioner's notification that an on-site assessment is required. The commissioner may conduct additional on-site assessments to determine a laboratory's continued compliance with the standards provided in subdivision 2a.

(b) A late fee of \$200 shall be added to the annual fee for accredited laboratories submitting renewal applications to the commissioner after November 1.

(c) A change fee shall be assessed if a laboratory requests additional fields of testing at any time other than when initially applying for or renewing its accreditation. A change fee does not apply for applications to add fields of testing for new analytes in response to the published notice under subdivision 3a, paragraph (b), if the laboratory holds valid accreditation for the changed test category and applies for additional analytes within the same test category. The change fee is equal to the applicable test category fee for the field of testing requested. An application that requests accreditation of multiple fields of testing within a test category requires a single payment of the applicable test category fee per application submitted.

(d) A variance fee shall be assessed if a laboratory requests a variance from a standard provided in subdivision 2a. The variance fee is \$500 per variance.

(e) The commissioner shall assess a fee for changes to laboratory information regarding ownership, name, address, or personnel. Laboratories must submit changes through the application process under subdivision 6. The information update fee is \$250 per application.

(f) Fees must be set so that the total fees support the laboratory accreditation program. Direct costs of the accreditation service include program administration, assessments, the agency's general support costs, and attorney general costs attributable to the fee function.

Sec. 30. Minnesota Statutes 2008, section 144.98, is amended by adding a subdivision to read:

Subd. 3c. **Refunds and nonpayment.** Refunds or credits shall not be made for applications received but not approved. Accreditation of a laboratory shall not be awarded until all fees are paid.

Sec. 31. Minnesota Statutes 2008, section 144.98, is amended by adding a subdivision to read:

Subd. 6. **Application.** (a) Laboratories seeking accreditation must apply on a form provided by the commissioner, include the laboratory's procedures and quality manual, and pay the applicable fees.

(b) Laboratories may be fixed-base or mobile. The commissioner shall accredit mobile laboratories individually and require a vehicle identification number, license plate number, or other uniquely identifying information in addition to the application requirements of paragraph (a).

(c) Laboratories maintained on separate properties, even though operated under the same management or ownership, must apply separately. Laboratories with more than one building on the same or adjoining properties do not need to submit a separate application.

(d) The commissioner may accredit laboratories located out-of-state. Accreditation for out-of-state laboratories may be obtained directly from the commissioner following the requirements in paragraph (a), or out-of-state laboratories may be accredited through a reciprocal agreement if the laboratory:

(1) is accredited by a NELAP-recognized accreditation body for those fields of testing in which the laboratory requests accreditation from the commissioner;

(2) submits an application and documentation according to this subdivision; and

(3) submits a current copy of the laboratory's unexpired accreditation from a NELAP-recognized accreditation body showing the fields of accreditation for which the laboratory is currently accredited.

(e) Under the conflict of interest determinations provided in section 43A.38, subdivision 6, clause (a), the commissioner shall not accredit governmental laboratories operated by agencies of the executive branch of the state. If accreditation is required, laboratories operated by agencies of the executive branch of the state must apply for accreditation through any other NELAP-recognized accreditation body.

EFFECTIVE DATE. This section is effective July 1, 2009.

Sec. 32. Minnesota Statutes 2008, section 144.98, is amended by adding a subdivision to read:

Subd. 6a. **Implementation and effective date.** All laboratories must comply with standards under this section by July 1, 2009. Fees under subdivisions 3 and 3b apply to applications received and accreditations issued after June 30, 2009. Accreditations issued on or before June 30, 2009, shall expire upon their current expiration date.

Sec. 33. Minnesota Statutes 2008, section 144.98, is amended by adding a subdivision to read:

Subd. 7. **Initial accreditation and annual accreditation renewal.** (a) The commissioner shall issue or renew accreditation after receipt of the completed application and documentation required in this section, provided the laboratory maintains compliance with the standards specified in subdivision 2a, and attests to the compliance on the application form.

(b) The commissioner shall prorate the fees in subdivision 3 for laboratories applying for accreditation after December 31. The fees are prorated on a quarterly basis beginning with the quarter in which the commissioner receives the completed application from the laboratory.

(c) Applications for renewal of accreditation must be received by November 1 and no earlier than October 1 of each year. The commissioner shall send annual renewal notices to laboratories 90 days before expiration. Failure to receive a renewal notice does not exempt laboratories from meeting the annual November 1 renewal date.

(d) The commissioner shall issue all accreditations for the calendar year for which the application is made, and the accreditation shall expire on December 31 of that year.

(e) The accreditation of any laboratory that fails to submit a renewal application and fees to the commissioner expires automatically on December 31 without notice or further proceeding. Any person who operates a laboratory as accredited after expiration of accreditation or without having submitted an application and paid the fees is in violation of the provisions of this section and is subject to enforcement action under sections 144.989 to 144.993, the Health Enforcement Consolidation Act. A laboratory with expired accreditation may reapply under subdivision 6.

EFFECTIVE DATE. This section is effective July 1, 2009.

Sec. 34. Minnesota Statutes 2008, section 144.99, subdivision 1, is amended to read:

Subdivision 1. **Remedies available.** The provisions of chapters 103I and 157 and sections 115.71 to 115.77; 144.12, subdivision 1, paragraphs (1), (2), (5), (6), (10), (12), (13), (14), and (15); 144.1201 to 144.1204; 144.121; 144.1222; 144.35; 144.381 to 144.385; 144.411 to 144.417; 144.495; 144.71 to 144.74; 144.9501 to 144.9512; 144.97 to 144.98; 144.992; 326.70 to 326.785; 327.10 to 327.131; and 327.14 to 327.28 and all rules, orders, stipulation agreements, settlements, compliance agreements, licenses, registrations, certificates, and permits adopted or issued by the department or under any other law now in force or later enacted for the preservation of public health may, in addition to provisions in other statutes, be enforced under this section.

308.1 **EFFECTIVE DATE.** This section is effective July 1, 2009.

308.2 Sec. 35. Minnesota Statutes 2008, section 153A.17, is amended to read:

308.3 **153A.17 EXPENSES; FEES.**

308.4 (a) The expenses for administering the certification requirements including the
308.5 complaint handling system for certified hearing aid dispensers in sections 153A.14 and
308.6 153A.15 and the Consumer Information Center under section 153A.18 must be paid
308.7 from initial application and examination fees, renewal fees, penalties, and fines. ~~All~~
308.8 ~~fees are nonrefundable.~~

308.9 (b) The certificate application fee is \$350, the examination fee is \$250 for the
308.10 written portion and \$250 for the practical portion each time one or the other is taken,
308.11 and the trainee application fee is \$200. The penalty fee for late submission of a renewal
308.12 application is \$200. The fee for verification of certification to other jurisdictions or entities
308.13 is \$25. All fees are nonrefundable.

308.14 (c) All fees, penalties, and fines received must be deposited in the state government
308.15 special revenue fund. The commissioner may prorate the certification fee for new
308.16 applicants based on the number of quarters remaining in the annual certification period.

308.17 (d) The fees charged by the commissioner must reflect the actual costs of
308.18 administering the program under paragraph (a). Fees must not be increased to cover the
308.19 costs associated with investigating allegations against uncertified hearing aid dispensers.

308.20 Sec. 36. Minnesota Statutes 2008, section 157.15, is amended by adding a subdivision
308.21 to read:

308.22 Subd. 20. **Youth camp.** "Youth camp" has the meaning given in section 144.71,
308.23 subdivision 2.

308.24 Sec. 37. Minnesota Statutes 2008, section 157.16, is amended to read:

308.25 **157.16 LICENSES REQUIRED; FEES.**

308.26 Subdivision 1. **License required annually.** A license is required annually for every
308.27 person, firm, or corporation engaged in the business of conducting a food and beverage
308.28 service establishment, for-profit youth camp, hotel, motel, lodging establishment, public
308.29 pool, or resort. Any person wishing to operate a place of business licensed in this
308.30 section shall first make application, pay the required fee specified in this section, and
308.31 receive approval for operation, including plan review approval. ~~Seasonal and temporary~~
308.32 ~~food stands and~~ Special event food stands are not required to submit plans. Nonprofit
308.33 organizations operating a special event food stand with multiple locations at an annual

one-day event shall be issued only one license. Application shall be made on forms provided by the commissioner and shall require the applicant to state the full name and address of the owner of the building, structure, or enclosure, the lessee and manager of the food and beverage service establishment, hotel, motel, lodging establishment, public pool, or resort; the name under which the business is to be conducted; and any other information as may be required by the commissioner to complete the application for license.

Subd. 2. **License renewal.** Initial and renewal licenses for all food and beverage service establishments, for-profit youth camps, hotels, motels, lodging establishments, public pools, and resorts shall be issued ~~for the calendar year for which application is made and shall expire on December 31 of such year~~ on an annual basis. Any person who operates a place of business after the expiration date of a license or without having submitted an application and paid the fee shall be deemed to have violated the provisions of this chapter and shall be subject to enforcement action, as provided in the Health Enforcement Consolidation Act, sections 144.989 to 144.993. In addition, a penalty of ~~\$50~~ \$60 shall be added to the total of the license fee for any food and beverage service establishment operating without a license as a mobile food unit, a seasonal temporary or seasonal permanent food stand, or a special event food stand, and a penalty of ~~\$100~~ \$120 shall be added to the total of the license fee for all restaurants, food carts, hotels, motels, lodging establishments, for-profit youth camps, public pools, and resorts operating without a license for a period of up to 30 days. A late fee of ~~\$300~~ \$360 shall be added to the license fee for establishments operating more than 30 days without a license.

Subd. 2a. **Food manager certification.** An applicant for certification or certification renewal as a food manager must submit to the commissioner a ~~\$28~~ \$35 nonrefundable certification fee payable to the Department of Health. The commissioner shall issue a duplicate certificate to replace a lost, destroyed, or mutilated certificate if the applicant submits a completed application on a form provided by the commissioner for a duplicate certificate and pays \$20 to the department for the cost of duplication.

Subd. 3. **Establishment fees; definitions.** (a) The following fees are required for food and beverage service establishments, for-profit youth camps, hotels, motels, lodging establishments, public pools, and resorts licensed under this chapter. Food and beverage service establishments must pay the highest applicable fee under paragraph (d), clause (1), (2), (3), or (4), and establishments serving alcohol must pay the highest applicable fee under paragraph (d), clause (6) or (7). The license fee for new operators previously licensed under this chapter for the same calendar year is one-half of the appropriate annual license fee, plus any penalty that may be required. The license fee for operators opening

310.1 on or after October 1 is one-half of the appropriate annual license fee, plus any penalty
310.2 that may be required.

310.3 (b) All food and beverage service establishments, except special event food stands,
310.4 and all hotels, motels, lodging establishments, public pools, and resorts shall pay an
310.5 annual base fee of \$150.

310.6 (c) A special event food stand shall pay a flat fee of ~~\$40~~ \$50 annually. "Special event
310.7 food stand" means a fee category where food is prepared or served in conjunction with
310.8 celebrations, county fairs, or special events from a special event food stand as defined
310.9 in section 157.15.

310.10 (d) In addition to the base fee in paragraph (b), each food and beverage service
310.11 establishment, other than a special event food stand, and each hotel, motel, lodging
310.12 establishment, public pool, and resort shall pay an additional annual fee for each fee
310.13 category, additional food service, or required additional inspection specified in this
310.14 paragraph:

310.15 (1) Limited food menu selection, ~~\$50~~ \$60. "Limited food menu selection" means a
310.16 fee category that provides one or more of the following:

- 310.17 (i) prepackaged food that receives heat treatment and is served in the package;
- 310.18 (ii) frozen pizza that is heated and served;
- 310.19 (iii) a continental breakfast such as rolls, coffee, juice, milk, and cold cereal;
- 310.20 (iv) soft drinks, coffee, or nonalcoholic beverages; or
- 310.21 (v) cleaning for eating, drinking, or cooking utensils, when the only food served
310.22 is prepared off site.

310.23 (2) Small establishment, including boarding establishments, ~~\$100~~ \$120. "Small
310.24 establishment" means a fee category that has no salad bar and meets one or more of
310.25 the following:

- 310.26 (i) possesses food service equipment that consists of no more than a deep fat fryer, a
310.27 grill, two hot holding containers, and one or more microwave ovens;
- 310.28 (ii) serves dipped ice cream or soft serve frozen desserts;
- 310.29 (iii) serves breakfast in an owner-occupied bed and breakfast establishment;
- 310.30 (iv) is a boarding establishment; or
- 310.31 (v) meets the equipment criteria in clause (3), item (i) or (ii), and has a maximum
310.32 patron seating capacity of not more than 50.

310.33 (3) Medium establishment, ~~\$260~~ \$310. "Medium establishment" means a fee
310.34 category that meets one or more of the following:

- 310.35 (i) possesses food service equipment that includes a range, oven, steam table, salad
310.36 bar, or salad preparation area;

311.1 (ii) possesses food service equipment that includes more than one deep fat fryer,
311.2 one grill, or two hot holding containers; or

311.3 (iii) is an establishment where food is prepared at one location and served at one or
311.4 more separate locations.

311.5 Establishments meeting criteria in clause (2), item (v), are not included in this fee
311.6 category.

311.7 (4) Large establishment, ~~\$460~~ \$540. "Large establishment" means either:

311.8 (i) a fee category that (A) meets the criteria in clause (3), items (i) or (ii), for a
311.9 medium establishment, (B) seats more than 175 people, and (C) offers the full menu
311.10 selection an average of five or more days a week during the weeks of operation; or

311.11 (ii) a fee category that (A) meets the criteria in clause (3), item (iii), for a medium
311.12 establishment, and (B) prepares and serves 500 or more meals per day.

311.13 (5) Other food and beverage service, including food carts, mobile food units,
311.14 seasonal temporary food stands, and seasonal permanent food stands, ~~\$50~~ \$60.

311.15 (6) Beer or wine table service, ~~\$50~~ \$60. "Beer or wine table service" means a fee
311.16 category where the only alcoholic beverage service is beer or wine, served to customers
311.17 seated at tables.

311.18 (7) Alcoholic beverage service, other than beer or wine table service, ~~\$135~~ \$165.

311.19 "Alcohol beverage service, other than beer or wine table service" means a fee
311.20 category where alcoholic mixed drinks are served or where beer or wine are served from
311.21 a bar.

311.22 (8) Lodging per sleeping accommodation unit, ~~\$8~~ \$10, including hotels, motels,
311.23 lodging establishments, and resorts, up to a maximum of ~~\$800~~ \$1,000. "Lodging per
311.24 sleeping accommodation unit" means a fee category including the number of guest rooms,
311.25 cottages, or other rental units of a hotel, motel, lodging establishment, or resort; or the
311.26 number of beds in a dormitory.

311.27 (9) First public pool, ~~\$180~~ \$325; each additional public pool, ~~\$100~~ \$175. "Public
311.28 pool" means a fee category that has the meaning given in section 144.1222, subdivision 4.

311.29 (10) First spa, ~~\$110~~ \$175; each additional spa, ~~\$50~~ \$100. "Spa pool" means a fee
311.30 category that has the meaning given in Minnesota Rules, part 4717.0250, subpart 9.

311.31 (11) Private sewer or water, ~~\$50~~ \$60. "Individual private water" means a fee
311.32 category with a water supply other than a community public water supply as defined in
311.33 Minnesota Rules, chapter 4720. "Individual private sewer" means a fee category with an
311.34 individual sewage treatment system which uses subsurface treatment and disposal.

(12) Additional food service, ~~\$130~~ \$150. "Additional food service" means a location at a food service establishment, other than the primary food preparation and service area, used to prepare or serve food to the public.

(13) Additional inspection fee, ~~\$300~~ \$360. "Additional inspection fee" means a fee to conduct the second inspection each year for elementary and secondary education facility school lunch programs when required by the Richard B. Russell National School Lunch Act.

(e) A fee of ~~\$350~~ for review of ~~the~~ construction plans must accompany the initial license application for restaurants, hotels, motels, lodging establishments, ~~or resorts with five or more sleeping units~~, seasonal food stands, and mobile food units. The fee for this construction plan review is as follows:

<u>Service Area</u>	<u>Type</u>	<u>Fee</u>
<u>Food</u>	<u>limited food menu</u>	<u>\$275</u>
	<u>small establishment</u>	<u>\$400</u>
	<u>medium establishment</u>	<u>\$450</u>
	<u>large food establishment</u>	<u>\$500</u>
	<u>additional food service</u>	<u>\$150</u>
<u>Transient food service</u>	<u>food cart</u>	<u>\$250</u>
	<u>seasonal permanent food stand</u>	<u>\$250</u>
	<u>seasonal temporary food stand</u>	<u>\$250</u>
	<u>mobile food unit</u>	<u>\$350</u>
<u>Alcohol</u>	<u>beer or wine table service</u>	<u>\$150</u>
	<u>alcohol service from bar</u>	<u>\$250</u>
<u>Lodging</u>	<u>less than 25 rooms</u>	<u>\$375</u>
	<u>25 to less than 100 rooms</u>	<u>\$400</u>
	<u>100 rooms or more</u>	<u>\$500</u>
	<u>less than five cabins</u>	<u>\$350</u>
	<u>five to less than ten cabins</u>	<u>\$400</u>
	<u>ten cabins or more</u>	<u>\$450</u>

(f) When existing food and beverage service establishments, hotels, motels, lodging establishments, ~~or resorts~~, seasonal food stands, and mobile food units are extensively remodeled, a fee of ~~\$250~~ must be submitted with the remodeling plans. ~~A fee of \$250 must be submitted for new construction or remodeling for a restaurant with a limited food menu selection, a seasonal permanent food stand, a mobile food unit, or a food cart, or for a hotel, motel, resort, or lodging establishment addition of less than five sleeping units.~~ The fee for this construction plan review is as follows:

<u>Service Area</u>	<u>Type</u>	<u>Fee</u>
<u>Food</u>	<u>limited food menu</u>	<u>\$250</u>
	<u>small establishment</u>	<u>\$300</u>

313.1		<u>medium establishment</u>	<u>\$350</u>
313.2		<u>large food establishment</u>	<u>\$400</u>
313.3		<u>additional food service</u>	<u>\$150</u>
313.4	<u>Transient food service</u>	<u>food cart</u>	<u>\$250</u>
313.5		<u>seasonal permanent food stand</u>	<u>\$250</u>
313.6		<u>seasonal temporary food stand</u>	<u>\$250</u>
313.7		<u>mobile food unit</u>	<u>\$250</u>
313.8	<u>Alcohol</u>	<u>beer or wine table service</u>	<u>\$150</u>
313.9		<u>alcohol service from bar</u>	<u>\$250</u>
313.10	<u>Lodging</u>	<u>less than 25 rooms</u>	<u>\$250</u>
313.11		<u>25 to less than 100 rooms</u>	<u>\$300</u>
313.12		<u>100 rooms or more</u>	<u>\$450</u>
313.13		<u>less than five cabins</u>	<u>\$250</u>
313.14		<u>five to less than ten cabins</u>	<u>\$350</u>
313.15		<u>ten cabins or more</u>	<u>\$400</u>

313.16 (g) ~~Seasonal temporary food stands and~~ Special event food stands are not required to
313.17 submit construction or remodeling plans for review.

313.18 (h) For-profit youth camp fee, \$500.

313.19 Subd. 3a. **Statewide hospitality fee.** Every person, firm, or corporation that
313.20 operates a licensed boarding establishment, food and beverage service establishment,
313.21 seasonal temporary or permanent food stand, special event food stand, mobile food unit,
313.22 food cart, resort, hotel, motel, or lodging establishment in Minnesota must submit to the
313.23 commissioner a \$35 annual statewide hospitality fee for each licensed activity. The fee
313.24 for establishments licensed by the Department of Health is required at the same time the
313.25 licensure fee is due. For establishments licensed by local governments, the fee is due by
313.26 July 1 of each year.

313.27 Subd. 4. **Posting requirements.** Every food and beverage service establishment,
313.28 for-profit youth camp, hotel, motel, lodging establishment, public pool, or resort must have
313.29 the license posted in a conspicuous place at the establishment. Mobile food units, food
313.30 carts, and seasonal temporary food stands shall be issued decals with the initial license and
313.31 each calendar year with license renewals. The current license year decal must be placed on
313.32 the unit or stand in a location determined by the commissioner. Decals are not transferable.

313.33 Sec. 38. Minnesota Statutes 2008, section 157.22, is amended to read:

313.34 **157.22 EXEMPTIONS.**

313.35 This chapter ~~shall not be construed to~~ does not apply to:

313.36 (1) interstate carriers under the supervision of the United States Department of
313.37 Health and Human Services;

- 314.1 (2) any building constructed and primarily used for religious worship;
- 314.2 (3) any building owned, operated, and used by a college or university in accordance
- 314.3 with health regulations promulgated by the college or university under chapter 14;
- 314.4 (4) any person, firm, or corporation whose principal mode of business is licensed
- 314.5 under sections 28A.04 and 28A.05, is exempt at that premises from licensure as a food
- 314.6 or beverage establishment; provided that the holding of any license pursuant to sections
- 314.7 28A.04 and 28A.05 shall not exempt any person, firm, or corporation from the applicable
- 314.8 provisions of this chapter or the rules of the state commissioner of health relating to
- 314.9 food and beverage service establishments;
- 314.10 (5) family day care homes and group family day care homes governed by sections
- 314.11 245A.01 to 245A.16;
- 314.12 (6) nonprofit senior citizen centers for the sale of home-baked goods;
- 314.13 (7) fraternal or patriotic organizations that are tax exempt under section 501(c)(3),
- 314.14 501(c)(4), 501(c)(6), 501(c)(7), 501(c)(10), or 501(c)(19) of the Internal Revenue Code of
- 314.15 1986, or organizations related to or affiliated with such fraternal or patriotic organizations.
- 314.16 Such organizations may organize events at which home-prepared food is donated by
- 314.17 organization members for sale at the events, provided:
- 314.18 (i) the event is not a circus, carnival, or fair;
- 314.19 (ii) the organization controls the admission of persons to the event, the event agenda,
- 314.20 or both; and
- 314.21 (iii) the organization's licensed kitchen is not used in any manner for the event;
- 314.22 (8) food not prepared at an establishment and brought in by individuals attending a
- 314.23 potluck event for consumption at the potluck event. An organization sponsoring a potluck
- 314.24 event under this clause may advertise the potluck event to the public through any means.
- 314.25 Individuals who are not members of an organization sponsoring a potluck event under this
- 314.26 clause may attend the potluck event and consume the food at the event. Licensed food
- 314.27 establishments other than schools cannot be sponsors of potluck events. A school may
- 314.28 sponsor and hold potluck events in areas of the school other than the school's kitchen,
- 314.29 provided that the school's kitchen is not used in any manner for the potluck event. For
- 314.30 purposes of this clause, "school" means a public school as defined in section 120A.05,
- 314.31 subdivisions 9, 11, 13, and 17, or a nonpublic school, church, or religious organization
- 314.32 at which a child is provided with instruction in compliance with sections 120A.22 and
- 314.33 120A.24. Potluck event food shall not be brought into a licensed food establishment
- 314.34 kitchen; ~~and~~
- 314.35 (9) a home school in which a child is provided instruction at home; and

315.1 (10) concession stands operated in conjunction with school-sponsored events on
315.2 school property are exempt from the 21-day restriction.

315.3 Sec. 39. Minnesota Statutes 2008, section 327.14, is amended by adding a subdivision
315.4 to read:

315.5 Subd. 9. **Special event recreational camping area.** "Special event recreational
315.6 camping area" means a recreational camping area which operates no more than two times
315.7 annually and for no more than 14 consecutive days.

315.8 Sec. 40. Minnesota Statutes 2008, section 327.15, is amended to read:

315.9 **327.15 LICENSE REQUIRED; RENEWAL; ~~PLANS FOR EXPANSION~~FEES.**

315.10 Subdivision 1. **License required; plan review.** No person, firm or corporation
315.11 shall establish, maintain, conduct or operate a manufactured home park ~~or recreational~~
315.12 ~~camping area~~ within this state without first obtaining ~~a~~ an annual license therefor from
315.13 the state Department of Health. ~~No person, firm, or corporation shall establish, maintain,~~
315.14 ~~conduct, or operate a recreational camping area within this state without first obtaining~~
315.15 ~~a license therefor from the state Department of Health. Any person wishing to obtain a~~
315.16 ~~license shall first make application, pay the required fee specified in this section, and~~
315.17 ~~receive approval for operation, including plan review approval. Application shall be made~~
315.18 ~~on forms provided by the commissioner and shall require the applicant to state the full~~
315.19 ~~name and address of the owner of the manufactured home park or recreational camping~~
315.20 ~~area, the name under which the business is to be conducted, and any other information as~~
315.21 ~~may be required by the commissioner to complete the application for license. Any person,~~
315.22 ~~firm, or corporation desiring to operate either a manufactured home park or a recreational~~
315.23 ~~camping area on the same site in connection with the other, need only obtain one license.~~
315.24 ~~A license shall expire and be renewed as prescribed by the commissioner pursuant to~~
315.25 ~~section 144.122. The license shall state the number of manufactured home sites and~~
315.26 ~~recreational camping sites allowed according to state commissioner of health approval.~~
315.27 ~~No renewal license shall be issued if the number of sites specified in the application~~
315.28 ~~exceeds those of the original application. The number of licensed sites shall not be~~
315.29 ~~increased unless the plans for expansion or the construction for expansion are submitted~~
315.30 ~~and the expansion first approved by the Department of Health. Any manufactured home~~
315.31 ~~park or recreational camping area located in more than one municipality shall be dealt~~
315.32 ~~with as two separate manufactured home parks or camping areas. The license shall be~~
315.33 ~~conspicuously displayed in the office of the manufactured home park or camping area.~~
315.34 The license is not transferable as to person or place.

316.1 Subd. 2. **License renewal.** Initial and renewal licenses for all manufactured home
316.2 parks shall be issued annually and shall have an expiration date included on the license.
316.3 Any person who operates a manufactured home park after the expiration date of a license
316.4 or without having submitted an application and paid the fee shall be deemed to have
316.5 violated the provisions of this chapter and shall be subject to enforcement action, as
316.6 provided in the Health Enforcement Consolidation Act, sections 144.989 to 144.993.
316.7 In addition, a penalty of \$120 shall be added to the total of the license fee for any
316.8 manufactured home park operating without a license for a period of up to 30 days. A late
316.9 fee of \$360 shall be added to the license fee for any manufactured home park operating
316.10 more than 30 days without a license.

316.11 Subd. 3. **Fees; manufactured home parks.** (a) The following fees are required for
316.12 manufactured home parks licensed under this chapter. Manufactured home parks must
316.13 pay the highest applicable fee under paragraph (c). The license fee for new operators of a
316.14 manufactured home park previously licensed under this chapter for the same calendar year
316.15 is one-half of the appropriate annual license fee, plus any penalty that may be required.
316.16 The license fee for operators opening on or after October 1 is one-half of the appropriate
316.17 annual license fee, plus any penalty that may be required.

316.18 (b) All manufactured home parks shall pay an annual base fee of \$150 plus \$4 for
316.19 each licensed site, except that any operator of a manufactured home park who is licensed
316.20 under section 157.16 for the same location shall not be required to pay the base fee.

316.21 (c) In addition to the fee in paragraph (b), each manufactured home park shall pay an
316.22 additional annual fee for each fee category specified in this paragraph:

316.23 (1) manufactured home parks with public swimming pools and spas shall pay the
316.24 appropriate fees specified in section 157.16; and

316.25 (2) individual private sewer or water, \$60. "Individual private water" means a fee
316.26 category with a water supply other than a community public water supply as defined in
316.27 Minnesota Rules, chapter 4720. "Individual private sewer" means a fee category with an
316.28 individual sewage treatment system which uses subsurface treatment and disposal.

316.29 (d) The following fees must accompany a plan review application for initial
316.30 construction of a manufactured home park for initial construction of:

316.31 (1) less than 25 sites, \$375;

316.32 (2) 25 to less than 100 sites, \$400; and

316.33 (3) 100 or more sites, \$500.

316.34 (e) The following fees must accompany a plan review application when an existing
316.35 manufactured home park is expanded for expansion of:

316.36 (1) less than 25 sites, \$250;

317.1 (2) 25 but less than 100 sites, \$300; and

317.2 (3) 100 or more sites, \$450.

317.3 Sec. 41. Minnesota Statutes 2008, section 327.16, is amended to read:

317.4 **327.16 LICENSE PLAN REVIEW APPLICATION.**

317.5 Subdivision 1. **Made to state Department of Health.** The plan review application
317.6 for ~~license to operate and maintain~~ a manufactured home park or recreational camping
317.7 area shall be made to the state Department of Health, at such office and in such manner
317.8 as may be prescribed by that department.

317.9 Subd. 2. **Contents.** The ~~applicant for a primary license or annual license shall make~~
317.10 ~~application in writing~~ plan review application shall be made upon a form provided by the
317.11 state Department of Health setting forth:

317.12 (1) The full name and address of the applicant or applicants, or names and addresses
317.13 of the partners if the applicant is a partnership, or the names and addresses of the officers
317.14 if the applicant is a corporation.

317.15 (2) A legal description of the site, lot, field, or tract of land upon which the applicant
317.16 proposes to operate and maintain a manufactured home park or recreational camping area.

317.17 (3) The proposed and existing facilities on and about the site, lot, field, or tract of
317.18 land for the proposed construction or alteration and maintaining of a sanitary community
317.19 building for toilets, urinals, sinks, wash basins, slop-sinks, showers, drains, laundry
317.20 facilities, source of water supply, sewage, garbage and waste disposal; except that no
317.21 toilet facilities shall be required in any manufactured home park which permits only
317.22 manufactured homes equipped with toilet facilities discharging to water carried sewage
317.23 disposal systems; and method of fire and storm protection.

317.24 (4) The proposed method of lighting the structures and site, lot, field, or tract of land
317.25 upon which the manufactured home park or recreational camping area is to be located.

317.26 (5) The calendar months of the year which the applicant will operate the
317.27 manufactured home park or recreational camping area.

317.28 (6) Plans and drawings for new construction or alteration, including buildings, wells,
317.29 plumbing and sewage disposal systems.

317.30 Subd. 3. **Fees; Approval.** The application for ~~the primary license~~ plan review shall
317.31 be submitted with all plans and specifications enumerated in subdivision 2, ~~and payment~~
317.32 ~~of a fee in an amount prescribed by the state commissioner of health pursuant to section~~
317.33 ~~144.122~~ and shall be accompanied by an approved zoning permit from the municipality or
317.34 county wherein the park is to be located, or a statement from the municipality or county
317.35 that it does not require an approved zoning permit. ~~The fee for the annual license shall be~~

318.1 ~~in an amount prescribed by the state commissioner of health pursuant to section 144.122.~~
318.2 ~~All license fees paid to the commissioner of health shall be turned over to the state~~
318.3 ~~treasury. The fee submitted for the primary license plan review shall be retained by the~~
318.4 state even though the proposed project is not approved and a license is denied.

318.5 When construction has been completed in accordance with approved plans and
318.6 specifications the state commissioner of health shall promptly cause the manufactured
318.7 home park or recreational camping area and appurtenances thereto to be inspected. When
318.8 the inspection and report has been made and the state commissioner of health finds that
318.9 all requirements of sections 327.10, 327.11, 327.14 to 327.28, and such conditions of
318.10 health and safety as the state commissioner of health may require, have been met by
318.11 the applicant, the state commissioner of health shall forthwith issue the ~~primary~~ license
318.12 in the name of the state.

318.13 Subd. 4. **Sanitary facilities Compliance with current state law.** ~~During the~~
318.14 ~~pendency of the application for such primary license any change in the sanitary or safety~~
318.15 ~~facilities of the intended manufactured home park or recreational camping area shall be~~
318.16 ~~immediately reported in writing to the state Department of Health through the office~~
318.17 ~~through which the application was made. If no objection is made by the state Department~~
318.18 ~~of Health to such change in such sanitary or safety facilities within 60 days of the date~~
318.19 ~~such change is reported, it shall be deemed to have the approval of the state Department of~~
318.20 ~~Health.~~ Any manufactured home park or recreational camping area must be constructed
318.21 and operated according to all applicable state electrical, fire, plumbing, and building codes.

318.22 Subd. 5. **Permit.** When the plans and specifications have been approved, the state
318.23 Department of Health shall issue an approval report permitting the applicant to construct
318.24 or make alterations upon a manufactured home park or recreational camping area and the
318.25 appurtenances thereto according to the plans and specifications presented.

318.26 Such approval does not relieve the applicant from securing building permits in
318.27 municipalities that require permits or from complying with any other municipal ordinance
318.28 or ordinances, applicable thereto, not in conflict with this statute.

318.29 Subd. 6. **Denial of construction.** If the application to construct or make alterations
318.30 upon a manufactured home park or recreational camping area and the appurtenances
318.31 thereto or a ~~primary~~ license to operate and maintain the same is denied by the state
318.32 commissioner of health, the commissioner shall so state in writing giving the reason
318.33 or reasons for denying the application. If the objections can be corrected the applicant
318.34 may amend the application and resubmit it for approval, and if denied the applicant may
318.35 appeal from the decision of the state commissioner of health as provided in section
318.36 144.99, subdivision 10.

319.1 Sec. 42. Minnesota Statutes 2008, section 327.20, subdivision 1, is amended to read:

319.2 Subdivision 1. **Rules.** No domestic animals or house pets of occupants of
319.3 manufactured home parks or recreational camping areas shall be allowed to run at large,
319.4 or commit any nuisances within the limits of a manufactured home park or recreational
319.5 camping area. Each manufactured home park or recreational camping area licensed under
319.6 the provisions of sections 327.10, 327.11, and 327.14 to 327.28 shall, among other things,
319.7 provide for the following, ~~in the manner hereinafter specified:~~

319.8 (1) A responsible attendant or caretaker shall be in charge of every manufactured
319.9 home park or recreational camping area at all times, who shall maintain the park or
319.10 area, and its facilities and equipment in a clean, orderly and sanitary condition. In any
319.11 manufactured home park containing more than 50 lots, the attendant, caretaker, or other
319.12 responsible park employee, shall be readily available at all times in case of emergency.

319.13 (2) All manufactured home parks shall be well drained and be located so that the
319.14 drainage of the park area will not endanger any water supply. No wastewater from
319.15 manufactured homes or recreational camping vehicles shall be deposited on the surface of
319.16 the ground. All sewage and other water carried wastes shall be discharged into a municipal
319.17 sewage system whenever available. When a municipal sewage system is not available, a
319.18 sewage disposal system acceptable to the state commissioner of health shall be provided.

319.19 (3) No manufactured home shall be located closer than three feet to the side lot lines
319.20 of a manufactured home park, if the abutting property is improved property, or closer than
319.21 ten feet to a public street or alley. Each individual site shall abut or face on a driveway
319.22 or clear unoccupied space of not less than 16 feet in width, which space shall have
319.23 unobstructed access to a public highway or alley. There shall be an open space of at least
319.24 ten feet between the sides of adjacent manufactured homes including their attachments
319.25 and at least three feet between manufactured homes when parked end to end. The space
319.26 between manufactured homes may be used for the parking of motor vehicles and other
319.27 property, if the vehicle or other property is parked at least ten feet from the nearest
319.28 adjacent manufactured home position. The requirements of this paragraph shall not apply
319.29 to recreational camping areas and variances may be granted by the state commissioner
319.30 of health in manufactured home parks when the variance is applied for in writing and in
319.31 the opinion of the commissioner the variance will not endanger the health, safety, and
319.32 welfare of manufactured home park occupants.

319.33 (4) An adequate supply of water of safe, sanitary quality shall be furnished at each
319.34 manufactured home park or recreational camping area. The source of the water supply
319.35 shall first be approved by the state Department of Health.

(5) All plumbing shall be installed in accordance with the rules of the state commissioner of labor and industry and the provisions of the Minnesota Plumbing Code.

(6) In the case of a manufactured home park with less than ten manufactured homes, a plan for the sheltering or the safe evacuation to a safe place of shelter of the residents of the park in times of severe weather conditions, such as tornadoes, high winds, and floods. The shelter or evacuation plan shall be developed with the assistance and approval of the municipality where the park is located and shall be posted at conspicuous locations throughout the park. The park owner shall provide each resident with a copy of the approved shelter or evacuation plan, as provided by section 327C.01, subdivision 1c. Nothing in this paragraph requires the Department of Health to review or approve any shelter or evacuation plan developed by a park. Failure of a municipality to approve a plan submitted by a park shall not be grounds for action against the park by the Department of Health if the park has made a good faith effort to develop the plan and obtain municipal approval.

(7) A manufactured home park with ten or more manufactured homes, licensed prior to March 1, 1988, shall provide a safe place of shelter for park residents or a plan for the evacuation of park residents to a safe place of shelter within a reasonable distance of the park for use by park residents in times of severe weather, including tornadoes and high winds. The shelter or evacuation plan must be approved by the municipality by March 1, 1989. The municipality may require the park owner to construct a shelter if it determines that a safe place of shelter is not available within a reasonable distance from the park. A copy of the municipal approval and the plan shall be submitted by the park owner to the Department of Health. The park owner shall provide each resident with a copy of the approved shelter or evacuation plan, as provided by section 327C.01, subdivision 1c.

(8) A manufactured home park with ten or more manufactured homes, receiving ~~a primary~~ an initial license after March 1, 1988, must provide the type of shelter required by section 327.205, except that for manufactured home parks established as temporary, emergency housing in a disaster area declared by the President of the United States or the governor, an approved evacuation plan may be provided in lieu of a shelter for a period not exceeding 18 months.

(9) For the purposes of this subdivision, "park owner" and "resident" have the ~~meaning~~ meanings given them in section 327C.01.

Sec. 43. Minnesota Statutes 2008, section 327.20, is amended by adding a subdivision to read:

321.1 Subd. 4. **Special event recreational camping areas.** Each special event camping
321.2 area licensed under sections 327.10, 327.11, and 327.14 to 327.28 is subject to this section.

321.3 (1) Recreational camping vehicles and tents, including attachments, must be
321.4 separated from each other and other structures by at least seven feet.

321.5 (2) A minimum area of 300 square feet per site must be provided and the total
321.6 number of sites must not exceed one site for every 300 square feet of usable land area.

321.7 (3) Each site must abut or face a driveway or clear unoccupied space of at least 16
321.8 feet in width, which space must have unobstructed access to a public roadway.

321.9 (4) If no approved on-site water supply system is available, hauled water may be
321.10 used, provided that persons using hauled water comply with Minnesota Rules, parts
321.11 4720.4000 to 4720.4600.

321.12 (5) Nonburied sewer lines may be permitted provided they are of approved materials,
321.13 watertight, and properly maintained.

321.14 (6) If a sanitary dumping station is not provided on-site, arrangements must be
321.15 made with a licensed sewage pumper to service recreational camping vehicle holding
321.16 tanks as needed.

321.17 (7) Toilet facilities must be provided consisting of toilets connected to an approved
321.18 sewage disposal system, portable toilets, or approved, properly constructed privies.

321.19 (8) Toilets must be provided in the ratio of one toilet for each sex for each 150 sites.

321.20 (9) Toilets must be not more than 400 feet from any site.

321.21 (10) If a central building or buildings are provided with running water, then toilets
321.22 and handwashing lavatories must be provided in the building or buildings that meet the
321.23 requirements of this subdivision.

321.24 (11) Showers, if provided, must be provided in the ratio of one shower for each sex
321.25 for each 250 sites. Showerheads must be provided, where running water is available, for
321.26 each camping event exceeding two nights.

321.27 (12) Central toilet and shower buildings, if provided, must be constructed with
321.28 adequate heating, ventilation, and lighting, and floors of impervious material sloped
321.29 to drain. Walls must be of a washable material. Permanent facilities must meet the
321.30 requirements of the Americans with Disabilities Act.

321.31 (13) An adequate number of durable, covered, watertight containers must be
321.32 provided for all garbage and refuse. Garbage and refuse must be collected as often as
321.33 necessary to prevent nuisance conditions.

321.34 (14) Campgrounds must be located in areas free of poison ivy or other noxious
321.35 weeds considered detrimental to health. Sites must not be located in areas of tall grass or
321.36 weeds and sites must be adequately drained.

322.1 (15) Campsites for recreational vehicles may not be located on inclines of greater
322.2 than eight percent grade or one inch drop per lineal foot.

322.3 (16) A responsible attendant or caretaker must be available on-site at all times during
322.4 the operation of any special event recreational camping area that has 50 or more sites.

322.5 Sec. 44. **MINNESOTA COLORECTAL CANCER PREVENTION ACT.**

322.6 Subdivision 1. **Purpose.** Colon cancer is one of Minnesota's leading causes of
322.7 death and one of the most preventable forms of cancer. The Minnesota Colorectal
322.8 Cancer Prevention Act creates a demonstration project and public-private partnership
322.9 that leverages business, nonprofit, and government sectors to reduce the incidence of
322.10 colon cancer, reduce future health care expenditures, and address health disparities by
322.11 emphasizing prevention in a manner consistent with Minnesota's health care reform goals.

322.12 Subd. 2. **Establishment.** The commissioner of health shall award grants to
322.13 Hennepin County Medical Center and MeritCare Bemidji for a colorectal screening
322.14 demonstration project to provide screening to uninsured and underinsured women and
322.15 men.

322.16 Subd. 3. **Eligibility.** To be eligible for colorectal screening under this demonstration
322.17 project, an applicant must:

322.18 (1) be at least 50 years of age, or under the age of 50 and at high risk for colon cancer;

322.19 (2) be uninsured, or if insured, has coverage that does not cover the full cost of
322.20 colorectal cancer screenings;

322.21 (3) not eligible for medical assistance, general assistance medical care, or
322.22 MinnesotaCare programs; and

322.23 (4) have a gross family income at or below 250 percent of the federal poverty level.

322.24 Subd. 4. **Services.** Services provided under this project shall include:

322.25 (1) colorectal cancer screening, according to standard practices of medicine, or
322.26 guidelines provided by the Institute for Clinical Systems Improvement or the American
322.27 Cancer Society;

322.28 (2) follow-up services for abnormal tests; and

322.29 (3) diagnostic services to determine the extent and proper course of treatment.

322.30 Subd. 5. **Project evaluation.** The commissioner of health, in consultation with the
322.31 University of Minnesota School of Public Health, shall evaluate the demonstration project
322.32 and make recommendations for increasing the number of persons in Minnesota who
322.33 receive recommended colon cancer screening. The commissioner of health shall submit
322.34 the evaluation and recommendations to the legislature by January 1, 2011.

323.1 Sec. 45. **WOMEN'S HEART HEALTH PILOT PROJECT.**

323.2 Subdivision 1. Establishment. The commissioner of health shall develop and
323.3 implement a women's heart health pilot project to provide heart disease risk screening
323.4 to uninsured and underinsured women, who are low-income, American Indian, or other
323.5 minority.

323.6 Subd. 2. Services. Under this project, the commissioner must contract with health
323.7 care clinics to provide heart disease risk screenings to eligible women. The clinics may
323.8 also provide follow-up services to women found to be at risk for heart disease.

323.9 Subd. 3. Eligibility. To be eligible for screening under this program, an applicant
323.10 must:

323.11 (1) be between the ages of 40 and 64 years;

323.12 (2) receive breast and cervical cancer screening services under the Department of
323.13 Health's Sage program;

323.14 (3) be uninsured, or have insurance that does not cover heart disease risk screenings;
323.15 and

323.16 (4) have a gross family income at or below 150 percent of the federal poverty level.

323.17 Sec. 46. **EXPOSURE LEVELS STUDY.**

323.18 The commissioner of health shall work with appropriate local, state, and federal
323.19 agencies to determine whether the levels of exposure to pentachlorophenol (PCP) in
323.20 Minneapolis neighborhoods where utility poles treated with PCP or creosote, probable
323.21 human carcinogens, are installed, exceed human health risk limits or maximum
323.22 contaminant levels for residents, utility workers, and others who handle the treated poles.

323.23 Sec. 47. **FEASIBILITY PILOT PROJECT FOR CANCER SURVEILLANCE.**

323.24 The commissioner of health must provide a grant to the Hennepin County Medical
323.25 Center for a one-year feasibility pilot project to collect occupational history and residential
323.26 history data from newly diagnosed cancer patients at the Hennepin County Medical
323.27 Center's Cancer Center. Funding for this grant shall come from the Department of Health's
323.28 current resources for the Chronic Disease and Environmental Epidemiology Section.

323.29 Under this pilot project, Hennepin County Medical Center will design an expansion
323.30 of its existing cancer registry to include the collection of additional data, including the
323.31 cancer patient's occupational history, residential history, and military service history.
323.32 Patient consent is required for collection of these additional data. The consent must be in
323.33 writing and must contain notice informing the patient about private and confidential data
323.34 concerning the patient pursuant to Minnesota Statutes, section 13.04, subdivision 2. The

patient is entitled to opt out of the project at any time. The data collection expansion may also include the cancer patient's possible toxic environmental exposure history, if known.

The purpose of this pilot project is to determine the following:

(1) the feasibility of collecting these data on a statewide scale;

(2) the potential design of a self-administered patient questionnaire template; and

(3) necessary qualifications for staff who will collect these data.

Hennepin County Medical Center must report the results of this pilot project to the legislature by October 1, 2010.

Sec. 48. **SMOKING CESSATION.**

The commissioner of health must prioritize smoking prevention and smoking cessation activities in low-income, indigenous, and minority communities in their collaborations with the ClearWay organization.

Sec. 49. **MEDICAL RESPONSE UNIT REIMBURSEMENT PILOT PROGRAM.**

(a) The Department of Public Safety or its contract designee shall collaborate with the Minnesota Ambulance Association to create the parameters of the medical response unit reimbursement pilot program, including determining criteria for baseline data reporting.

(b) In conducting the pilot program, the Department of Public Safety must consult with the Minnesota Ambulance Association, Minnesota Fire Chiefs Association, Emergency Services Regulatory Board, and the Minnesota Council of Health Plans to:

(1) identify no more than five medical response units registered as medical response units with the Minnesota Emergency Medical Services Regulatory Board according to Minnesota Statutes, chapter 144E, to participate in the program;

(2) outline and develop criteria for reimbursement;

(3) determine the amount of reimbursement for each unit response; and

(4) collect program data to be analyzed for a final report.

(c) Further criteria for the medical response unit reimbursement pilot program shall include:

(1) the pilot program will expire on December 31, 2010, or when the appropriation is extended, whichever occurs first;

(2) a report shall be made to the legislature by March 1, 2011, by the Department of Public Safety or its contractor as to the effectiveness and value of this reimbursement pilot program to the emergency medical services delivery system, any actual or potential savings to the health care system, and impact on patient outcomes;

(3) participating medical response units must adhere to the requirements of this pilot program outlined in an agreement between the Department of Public Safety and the medical response unit, including but not limited to, requirements relating to data collection, response criteria, and patient outcomes and disposition;

(4) individual entities licensed to provide ambulance care under Minnesota Statutes, chapter 144E, are not eligible for participation in this pilot program;

(5) if a participating medical response unit withdraws from the pilot program, the Department of Public Safety in consultation with the Minnesota Ambulance Association may choose another pilot site if funding is available;

(6) medical response units must coordinate their operations under this pilot project with the ambulance service or services licensed to provide care in their first response geographic areas;

(7) licensed ambulance services that participate with the medical response unit in the pilot program assume no financial or legal liability for the actions of the participating medical response unit; and

(8) the Department of Public Safety and its pilot program partners have no ongoing responsibility to reimburse medical response units beyond the parameters of the pilot program.

Sec. 50. **REPEALER.**

(a) Minnesota Statutes 2008, sections 103I.112; 144.9501, subdivision 17b; and 327.14, subdivisions 5 and 6, are repealed.

(b) Minnesota Rules, part 4626.2015, subpart 9, is repealed.

ARTICLE 12
HEALTH-RELATED FEES

Section 1. Minnesota Statutes 2008, section 148.108, is amended to read:

148.108 FEES.

Subdivision 1. **Fees.** In addition to the fees established in Minnesota Rules, chapter 2500, and according to sections 148.05, 148.06, 148.07, and 148.10, subdivisions 2 and 3, the board is authorized to charge the fees in this section.

Subd. 2. ~~**Annual renewal of inactive acupuncture registration**~~ **License and registration fees.** ~~The annual renewal of an inactive acupuncture registration fee is \$25.~~
License and registration fees are as follows:

(1) for a license application fee, \$300;

(2) for a license active renewal fee, \$220;

- 326.1 (3) for a license inactive renewal fee, \$165;
326.2 (4) for an acupuncture initial registration fee, \$125;
326.3 (5) for an acupuncture active registration renewal fee, \$75;
326.4 (6) for an acupuncture registration reinstatement fee, \$50;
326.5 (7) for an acupuncture inactive registration renewal fee, \$25;
326.6 (8) for an animal chiropractic registration fee, \$125;
326.7 (9) for an animal chiropractic active registration renewal fee, \$75; and
326.8 (10) for an animal chiropractic inactive registration renewal fee, \$25.
326.9 ~~Subd. 3. **Acupuncture reinstatement.** The acupuncture reinstatement fee is \$50.~~

326.10 Sec. 2. Minnesota Statutes 2008, section 148D.180, subdivision 1, is amended to read:

326.11 Subdivision 1. **Application fees.** Application fees for licensure are as follows:

- 326.12 (1) for a licensed social worker, \$45;
326.13 (2) for a licensed graduate social worker, \$45;
326.14 (3) for a licensed independent social worker, ~~\$90~~ \$45;
326.15 (4) for a licensed independent clinical social worker, ~~\$90~~ \$45;
326.16 (5) for a temporary license, \$50; and
326.17 (6) for a licensure by endorsement, ~~\$150~~ \$85.

326.18 The fee for criminal background checks is the fee charged by the Bureau of Criminal
326.19 Apprehension. The criminal background check fee must be included with the application
326.20 fee as required pursuant to section 148D.055.

326.21 Sec. 3. Minnesota Statutes 2008, section 148D.180, subdivision 2, is amended to read:

326.22 Subd. 2. **License fees.** License fees are as follows:

- 326.23 (1) for a licensed social worker, ~~\$115.20~~ \$81;
326.24 (2) for a licensed graduate social worker, ~~\$201.60~~ \$144;
326.25 (3) for a licensed independent social worker, ~~\$302.40~~ \$216;
326.26 (4) for a licensed independent clinical social worker, ~~\$331.20~~ \$238.50;
326.27 (5) for an emeritus license, \$43.20; and
326.28 (6) for a temporary leave fee, the same as the renewal fee specified in subdivision 3.

326.29 If the licensee's initial license term is less or more than 24 months, the required
326.30 license fees must be prorated proportionately.

326.31 Sec. 4. Minnesota Statutes 2008, section 148D.180, subdivision 3, is amended to read:

326.32 Subd. 3. **Renewal fees.** Renewal fees for licensure are as follows:

- 326.33 (1) for a licensed social worker, ~~\$115.20~~ \$81;

- 327.1 (2) for a licensed graduate social worker, ~~\$201.60~~ \$144;
- 327.2 (3) for a licensed independent social worker, ~~\$302.40~~ \$216; and
- 327.3 (4) for a licensed independent clinical social worker, ~~\$331.20~~ \$238.50.

327.4 Sec. 5. Minnesota Statutes 2008, section 148D.180, subdivision 5, is amended to read:

327.5 Subd. 5. **Late fees.** Late fees are as follows:

- 327.6 (1) renewal late fee, ~~one-half~~ one-fourth of the renewal fee specified in subdivision
- 327.7 3; and
- 327.8 (2) supervision plan late fee, \$40.

327.9 Sec. 6. Minnesota Statutes 2008, section 148E.180, subdivision 1, is amended to read:

327.10 Subdivision 1. **Application fees.** Application fees for licensure are as follows:

- 327.11 (1) for a licensed social worker, \$45;
- 327.12 (2) for a licensed graduate social worker, \$45;
- 327.13 (3) for a licensed independent social worker, ~~\$90~~ \$45;
- 327.14 (4) for a licensed independent clinical social worker, ~~\$90~~ \$45;
- 327.15 (5) for a temporary license, \$50; and
- 327.16 (6) for a licensure by endorsement, ~~\$150~~ \$85.

327.17 The fee for criminal background checks is the fee charged by the Bureau of Criminal

327.18 Apprehension. The criminal background check fee must be included with the application

327.19 fee as required according to section 148E.055.

327.20 Sec. 7. Minnesota Statutes 2008, section 148E.180, subdivision 2, is amended to read:

327.21 Subd. 2. **License fees.** License fees are as follows:

- 327.22 (1) for a licensed social worker, ~~\$115.20~~ \$81;
- 327.23 (2) for a licensed graduate social worker, ~~\$201.60~~ \$144;
- 327.24 (3) for a licensed independent social worker, ~~\$302.40~~ \$216;
- 327.25 (4) for a licensed independent clinical social worker, ~~\$331.20~~ \$238.50;
- 327.26 (5) for an emeritus license, \$43.20; and
- 327.27 (6) for a temporary leave fee, the same as the renewal fee specified in subdivision 3.

327.28 If the licensee's initial license term is less or more than 24 months, the required

327.29 license fees must be prorated proportionately.

327.30 Sec. 8. Minnesota Statutes 2008, section 148E.180, subdivision 3, is amended to read:

327.31 Subd. 3. **Renewal fees.** Renewal fees for licensure are as follows:

- 327.32 (1) for a licensed social worker, ~~\$115.20~~ \$81;

- 328.1 (2) for a licensed graduate social worker, ~~\$201.60~~ \$144;
- 328.2 (3) for a licensed independent social worker, ~~\$302.40~~ \$216; and
- 328.3 (4) for a licensed independent clinical social worker, ~~\$331.20~~ \$238.50.

328.4 Sec. 9. Minnesota Statutes 2008, section 148E.180, subdivision 5, is amended to read:

328.5 Subd. 5. **Late fees.** Late fees are as follows:

- 328.6 (1) renewal late fee, ~~one-half~~ one-fourth of the renewal fee specified in subdivision
- 328.7 3; and
- 328.8 (2) supervision plan late fee, \$40.

328.9 Sec. 10. **[156.011] LICENSE, APPLICATION, AND EXAMINATION FEES.**

328.10 Subdivision 1. **Application fee.** A person applying for a license to practice

328.11 veterinary medicine in Minnesota or applying for a permit to take the national veterinary

328.12 medical examination must pay a \$60 nonrefundable application fee to the board. Persons

328.13 submitting concurrent applications for licensure and a national examination permit shall

328.14 pay only one application fee.

328.15 Subd. 2. **Examination fees.** (a) An applicant for veterinary licensure in Minnesota

328.16 must successfully pass the Minnesota Veterinary Jurisprudence Examination. The fee for

328.17 this examination is \$60, payable to the board.

328.18 (b) An applicant participating in the national veterinary licensing examination must

328.19 complete a separate application for the national examination and submit the application

328.20 to the board for approval. Payment for the national examination must be made by the

328.21 applicant to the national board examination committee.

328.22 Sec. 11. **[156.012] INITIAL AND RENEWAL FEE.**

328.23 Subdivision 1. **Required for licensure.** A person now licensed to practice

328.24 veterinary medicine in this state, or who becomes licensed by the Board of Veterinary

328.25 Medicine to engage in the practice, shall pay an initial fee or a biennial license renewal

328.26 fee if the person wishes to practice veterinary medicine in the coming two-year period

328.27 or remain licensed as a veterinarian. A licensure period begins on March 1 and expires

328.28 the last day of February two years later. A licensee with an even-numbered license shall

328.29 renew by March 1 of even-numbered years and a licensee with an odd-numbered license

328.30 shall renew by March 1 of odd-numbered years.

328.31 Subd. 2. **Amount.** The initial licensure fee and the biennial renewal fee is \$280

328.32 and must be paid to the executive director of the board. By January 1 of the first year

328.33 for which the biennial renewal fee is due, the board shall issue a renewal application to

329.1 a current licensee to the last address maintained in the board file. Failure to receive this
329.2 notice does not relieve the licensee of the obligation to pay renewal fees so that they are
329.3 received by the board on or before the renewal date of March 1.

329.4 Initial licenses issued after the start of the licensure renewal period are valid only
329.5 until the end of the period.

329.6 Subd. 3. **Date due.** A licensee must apply for a renewal license on or before March
329.7 1 of the first year of the biennial license renewal period. A renewal license is valid
329.8 from March 1 through the last day of February of the last year of the two-year license
329.9 renewal period. An application postmarked no later than the last day of February must be
329.10 considered to have been received on March 1.

329.11 Subd. 4. **Late renewal penalty.** An applicant for renewal must pay a late renewal
329.12 penalty of \$140 in addition to the renewal fee if the application for renewal is received
329.13 after March 1 of the licensure renewal period. A renewed license issued after March 1 of
329.14 the licensure renewal period is valid only to the end of the period regardless of when the
329.15 renewal fee is received.

329.16 Subd. 5. **Reinstatement fee.** An applicant for license renewal whose license
329.17 has previously been suspended by official board action for nonrenewal must pay a
329.18 reinstatement fee of \$60 in addition to the \$280 renewal fee and the \$140 late renewal
329.19 penalty.

329.20 Subd. 6. **Penalty for failure to pay.** Within 30 days after the renewal date, a
329.21 licensee who has not renewed the license must be notified by letter sent to the last known
329.22 address of the licensee in the file of the board that the renewal is overdue and that failure
329.23 to pay the current fee and current late fee within 60 days after the renewal date will result
329.24 in suspension of the license. A second notice must be sent by registered or certified mail at
329.25 least seven days before a board meeting occurring 60 days or more after the renewal date
329.26 to a licensee who has not paid the renewal fee and late fee.

329.27 Subd. 7. **Suspension.** The board, by means of a roll call vote, shall suspend the
329.28 license of a licensee whose license renewal is at least 60 days overdue and to whom
329.29 notification has been sent as provided in Minnesota Rules, part 9100.0500, subpart 5.
329.30 Failure of a licensee to receive notification is not grounds for later challenge by the
329.31 licensee of the suspension. The former licensee must be notified by registered or certified
329.32 letter within seven days of the board action. The suspended status placed on a license may
329.33 be removed only on payment of renewal fees and late penalty fees for each licensure
329.34 period or part of a period that the license was not renewed. A licensee who fails to renew a
329.35 license for five years or more must meet the criteria of section 156.071 for relicensure.

Subd. 8. **Inactive license.** (a) A person holding a current active license to practice veterinary medicine in Minnesota may, at the time of the person's next biennial license renewal date, renew the license as an inactive license at one-half the renewal fee of an active license. The license may be continued in an inactive status by renewal on a biennial basis at one-half the regular license fee.

(b) A person holding an inactive license is not permitted to practice veterinary medicine in Minnesota and remains under the disciplinary authority of the board.

(c) A person may convert a current inactive license to an active license upon application to and approval by the board. The application must include:

(1) documentation of licensure in good standing and of having met continuing education requirements of current state of practice, or documentation of having met Minnesota continuing education requirements retroactive to the date of licensure inactivation;

(2) certification by the applicant that the applicant is not currently under disciplinary orders or investigation for acts that could result in disciplinary action in any other jurisdiction; and

(3) payment of a fee equal to the full difference between an inactive and active license if converting during the first year of the biennial license cycle or payment of a fee equal to one-half the difference between an inactive and an active license if converting during the second year of the license cycle.

(d) Deadline for renewal of an inactive license is March 1 of the first year of the biennial license renewal period. A late renewal penalty of one-half the inactive renewal fee must be paid if renewal is received after March 1.

Sec. 12. Minnesota Statutes 2008, section 156.015, is amended to read:

156.015 MISCELLANEOUS FEES.

Subdivision 1. **Verification of licensure.** The board may charge a fee of \$25 per license verification to a licensee for verification of licensure status provided to other veterinary licensing boards.

Subd. 2. **Continuing education review.** The board may charge a fee of \$50 per submission to a sponsor for review and approval of individual continuing education seminars, courses, wet labs, and lectures. This fee does not apply to continuing education sponsors that already meet the criteria for preapproval under Minnesota Rules, part 9100.1000, subpart 3, item A.

331.1 Subd. 3. **Temporary license fee.** A person meeting the requirements for issuance
331.2 of a temporary permit to practice veterinary medicine under section 156.073, pending
331.3 examination, who desires a temporary permit shall pay a fee of \$60 to the board.

331.4 Subd. 4. **Duplicate license.** A person requesting issuance of a duplicate or
331.5 replacement license shall pay a fee of \$15 to the board.

331.6 Subd. 5. **Mailing examination and reference materials.** An applicant who resides
331.7 outside the Twin Cities metropolitan area may request to take the Minnesota Veterinary
331.8 Jurisprudence Examination by mail. The fee for mailing the examination and reference
331.9 materials is \$15.

331.10 Sec. 13. **REPEALER.**

331.11 (a) Minnesota Rules, parts 9100.0400, subparts 1 and 3; 9100.0500; and 9100.0600,
331.12 are repealed.

331.13 (b) Minnesota Statutes 2008, section 148D.180, subdivision 8, is repealed.

331.14 **ARTICLE 13**
331.15 **MISCELLANEOUS**

331.16 Section 1. Minnesota Statutes 2008, section 256.045, subdivision 3, is amended to read:

331.17 Subd. 3. **State agency hearings.** (a) State agency hearings are available for the
331.18 following:

331.19 (1) any person applying for, receiving or having received public assistance, medical
331.20 care, or a program of social services granted by the state agency or a county agency or
331.21 the federal Food Stamp Act whose application for assistance is denied, not acted upon
331.22 with reasonable promptness, or whose assistance is suspended, reduced, terminated, or
331.23 claimed to have been incorrectly paid;

331.24 (2) any patient or relative aggrieved by an order of the commissioner under section
331.25 252.27;

331.26 (3) a party aggrieved by a ruling of a prepaid health plan;

331.27 (4) except as provided under chapter 245C, any individual or facility determined by
331.28 a lead agency to have maltreated a vulnerable adult under section 626.557 after they have
331.29 exercised their right to administrative reconsideration under section 626.557;

331.30 (5) any person whose claim for foster care payment according to a placement of the
331.31 child resulting from a child protection assessment under section 626.556 is denied or not
331.32 acted upon with reasonable promptness, regardless of funding source;

331.33 (6) any person to whom a right of appeal according to this section is given by other
331.34 provision of law;

(7) an applicant aggrieved by an adverse decision to an application for a hardship waiver under section 256B.15;

(8) an applicant aggrieved by an adverse decision to an application or redetermination for a Medicare Part D prescription drug subsidy under section 256B.04, subdivision 4a;

(9) except as provided under chapter 245A, an individual or facility determined to have maltreated a minor under section 626.556, after the individual or facility has exercised the right to administrative reconsideration under section 626.556; ~~or~~

(10) except as provided under chapter 245C, an individual disqualified under sections 245C.14 and 245C.15, on the basis of serious or recurring maltreatment; a preponderance of the evidence that the individual has committed an act or acts that meet the definition of any of the crimes listed in section 245C.15, subdivisions 1 to 4; or for failing to make reports required under section 626.556, subdivision 3, or 626.557, subdivision 3. Hearings regarding a maltreatment determination under clause (4) or (9) and a disqualification under this clause in which the basis for a disqualification is serious or recurring maltreatment, which has not been set aside under sections 245C.22 and 245C.23, shall be consolidated into a single fair hearing. In such cases, the scope of review by the human services referee shall include both the maltreatment determination and the disqualification. The failure to exercise the right to an administrative reconsideration shall not be a bar to a hearing under this section if federal law provides an individual the right to a hearing to dispute a finding of maltreatment. Individuals and organizations specified in this section may contest the specified action, decision, or final disposition before the state agency by submitting a written request for a hearing to the state agency within 30 days after receiving written notice of the action, decision, or final disposition, or within 90 days of such written notice if the applicant, recipient, patient, or relative shows good cause why the request was not submitted within the 30-day time limit; or

(11) any person with an outstanding debt resulting from receipt of public assistance, medical care, or the federal Food Stamp Act who is contesting a setoff claim by the Department of Human Services or a county agency. The scope of the appeal is the validity of the claimant agency's intention to request a setoff of a refund under chapter 270A against the debt.

(b) The hearing for an individual or facility under paragraph (a), clause (4), (9), or (10), is the only administrative appeal to the final agency determination specifically, including a challenge to the accuracy and completeness of data under section 13.04. Hearings requested under paragraph (a), clause (4), apply only to incidents of maltreatment that occur on or after October 1, 1995. Hearings requested by nursing assistants in nursing homes alleged to have maltreated a resident prior to October 1, 1995, shall be held as a

333.1 contested case proceeding under the provisions of chapter 14. Hearings requested under
333.2 paragraph (a), clause (9), apply only to incidents of maltreatment that occur on or after
333.3 July 1, 1997. A hearing for an individual or facility under paragraph (a), clause (9), is
333.4 only available when there is no juvenile court or adult criminal action pending. If such
333.5 action is filed in either court while an administrative review is pending, the administrative
333.6 review must be suspended until the judicial actions are completed. If the juvenile court
333.7 action or criminal charge is dismissed or the criminal action overturned, the matter may be
333.8 considered in an administrative hearing.

333.9 (c) For purposes of this section, bargaining unit grievance procedures are not an
333.10 administrative appeal.

333.11 (d) The scope of hearings involving claims to foster care payments under paragraph
333.12 (a), clause (5), shall be limited to the issue of whether the county is legally responsible
333.13 for a child's placement under court order or voluntary placement agreement and, if so,
333.14 the correct amount of foster care payment to be made on the child's behalf and shall not
333.15 include review of the propriety of the county's child protection determination or child
333.16 placement decision.

333.17 (e) A vendor of medical care as defined in section 256B.02, subdivision 7, or a
333.18 vendor under contract with a county agency to provide social services is not a party and
333.19 may not request a hearing under this section, except if assisting a recipient as provided in
333.20 subdivision 4.

333.21 (f) An applicant or recipient is not entitled to receive social services beyond the
333.22 services prescribed under chapter 256M or other social services the person is eligible
333.23 for under state law.

333.24 (g) The commissioner may summarily affirm the county or state agency's proposed
333.25 action without a hearing when the sole issue is an automatic change due to a change in
333.26 state or federal law.

333.27 Sec. 2. Minnesota Statutes 2008, section 256.983, subdivision 1, is amended to read:

333.28 Subdivision 1. **Programs established.** Within the limits of available appropriations,
333.29 the commissioner of human services shall require the maintenance of budget neutral
333.30 fraud prevention investigation programs in the counties participating in the fraud
333.31 prevention investigation project established under this section. If funds are sufficient,
333.32 the commissioner may also extend fraud prevention investigation programs to other
333.33 counties provided the expansion is budget neutral to the state. Under any expansion, the
333.34 commissioner has the final authority in decisions regarding the creation and realignment
333.35 of individual county or regional operations.

Sec. 3. Minnesota Statutes 2008, section 259.67, is amended by adding a subdivision to read:

Subd. 3b. **Extension; adoption finalized after age 16.** A child who has attained the age of 16 prior to finalization of their adoption is eligible for extension of the adoption assistance agreement to the date the child attains age 21 if the child is:

(1) completing a secondary education program or a program leading to an equivalent credential;

(2) enrolled in an institution which provides postsecondary or vocational education;

(3) participating in a program or activity designed to promote or remove barriers to employment;

(4) employed for at least 80 hours per month; or

(5) incapable of doing any of the activities described in clauses (1) to (4) due to a medical condition which incapability is supported by regularly updated information in the case plan of the child.

EFFECTIVE DATE. This section is effective October 1, 2010.

Sec. 4. Minnesota Statutes 2008, section 270A.09, is amended by adding a subdivision to read:

Subd. 1b. **Department of Human Services claims.** Notwithstanding subdivision 1, any debtor contesting a setoff claim by the Department of Human Services or a county agency whose claim relates to a debt resulting from receipt of public assistance, medical care, or the federal Food Stamp Act shall have a hearing conducted in the same manner as an appeal under sections 256.045 and 256.0451.

Sec. 5. **DIRECTION TO COMMISSIONER.**

(a) By January 15, 2010, the commissioner of human services shall issue a report to the legislature outlining the citizenship status verification efforts in each county conducted under Minnesota Statutes, section 256.01, subdivision 18, and whether the results of the verifications have ensured the delivery of each program administered by the agency to individuals who are lawfully eligible to receive program services.

(b) The report shall include annual county summary activity compiled from July 1, 2001, through December 31, 2009. The report shall include the number of applicants for each program administered by each county under Minnesota Statutes, chapters 256, 256D, 256B, 256I, 256J, and 256L, the corresponding number of SAVE program queries for each program, and the number of applicants excluded from participation in each program due to the findings of the SAVE query for each respective applicant. Each county

shall cooperate in the collection, coordination, and reporting efforts regarding SAVE to implement the requirements of this section.

ARTICLE 14
HUMAN SERVICES FORECAST ADJUSTMENTS

Section 1. SUMMARY OF APPROPRIATIONS; DEPARTMENT OF HUMAN SERVICES FORECAST ADJUSTMENT.

The dollar amounts shown are added to or, if shown in parentheses, are subtracted from the appropriations in Laws 2008, chapter 363, from the general fund, or any other fund named, to the Department of Human Services for the purposes specified in this article, to be available for the fiscal year indicated for each purpose. The figure "2009" used in this article means that the appropriation or appropriations listed are available for the fiscal year ending June 30, 2009. Supplemental appropriations and reductions to appropriations for the fiscal year ending June 30, 2009, are effective the day following final enactment.

Sec. 2. COMMISSIONER OF HUMAN SERVICES

Subdivision 1. Total Appropriation \$ (478,994,000)

Appropriations by Fund	
2009	
General	(445,130,000)
Health Care Access	(19,460,000)
Federal TANF	(14,404,000)

Subd. 2. Revenue and Pass-Through

Federal TANF 1,107,000

Subd. 3. Children and Economic Assistance Grants

General	27,002,000
Federal TANF	(16,211,000)
Total	10,791,000

The amounts that may be spent from this appropriation for each purpose are as follows:

(a) MFIP/DWP Grants

General	17,530,000
Federal TANF	(16,211,000)

(b) MFIP Child Care Assistance Grants 4,933,000

336.1	<u>(c) General Assistance Grants</u>	<u>1,458,000</u>
336.2	<u>(d) Minnesota Supplemental Aid Grants</u>	<u>513,000</u>
336.3	<u>(e) Group Residential Housing Grants</u>	<u>2,568,000</u>
336.4	<u>Subd. 4. Basic Health Care Grants</u>	
336.5	<u>General</u>	<u>(224,341,000)</u>
336.6	<u>Health Care Access</u>	<u>(19,460,000)</u>
336.7	<u>Total</u>	<u>(243,801,000)</u>
336.8	<u>The amounts that may be spent from this</u>	
336.9	<u>appropriation for each purpose are as follows:</u>	
336.10	<u>(a) MinnesotaCare</u>	
336.11	<u>Health Care Access</u>	<u>(19,460,000)</u>
336.12	<u>(b) MA Basic Health Care - Families and</u>	
336.13	<u>Children</u>	<u>(100,055,000)</u>
336.14	<u>(c) MA Basic Health Care - Elderly and</u>	
336.15	<u>Disabled</u>	<u>(136,795,000)</u>
336.16	<u>(d) General Assistance Medical Care</u>	<u>12,539,000</u>
336.17	<u>Subd. 5. Continuing Care Grants</u>	<u>(247,791,000)</u>
336.18	<u>The amounts that may be spent from this</u>	
336.19	<u>appropriation for each purpose are as follows:</u>	
336.20	<u>(a) MA Long-Term Care Facilities</u>	<u>(59,204,000)</u>
336.21	<u>(b) MA Long-Term Care Waivers</u>	<u>(168,927,000)</u>
336.22	<u>(c) Chemical Dependency Entitlement Grants</u>	<u>(19,660,000)</u>

ARTICLE 15

APPROPRIATIONS

Section 1. SUMMARY OF APPROPRIATIONS.

The amounts shown in this section summarize direct appropriations by fund made in this article.

336.28		<u>2010</u>		<u>2011</u>		<u>Total</u>
336.29	<u>General</u>	<u>\$ 4,362,970,000</u>	<u>\$</u>	<u>5,223,144,000</u>	<u>\$</u>	<u>9,586,114,000</u>
336.30	<u>State Government Special</u>					
336.31	<u>Revenue</u>	<u>63,219,000</u>		<u>63,139,000</u>		<u>126,358,000</u>
336.32	<u>Health Care Access</u>	<u>484,881,000</u>		<u>575,920,000</u>		<u>1,060,801,000</u>

337.1	<u>Federal TANF</u>	<u>288,605,000</u>	<u>256,149,000</u>	<u>544,754,000</u>
337.2	<u>Lottery Prize</u>	<u>1,665,000</u>	<u>1,665,000</u>	<u>3,330,000</u>
337.3	<u>Federal Fund</u>	<u>104,300,000</u>	<u>0</u>	<u>104,300,000</u>
337.4	<u>Total</u>	<u>\$ 5,305,640,000</u>	<u>\$ 6,120,010,000</u>	<u>\$ 11,425,657,000</u>

337.5 Sec. 2. **HEALTH AND HUMAN SERVICES APPROPRIATION.**

337.6 The sums shown in the columns marked "Appropriations" are appropriated to the
337.7 agencies and for the purposes specified in this article. The appropriations are from the
337.8 general fund, or another named fund, and are available for the fiscal years indicated
337.9 for each purpose. The figures "2010" and "2011" used in this article mean that the
337.10 appropriations listed under them are available for the fiscal year ending June 30, 2010, or
337.11 June 30, 2011, respectively. "The first year" is fiscal year 2010. "The second year" is fiscal
337.12 year 2011. "The biennium" is fiscal years 2010 and 2011. Appropriations from the federal
337.13 fund are from money received under the American Reinvestment and Recovery Act of
337.14 2009, Public Law 111-5, unless otherwise specified. Appropriations for the fiscal year
337.15 ending June 30, 2009, are effective the day following final enactment.

337.16		<u>APPROPRIATIONS</u>
337.17		<u>Available for the Year</u>
337.18		<u>Ending June 30</u>
337.19		<u>2010</u> <u>2011</u>

337.20 Sec. 3. **HUMAN SERVICES**

337.21 Subdivision 1. Total Appropriation **\$ 5,157,375,000** **\$ 5,954,708,000**

337.22	<u>Appropriations by Fund</u>		
337.23		<u>2010</u>	<u>2011</u>
337.24	<u>General</u>	<u>4,282,964,000</u>	<u>5,153,316,000</u>
337.25	<u>State Government</u>		
337.26	<u>Special Revenue</u>	<u>1,315,000</u>	<u>565,000</u>
337.27	<u>Health Care Access</u>	<u>478,526,000</u>	<u>569,113,000</u>
337.28	<u>Federal TANF</u>	<u>288,605,000</u>	<u>230,049,000</u>
337.29	<u>Lottery Prize</u>	<u>1,665,000</u>	<u>1,665,000</u>
337.30	<u>Federal Fund</u>	<u>104,300,000</u>	<u>0</u>

337.31 **Receipts for Systems Projects.**

337.32 Appropriations and federal receipts for
337.33 information systems projects for MAXIS,
337.34 PRISM, MMIS, and SSIS must be deposited
337.35 in the state system account authorized in
337.36 Minnesota Statutes, section 256.014. Money

338.1 appropriated for computer projects approved
338.2 by the Minnesota Office of Enterprise
338.3 Technology, funded by the legislature, and
338.4 approved by the commissioner of finance,
338.5 may be transferred from one project to
338.6 another and from development to operations
338.7 as the commissioner of human services
338.8 considers necessary. Any unexpended
338.9 balance in the appropriation for these
338.10 projects does not cancel but is available for
338.11 ongoing development and operations.

338.12 **Nonfederal Share Transfers.** The
338.13 nonfederal share of activities for which
338.14 federal administrative reimbursement is
338.15 appropriated to the commissioner may be
338.16 transferred to the special revenue fund.

338.17 **TANF Maintenance of Effort.**

338.18 (a) In order to meet the basic maintenance
338.19 of effort (MOE) requirements of the TANF
338.20 block grant specified under Code of Federal
338.21 Regulations, title 45, section 263.1, the
338.22 commissioner may only report nonfederal
338.23 money expended for allowable activities
338.24 listed in the following clauses as TANF/MOE
338.25 expenditures:

338.26 (1) MFIP cash, diversionary work program,
338.27 and food assistance benefits under Minnesota
338.28 Statutes, chapter 256J;

338.29 (2) the child care assistance programs
338.30 under Minnesota Statutes, sections 119B.03
338.31 and 119B.05, and county child care
338.32 administrative costs under Minnesota
338.33 Statutes, section 119B.15;

339.1 (3) state and county MFIP administrative
339.2 costs under Minnesota Statutes, chapters
339.3 256J and 256K;

339.4 (4) state, county, and tribal MFIP
339.5 employment services under Minnesota
339.6 Statutes, chapters 256J and 256K;

339.7 (5) expenditures made on behalf of
339.8 noncitizen MFIP recipients who qualify
339.9 for the medical assistance without federal
339.10 financial participation program under
339.11 Minnesota Statutes, section 256B.06,
339.12 subdivision 4, paragraphs (d), (e), and (j);
339.13 and

339.14 (6) qualifying working family credit
339.15 expenditures under Minnesota Statutes,
339.16 section 290.0671.

339.17 (b) The commissioner shall ensure that
339.18 sufficient qualified nonfederal expenditures
339.19 are made each year to meet the state's
339.20 TANF/MOE requirements. For the activities
339.21 listed in paragraph (a), clauses (2) to
339.22 (6), the commissioner may only report
339.23 expenditures that are excluded from the
339.24 definition of assistance under Code of
339.25 Federal Regulations, title 45, section 260.31.

339.26 (c) For fiscal years beginning with state
339.27 fiscal year 2003, the commissioner shall
339.28 ensure that the maintenance of effort used
339.29 by the commissioner of finance for the
339.30 February and November forecasts required
339.31 under Minnesota Statutes, section 16A.103,
339.32 contains expenditures under paragraph (a),
339.33 clause (1), equal to at least 16 percent of
339.34 the total required under Code of Federal
339.35 Regulations, title 45, section 263.1.

340.1 (d) For the federal fiscal years beginning on
340.2 or after October 1, 2007, the commissioner
340.3 may not claim an amount of TANF/MOE in
340.4 excess of the 75 percent standard in Code
340.5 of Federal Regulations, title 45, section
340.6 263.1(a)(2), except:

340.7 (1) to the extent necessary to meet the 80
340.8 percent standard under Code of Federal
340.9 Regulations, title 45, section 263.1(a)(1),
340.10 if it is determined by the commissioner
340.11 that the state will not meet the TANF work
340.12 participation target rate for the current year;
340.13 (2) to provide any additional amounts
340.14 under Code of Federal Regulations, title 45,
340.15 section 264.5, that relate to replacement of
340.16 TANF funds due to the operation of TANF
340.17 penalties; and

340.18 (3) to provide any additional amounts that
340.19 may contribute to avoiding or reducing
340.20 TANF work participation penalties through
340.21 the operation of the excess MOE provisions
340.22 of Code of Federal Regulations, title 45,
340.23 section 261.43(a)(2).

340.24 For the purposes of clauses (1) to (3),
340.25 the commissioner may supplement the
340.26 MOE claim with working family credit
340.27 expenditures to the extent such expenditures
340.28 or other qualified expenditures are otherwise
340.29 available after considering the expenditures
340.30 allowed in this section.

340.31 (e) Minnesota Statutes, section 256.011,
340.32 subdivision 3, which requires that federal
340.33 grants or aids secured or obtained under that
340.34 subdivision be used to reduce any direct

341.1 appropriations provided by law, do not apply
341.2 if the grants or aids are federal TANF funds.

341.3 (f) Notwithstanding any contrary provision
341.4 in this article, this provision expires June 30,
341.5 2013.

341.6 **Working Family Credit Expenditures as**
341.7 **TANF/MOE.** The commissioner may claim
341.8 as TANF/MOE up to \$6,707,000 per year for
341.9 fiscal year 2010 through fiscal year 2011.

341.10 **Working Family Credit Expenditures**
341.11 **to be Claimed for TANF/MOE.** The
341.12 commissioner may count the following
341.13 amounts of working family credit expenditure
341.14 as TANF/MOE:

341.15 (1) fiscal year 2010, \$23,688,000;

341.16 (2) fiscal year 2011, \$42,002,000;

341.17 (3) fiscal year 2012, \$48,701,000; and

341.18 (4) fiscal year 2013, \$49,359,000.

341.19 Notwithstanding any contrary provision in
341.20 this article, this rider expires June 30, 2013.

341.21 **TANF Transfer to Federal Child Care**
341.22 **and Development Fund.** The following
341.23 TANF fund amounts are appropriated to the
341.24 commissioner for the purposes of MFIP and
341.25 transition year child care under Minnesota
341.26 Statutes, section 119B.05:

341.27 (1) fiscal year 2010, \$0;

341.28 (2) fiscal year 2011, \$8,959,000;

341.29 (3) fiscal year 2012, \$35,129,000; and

341.30 (4) fiscal year 2013, \$35,848,000.

341.31 The commissioner shall authorize the
341.32 transfer of sufficient TANF funds to the
341.33 federal child care and development fund to

342.1 meet this appropriation and shall ensure that
342.2 all transferred funds are expended according
342.3 to federal child care and development fund
342.4 regulations. The transferred funds shall be
342.5 used to offset any general fund reductions to
342.6 MFIP child care in this article.

342.7 **Emergency Fund for the TANF Program.**
342.8 TANF Emergency Contingency funds
342.9 available under the American Recovery
342.10 and Reinvestment Act of 2009 (Public Law
342.11 111-5) are appropriated to the commissioner.
342.12 The commissioner must request TANF
342.13 Emergency Contingency funds from the
342.14 Secretary of the Department of Health
342.15 and Human Services to the extent the
342.16 commissioner meets or expects to meet the
342.17 requirements of section 403(c) of the Social
342.18 Security Act. The commissioner must seek
342.19 to maximize such grants. The funds received
342.20 must be used as appropriated.

342.21 **Subd. 2. Agency Management**

342.22 The amounts that may be spent from the
342.23 appropriation for each purpose are as follows:

342.24 **(a) Financial Operations**

342.25	<u>Appropriations by Fund</u>		
342.26	<u>General</u>	<u>3,380,000</u>	<u>3,908,000</u>
342.27	<u>Health Care Access</u>	<u>1,241,000</u>	<u>1,016,000</u>
342.28	<u>Federal TANF</u>	<u>122,000</u>	<u>122,000</u>

342.29 **(b) Legal and Regulatory Operations**

342.30	<u>Appropriations by Fund</u>		
342.31	<u>General</u>	<u>13,710,000</u>	<u>13,495,000</u>
342.32	<u>State Government</u>		
342.33	<u>Special Revenue</u>	<u>440,000</u>	<u>440,000</u>
342.34	<u>Health Care Access</u>	<u>943,000</u>	<u>943,000</u>
342.35	<u>Federal TANF</u>	<u>100,000</u>	<u>100,000</u>

343.1 **Base Adjustment.** The general fund base
343.2 is decreased \$4,550,000 in fiscal year 2012
343.3 and \$4,550,000 in fiscal year 2013. The state
343.4 government special revenue fund base is
343.5 increased \$4,500,000 in fiscal year 2012 and
343.6 \$4,500,000 in fiscal year 2013.

343.7 **(c) Management Operations**

343.8	<u>Appropriations by Fund</u>		
343.9	<u>General</u>	<u>4,715,000</u>	<u>4,715,000</u>
343.10	<u>Health Care Access</u>	<u>242,000</u>	<u>242,000</u>

343.11 **(d) Information Technology Operations**

343.12	<u>Appropriations by Fund</u>		
343.13	<u>General</u>	<u>28,077,000</u>	<u>28,077,000</u>
343.14	<u>Health Care Access</u>	<u>4,856,000</u>	<u>4,868,000</u>

343.15	<u>Subd. 3. Revenue and Pass-Through Revenue</u>		
343.16	<u>Expenditures</u>	<u>65,746,000</u>	<u>76,027,000</u>

343.17 This appropriation is from the federal TANF
343.18 fund.

343.19 **Subd. 4. Children and Economic Assistance**
343.20 **Grants**

343.21 The amounts that may be spent from this
343.22 appropriation for each purpose are as follows:

343.23 **(a) MFIP/DWP Grants**

343.24	<u>Appropriations by Fund</u>		
343.25	<u>General</u>	<u>68,634,000</u>	<u>98,587,000</u>
343.26	<u>Federal TANF</u>	<u>96,357,000</u>	<u>68,320,000</u>

343.27 **(b) Support Services Grants**

343.28	<u>Appropriations by Fund</u>		
343.29	<u>General</u>	<u>8,715,000</u>	<u>8,715,000</u>
343.30	<u>Federal TANF</u>	<u>113,711,000</u>	<u>99,111,000</u>

343.31 **MFIP Consolidated Fund.** The MFIP
343.32 consolidated fund TANF appropriation is
343.33 reduced by \$5,500,000 in fiscal year 2011.

344.1 **Integrated Services Program Funding.**
344.2 The TANF appropriation for integrated
344.3 services program funding is \$1,250,000 in
344.4 fiscal year 2010 and \$0 in fiscal year 2011.

344.5 **TANF Emergency Fund; Nonrecurrent**
344.6 **Short-Term Benefits.** TANF Emergency
344.7 Contingency fund grants received due to
344.8 increases in expenditures for nonrecurrent
344.9 short-term benefits must be used to offset the
344.10 increase in these expenditures for counties
344.11 under the MFIP consolidated fund under
344.12 Minnesota Statutes, section 256J.626,
344.13 and the diversionary work program. The
344.14 commissioner shall develop procedures
344.15 to maximize reimbursement of these
344.16 expenditures over the TANF emergency fund
344.17 base year quarters.

344.18	<u>(c) MFIP Child Care Assistance Grants</u>	<u>(18,000)</u>	<u>(9,254,000)</u>
344.19	<u>(d) Child Care Development Grants</u>	<u>4,000</u>	<u>4,000</u>
344.20	<u>(e) Child Support Enforcement Grants</u>	<u>3,705,000</u>	<u>3,705,000</u>
344.21	<u>(f) Children's Services Grants</u>		

344.22	<u>Appropriations by Fund</u>		
344.23	<u>General</u>	<u>47,533,000</u>	<u>50,498,000</u>
344.24	<u>Federal TANF</u>	<u>340,000</u>	<u>240,000</u>

344.25 **Base Adjustment.** The general fund base is
344.26 increased by \$3,094,000 in fiscal year 2012
344.27 and \$18,907,000 in fiscal year 2013.

344.28 **Privatized Adoption Grants.** Federal
344.29 reimbursement for privatized adoption grant
344.30 and foster care recruitment grant expenditures
344.31 is appropriated to the commissioner for
344.32 adoption grants and foster care and adoption
344.33 administrative purposes.

345.1 **Adoption Assistance Incentive Grants.**

345.2 Federal funds available during fiscal year
345.3 2010 and fiscal year 2011 for the adoption
345.4 incentive grants are appropriated to the
345.5 commissioner for these purposes.

345.6 **Adoption Assistance and Relative Custody**

345.7 **Assistance.** The commissioner may transfer
345.8 unencumbered appropriation balances for
345.9 adoption assistance and relative custody
345.10 assistance between fiscal years and between
345.11 programs.

345.12	<u>(g) Children and Community Services Grants</u>	<u>67,604,000</u>	<u>67,463,000</u>
--------	--	-------------------	-------------------

345.13 **Targeted Case Management Temporary**

345.14 **Funding Adjustment.** The commissioner
345.15 shall recover from each county and tribe
345.16 receiving a targeted case management
345.17 temporary funding payment in fiscal year
345.18 2008 an amount equal to that payment. The
345.19 commissioner shall recover one-half of the
345.20 funds by February 1, 2010, and the remainder
345.21 by February 1, 2011. At the commissioner's
345.22 discretion and at the request of a county
345.23 or tribe, the commissioner may revise
345.24 the payment schedule, but full payment
345.25 must not be delayed beyond May 1, 2011.
345.26 The commissioner may use the recovery
345.27 procedure under Minnesota Statutes, section
345.28 256.017, to recover the funds. Recovered
345.29 funds must be deposited into the general
345.30 fund.

345.31	<u>(h) General Assistance Grants</u>	<u>49,315,000</u>	<u>49,708,000</u>
--------	---	-------------------	-------------------

345.32 **General Assistance Standard.** The
345.33 commissioner shall set the monthly standard
345.34 of assistance for general assistance units
345.35 consisting of an adult recipient who is

346.1 childless and unmarried or living apart
346.2 from parents or a legal guardian at \$203.
346.3 The commissioner may reduce this amount
346.4 according to Laws 1997, chapter 85, article
346.5 3, section 54.

346.6 **Combining Emergency Assistance for**
346.7 **MSA and GA.** The amount appropriated
346.8 for emergency general assistance funds is
346.9 limited to no more than \$8,989,812 in fiscal
346.10 year 2010 and \$8,989,812 in fiscal year 2011.
346.11 Funds to counties must be allocated by the
346.12 commissioner using the allocation method
346.13 specified in Minnesota Statutes, section
346.14 256D.06.

346.15	<u>(i) Minnesota Supplemental Aid Grants</u>	<u>32,850,000</u>	<u>34,166,000</u>
346.16	<u>(j) Group Residential Housing Grants</u>	<u>111,689,000</u>	<u>113,937,000</u>
346.17	<u>(k) Other Children and Economic Assistance</u>		
346.18	<u>Grants</u>	<u>16,342,000</u>	<u>15,339,000</u>

346.19 **Homeless and Runaway Youth.** \$238,000
346.20 in fiscal year 2010 is for the Runaway
346.21 and Homeless Youth Act under Minnesota
346.22 Statutes, section 256K.45. Funds shall be
346.23 spent in each area of the continuum of care
346.24 to ensure that programs are meeting the
346.25 greatest need. Any unexpended balance in
346.26 the first year is available in the second year.
346.27 Beginning July 1, 2011, the base is increased
346.28 by \$119,000 each year.

346.29 **Foodshelf Programs.** \$275,000 in fiscal
346.30 year 2010 is for foodshelf programs under
346.31 Minnesota Statutes, section 256E.34. This
346.32 is a onetime appropriation and is available
346.33 until expended. This appropriation is to
346.34 complement the federal funding under the
346.35 American Recovery and Reinvestment Act.

347.1 Supportive Housing Services. \$1,500,000
347.2 each year is for supportive services under
347.3 Minnesota Statutes, section 256K.26. This is
347.4 a onetime appropriation. Beginning in fiscal
347.5 year 2012, the base is increased by \$68,000
347.6 per year.

347.7 Community Action Grants. Community
347.8 action grants are reduced one time by
347.9 \$1,764,000 each year. This reduction is due
347.10 to the availability of federal funds under the
347.11 American Recovery and Reinvestment Act.

347.12	<u>(l) Children's Mental Health Grants</u>	<u>16,885,000</u>	<u>16,882,000</u>
--------	--	-------------------	-------------------

347.13 Funding Usage. Up to 75 percent of a fiscal
347.14 year's appropriation for children's mental
347.15 health grants may be used to fund allocations
347.16 in that portion of the fiscal year ending
347.17 December 31.

347.18 Subd. 5. Children and Economic Assistance
347.19 Management

347.20 The amounts that may be spent from the
347.21 appropriation for each purpose are as follows:

347.22 (a) Children and Economic Assistance
347.23 Administration

347.24	<u>Appropriations by Fund</u>		
347.25	<u>General</u>	<u>10,218,000</u>	<u>10,208,000</u>
347.26	<u>Federal TANF</u>	<u>496,000</u>	<u>496,000</u>

347.27 (b) Children and Economic Assistance
347.28 Operations

347.29	<u>Appropriations by Fund</u>		
347.30	<u>General</u>	<u>33,773,000</u>	<u>33,423,000</u>
347.31	<u>Health Care Access</u>	<u>361,000</u>	<u>361,000</u>

347.32 Financial Institution Data Match and
347.33 Payment of Fees. The commissioner is
347.34 authorized to allocate up to \$310,000 each
347.35 year in fiscal years 2010 and 2011 from the

348.1 PRISM special revenue account to make
348.2 payments to financial institutions in exchange
348.3 for performing data matches between account
348.4 information held by financial institutions
348.5 and the public authority's database of child
348.6 support obligors as authorized by Minnesota
348.7 Statutes, section 13B.06, subdivision 7.
348.8 Subd. 6. **Basic Health Care Grants**

348.9 **ARRA Food Support Administration.**
348.10 The funds available for food support
348.11 administration under American Recovery
348.12 and Reinvestment Act of 2009 must
348.13 be appropriated to the commissioner
348.14 for implementing the food support benefit
348.15 increases, increased eligibility determinations
348.16 and outreach. Of these funds, 20 percent
348.17 shall be allocated to the commissioner and
348.18 80 percent must be allocated to counties.
348.19 The commissioner shall reimburse counties
348.20 proportionate to their food support caseload
348.21 based on data for the most recent quarter
348.22 available. Tribal reimbursement must be
348.23 made from the state portion based on a
348.24 caseload factor equivalent to that of a county.

348.25 **Expenditure Limit; Critical Access Dental.**
348.26 For calendar years beginning on or after
348.27 January 1, 2010, the commissioner shall limit
348.28 annual expenditures for the critical access
348.29 dental provider program under Minnesota
348.30 Statutes, sections 256B.76, subdivisions
348.31 4 and 4a, and 256L.11, subdivision 7, to
348.32 75 percent of the expenditure level for the
348.33 calendar year ending December 31, 2008.

348.34 The amounts that may be spent from this
348.35 appropriation for each purpose are as follows:

349.1	<u>(a) MinnesotaCare Grants</u>	<u>414,258,000</u>	<u>500,972,000</u>
349.2	<u>This appropriation is from the health care</u>		
349.3	<u>access fund.</u>		
349.4	<u>(b) MA Basic Health Care Grants - Families</u>		
349.5	<u>and Children</u>	<u>755,232,000</u>	<u>983,066,000</u>
349.6	<u>Medical Education Research Costs</u>		
349.7	<u>(MERC).</u> <u>Of these funds, the commissioner</u>		
349.8	<u>of human services shall transfer \$38,000,000</u>		
349.9	<u>in fiscal year 2010 to the medical education</u>		
349.10	<u>research fund. These funds must restore the</u>		
349.11	<u>fiscal year 2009 unallotment of the transfers</u>		
349.12	<u>under Minnesota Statutes, section 256B.69,</u>		
349.13	<u>subdivision 5c, paragraph (a), for the July 1,</u>		
349.14	<u>2008, through June 30, 2009, period.</u>		
349.15	<u>Local Share Payment Modification</u>		
349.16	<u>Required for ARRA Compliance.</u>		
349.17	<u>Effective retroactively from October 1, 2008,</u>		
349.18	<u>to June 30, 2009, the state shall reduce</u>		
349.19	<u>Hennepin County's monthly contribution to</u>		
349.20	<u>the nonfederal share of medical assistance</u>		
349.21	<u>costs to the percentage required on September</u>		
349.22	<u>1, 2008, to meet federal requirements for</u>		
349.23	<u>enhanced federal match under the American</u>		
349.24	<u>Reinvestment and Recovery Act of 2009.</u>		
349.25	<u>Notwithstanding the requirements of</u>		
349.26	<u>Minnesota Statutes 2008, section 256B.19,</u>		
349.27	<u>subdivision 1c, paragraph (d), for the period</u>		
349.28	<u>beginning October 1, 2008, to June 30, 2009,</u>		
349.29	<u>Hennepin County's monthly payment under</u>		
349.30	<u>that provision is reduced to \$434,688.</u>		
349.31	<u>Capitation Payments.</u> <u>Effective</u>		
349.32	<u>retroactively from October 1, 2008, to</u>		
349.33	<u>December 31, 2010, and notwithstanding</u>		
349.34	<u>the requirements of Minnesota Statutes</u>		
349.35	<u>2008, section 256B.19, subdivision 1c,</u>		

350.1	<u>paragraph (c), the commissioner of human</u>		
350.2	<u>services shall increase capitation payments</u>		
350.3	<u>made to the Metropolitan Health Plan</u>		
350.4	<u>under Minnesota Statutes 2008, section</u>		
350.5	<u>256B.69, by \$6,800,000 to recognize higher</u>		
350.6	<u>than average medical education costs. The</u>		
350.7	<u>increased amount includes federal matching</u>		
350.8	<u>money.</u>		
350.9	<u>(c) MA Basic Health Care Grants - Elderly and</u>		
350.10	<u>Disabled</u>	<u>969,033,000</u>	<u>1,177,128,000</u>
350.11	<u>(d) General Assistance Medical Care Grants</u>		
350.12	<u>Appropriations by Fund</u>		
350.13	<u>General</u>	<u>237,043,000</u>	<u>380,536,000</u>
350.14	<u>Federal</u>	<u>104,300,000</u>	<u>0</u>
350.15	<u>Use of Federal Funds. \$99,300,000 in fiscal</u>		
350.16	<u>year 2010 is appropriated from the fiscal</u>		
350.17	<u>stabilization funds in the federal fund. This</u>		
350.18	<u>is a onetime appropriation.</u>		
350.19	<u>(e) Other Health Care Grants</u>		
350.20	<u>Appropriations by Fund</u>		
350.21	<u>General</u>	<u>295,000</u>	<u>295,000</u>
350.22	<u>Health Care Access</u>	<u>940,000</u>	<u>190,000</u>
350.23	<u>Subd. 7. Health Care Management</u>		
350.24	<u>The amounts that may be spent from the</u>		
350.25	<u>appropriation for each purpose are as follows:</u>		
350.26	<u>(a) Health Care Administration</u>		
350.27	<u>Appropriations by Fund</u>		
350.28	<u>General</u>	<u>7,779,000</u>	<u>7,535,000</u>
350.29	<u>Health Care Access</u>	<u>1,812,000</u>	<u>906,000</u>
350.30	<u>(b) Health Care Operations</u>		
350.31	<u>Appropriations by Fund</u>		
350.32	<u>General</u>	<u>19,902,000</u>	<u>18,869,000</u>
350.33	<u>Health Care Access</u>	<u>24,753,000</u>	<u>25,578,000</u>

351.1 **Base Adjustment.** The health care access
351.2 fund base is decreased by \$62,000 in fiscal
351.3 year 2012 and \$149,000 in fiscal year 2013.
351.4 The general fund base is decreased by
351.5 \$157,000 in fiscal year 2012 and \$157,000 in
351.6 fiscal year 2013.

351.7 **Subd. 8. Continuing Care Grants**

351.8 The amounts that may be spent from the
351.9 appropriation for each purpose are as follows:

351.10 **(a) Aging and Adult Services Grants**

351.11	<u>Appropriations by Fund</u>		
351.12	<u>General</u>	<u>13,186,000</u>	<u>13,702,000</u>
351.13	<u>Federal</u>	<u>500,000</u>	<u>0</u>

351.14 **Base Adjustment.** The general fund base is
351.15 increased by \$6,643,000 in fiscal year 2012
351.16 and \$7,511,000 in fiscal year 2013.

351.17 **Information and Assistance**

351.18 **Reimbursement.** Federal administrative
351.19 reimbursement obtained from information
351.20 and assistance services provided by the
351.21 Senior LinkAge or Disability Linkage lines
351.22 to people who are identified as eligible for
351.23 medical assistance shall be appropriated to
351.24 the commissioner for this activity.

351.25 **Community Service Development Grant**

351.26 **Reduction.** Funding for community service
351.27 development grants must be reduced by
351.28 \$259,000 per year for fiscal years 2010 and
351.29 2011 and \$25,000 in fiscal year 2012 and
351.30 \$25,000 in fiscal year 2013. Base level
351.31 funding shall be restored in fiscal year 2014.

351.32 **Senior Nutrition Use of Federal Funds.**

351.33 For fiscal year 2010, general fund grants
351.34 for home-delivered meals and congregate

352.1	<u>dining shall be reduced by \$500,000. The</u>		
352.2	<u>commissioner must replace these general</u>		
352.3	<u>fund reductions with equal amounts from</u>		
352.4	<u>federal funding for senior nutrition from the</u>		
352.5	<u>American Recovery and Reinvestment Act</u>		
352.6	<u>of 2009.</u>		
352.7	<u>(b) Alternative Care Grants</u>	<u>51,165,000</u>	<u>50,976,000</u>
352.8	<u>Base Adjustment.</u> The general fund base is		
352.9	<u>decreased by \$6,068,000 in fiscal year 2012</u>		
352.10	<u>and \$6,449,000 in fiscal year 2013.</u>		
352.11	<u>Alternative Care Transfer.</u> Any money		
352.12	<u>allocated to the alternative care program that</u>		
352.13	<u>is not spent for the purposes indicated does</u>		
352.14	<u>not cancel but must be transferred to the</u>		
352.15	<u>medical assistance account.</u>		
352.16	<u>(c) Medical Assistance Grants; Long-Term</u>		
352.17	<u>Care Facilities.</u>	<u>366,999,000</u>	<u>427,491,000</u>
352.18	<u>(d) Medical Assistance Long-Term Care</u>		
352.19	<u>Waivers and Home Care Grants</u>	<u>853,824,000</u>	<u>1,044,549,000</u>
352.20	<u>Manage Growth in TBI and CADI</u>		
352.21	<u>Waivers.</u> During the fiscal years beginning		
352.22	<u>on July 1, 2009, and July 1, 2010, the</u>		
352.23	<u>commissioner shall allocate money for home</u>		
352.24	<u>and community-based waiver programs</u>		
352.25	<u>under Minnesota Statutes, section 256B.49,</u>		
352.26	<u>to ensure a reduction in state spending that is</u>		
352.27	<u>equivalent to limiting the caseload growth of</u>		
352.28	<u>the TBI waiver to 12.5 allocations per month</u>		
352.29	<u>each year of the biennium and the CADI</u>		
352.30	<u>waiver to 95 allocations per month each year</u>		
352.31	<u>of the biennium. Limits do not apply: (1)</u>		
352.32	<u>when there is an approved plan for nursing</u>		
352.33	<u>facility bed closures for individuals under</u>		
352.34	<u>age 65 who require relocation due to the</u>		
352.35	<u>bed closure; (2) to fiscal year 2009 waiver</u>		

353.1 allocations delayed due to unallotment; or (3)
353.2 to transfers authorized by the commissioner
353.3 from the personal care assistance program
353.4 of individuals having a home care rating
353.5 of "CS," "MT," or "HL." Priorities for the
353.6 allocation of funds must be for individuals
353.7 anticipated to be discharged from institutional
353.8 settings or who are at imminent risk of a
353.9 placement in an institutional setting.

353.10 **Manage Growth in DD Waiver.** The
353.11 commissioner shall manage the growth in
353.12 the DD waiver by limiting the allocations
353.13 included in the February 2009 forecast to 15
353.14 additional diversion allocations each month
353.15 for the calendar years that begin on January
353.16 1, 2010, and January 1, 2011. Additional
353.17 allocations must be made available for
353.18 transfers authorized by the commissioner
353.19 from the personal care program of individuals
353.20 having a home care rating of "CS," "MT,"
353.21 or "HL."

353.22 **Adjustment to Lead Agency Waiver**
353.23 **allocations.** Prior to the availability of the
353.24 alternative license defined in Minnesota
353.25 Statutes, section 245A.11, subdivision 8,
353.26 the commissioner shall reduce lead agency
353.27 waiver allocations for the purposes of
353.28 implementing a moratorium on corporate
353.29 foster care.

353.30 **(e) Mental Health Grants**

353.31	<u>Appropriations by Fund</u>		
353.32	<u>General</u>	<u>75,089,000</u>	<u>77,539,000</u>
353.33	<u>Health Care Access</u>	<u>750,000</u>	<u>750,000</u>
353.34	<u>Lottery Prize</u>	<u>1,508,000</u>	<u>1,508,000</u>

354.1 **Funding Usage.** Up to 75 percent of a fiscal
354.2 year's appropriation for adult mental health
354.3 grants may be used to fund allocations in that
354.4 portion of the fiscal year ending December
354.5 31.

354.6 **Base Adjustment.** The general fund base is
354.7 reduced by \$525,000 in fiscal year 2012 and
354.8 \$525,000 in fiscal year 2013.

354.9	<u>(f) Deaf and Hard-of-Hearing Grants</u>	<u>1,924,000</u>	<u>1,909,000</u>
354.10	<u>(g) Chemical Dependency Entitlement Grants</u>	<u>110,660,000</u>	<u>120,509,000</u>

354.11 **Payments for Substance Abuse Treatment.**
354.12 For services provided in fiscal years 2010
354.13 and 2011, county-negotiated rates and
354.14 provider claims to the consolidated chemical
354.15 dependency fund must not exceed rates
354.16 charged for services in excess of those
354.17 in effect on January 1, 2009. If statutes
354.18 authorize a cost-of-living adjustment
354.19 during fiscal years 2010 and 2011, then
354.20 notwithstanding any law to the contrary,
354.21 fiscal years 2010 and 2011 rates must
354.22 not exceed those in effect on January 2,
354.23 2009, plus any authorized cost-of-living
354.24 adjustments.

354.25 **Chemical Dependency Special Revenue**
354.26 **Account.** For fiscal year 2010, \$750,000
354.27 must be transferred from the consolidated
354.28 chemical dependency treatment fund
354.29 administrative account and deposited into the
354.30 general fund.

354.31 **County CD Share of MA Costs for**
354.32 **ARRA Compliance.** Notwithstanding the
354.33 provisions of Minnesota Statutes, chapter
354.34 254B, for chemical dependency services
354.35 provided during the period July 1, 2009,

355.1 to December 31, 2010, and reimbursed by
355.2 medical assistance at the enhanced federal
355.3 matching rate provided under the American
355.4 Recovery and Reinvestment Act of 2009, the
355.5 county share is 30 percent of the nonfederal
355.6 share.

355.7	<u>(h) Chemical Dependency Nonentitlement</u>		
355.8	<u>Grants</u>	<u>1,729,000</u>	<u>1,729,000</u>

355.9	<u>(i) Other Continuing Care Grants</u>	<u>18,608,000</u>	<u>13,441,000</u>
-------	--	-------------------	-------------------

355.10 **Base Adjustment.** The general fund base is
355.11 decreased \$1,076,000 in fiscal year 2012 and
355.12 decreased \$2,005,000 in fiscal year 2013.

355.13 **Other Continuing Care Grants; HIV**
355.14 **Grants.** Money appropriated for the HIV
355.15 drug and insurance grant program in fiscal
355.16 year 2010 may be used in either year of the
355.17 biennium.

355.18 **Subd. 9. Continuing Care Management**

355.19	<u>Appropriations by Fund</u>		
355.20	<u>General</u>	<u>24,571,000</u>	<u>24,275,000</u>
355.21	<u>State Government</u>		
355.22	<u>Special Revenue</u>	<u>875,000</u>	<u>125,000</u>
355.23	<u>Lottery Prize</u>	<u>157,000</u>	<u>157,000</u>

355.24 **County Maintenance of Effort.** \$350,000 in
355.25 fiscal year 2010 is from the general fund for
355.26 the State-County Results Accountability and
355.27 Service Delivery Reform under Minnesota
355.28 Statutes, chapter 402A.

355.29 The general fund base is decreased
355.30 \$2,211,000 in fiscal year 2012 and
355.31 \$2,156,000 in fiscal year 2013.

355.32	<u>Subd. 10. State-Operated Services</u>	<u>258,794,000</u>	<u>266,191,000</u>
--------	---	--------------------	--------------------

355.33 The amounts that may be spent from the
355.34 appropriation for each purpose are as follows:

356.1	<u>Transfer Authority Related to</u>		
356.2	<u>State-Operated Services.</u> Money		
356.3	<u>appropriated to finance state-operated</u>		
356.4	<u>services may be transferred between the</u>		
356.5	<u>fiscal years of the biennium with the approval</u>		
356.6	<u>of the commissioner of finance.</u>		
356.7	<u>County Past Due Receivables.</u> The		
356.8	<u>commissioner is authorized to withhold</u>		
356.9	<u>county federal administrative reimbursement</u>		
356.10	<u>when the county of financial responsibility</u>		
356.11	<u>for cost-of-care payments due the state</u>		
356.12	<u>under Minnesota Statutes, section 246.54</u>		
356.13	<u>or 253B.045, is 90 days past due. The</u>		
356.14	<u>commissioner shall deposit the withheld</u>		
356.15	<u>federal administrative earnings for the county</u>		
356.16	<u>into the general fund to settle the claims with</u>		
356.17	<u>the county of financial responsibility. The</u>		
356.18	<u>process for withholding funds is governed by</u>		
356.19	<u>Minnesota Statutes, section 256.017.</u>		
356.20	<u>(a) Adult Mental Health Services</u>	<u>110,216,000</u>	<u>114,953,000</u>
356.21	<u>Appropriation Limitation.</u> No part of		
356.22	<u>the appropriation in this article to the</u>		
356.23	<u>commissioner for mental health treatment</u>		
356.24	<u>services provided by state-operated services</u>		
356.25	<u>shall be used for the Minnesota sex offender</u>		
356.26	<u>program.</u>		
356.27	<u>Community Behavioral Health Hospitals.</u>		
356.28	<u>Under Minnesota Statutes, section 246.51,</u>		
356.29	<u>subdivision 1, a determination order for the</u>		
356.30	<u>clients served in a community behavioral</u>		
356.31	<u>health hospital operated by the commissioner</u>		
356.32	<u>of human services is only required when</u>		
356.33	<u>a client's third-party coverage has been</u>		
356.34	<u>exhausted.</u>		
356.35	<u>(b) Minnesota Sex Offender Services</u>	<u>64,843,000</u>	<u>67,503,000</u>

357.1	<u>(c) Minnesota Security Hospital and METO</u>		
357.2	<u>Services</u>	<u>83,735,000</u>	<u>83,735,000</u>
357.3	<u>Minnesota Security Hospital. For the</u>		
357.4	<u>purposes of enhancing the safety of</u>		
357.5	<u>the public, improving supervision, and</u>		
357.6	<u>enhancing community-based mental health</u>		
357.7	<u>treatment, state-operated services may</u>		
357.8	<u>establish additional community capacity</u>		
357.9	<u>for providing treatment and supervision</u>		
357.10	<u>of clients who have been ordered into a</u>		
357.11	<u>less restrictive alternative of care from the</u>		
357.12	<u>state-operated services transitional services</u>		
357.13	<u>program consistent with Minnesota Statutes,</u>		
357.14	<u>section 246.014.</u>		
357.15	Sec. 4. <u>COMMISSIONER OF HEALTH</u>		
357.16	<u>Subdivision 1. Total Appropriation</u>	<u>\$ 165,590,000</u>	<u>\$ 161,787,000</u>
357.17	<u>Appropriations by Fund</u>		
357.18		<u>2010</u>	<u>2011</u>
357.19	<u>General</u>	<u>73,699,000</u>	<u>64,171,000</u>
357.20	<u>State Government</u>		
357.21	<u>Special Revenue</u>	<u>45,433,000</u>	<u>45,789,000</u>
357.22	<u>Health Care Access</u>	<u>34,725,000</u>	<u>40,094,000</u>
357.23	<u>Federal TANF</u>	<u>11,733,000</u>	<u>11,733,000</u>
357.24	<u>Subd. 2. Community and Family Health</u>		
357.25	<u>Promotion</u>		
357.26	<u>Appropriations by Fund</u>		
357.27	<u>General</u>	<u>43,761,000</u>	<u>38,501,000</u>
357.28	<u>State Government</u>		
357.29	<u>Special Revenue</u>	<u>1,033,000</u>	<u>1,304,000</u>
357.30	<u>Federal TANF</u>	<u>11,733,000</u>	<u>11,733,000</u>
357.31	<u>Health Care Access</u>	<u>21,642,000</u>	<u>28,719,000</u>
357.32	<u>Support Services for Families With</u>		
357.33	<u>Children Who are Deaf or Have Hearing</u>		
357.34	<u>Loss. Of the state government special</u>		
357.35	<u>revenue fund amount, \$18,000 in fiscal year</u>		
357.36	<u>2010 and \$271,000 in fiscal year 2011 is for</u>		
357.37	<u>support services to families with children</u>		

358.1 who are deaf or have hearing loss. Of this
358.2 amount, in fiscal year 2011, \$198,000 is for
358.3 grants and the balance is for administrative
358.4 costs. Base funding in fiscal years 2012 and
358.5 2013 is \$288,000 each year. Of this amount,
358.6 \$215,000 each year is for grants and the
358.7 balance is for administrative costs.

358.8 **Funding Usage.** Up to 75 percent of the
358.9 fiscal year 2012 appropriation for local public
358.10 health grants may be used to fund calendar
358.11 year 2011 allocations for this program. The
358.12 general fund reduction of \$5,060,000 in
358.13 fiscal year 2011 for local public health grants
358.14 is onetime and the base funding for local
358.15 public health grants for fiscal year 2012 is
358.16 increased by \$5,060,000.

358.17 **Grants Reduction.** (a) Effective July 1,
358.18 2009, base-level funding for general fund
358.19 community and family health grants issued
358.20 under this paragraph shall be reduced by 2.55
358.21 percent at the allotment level. Effective July
358.22 1, 2011, base-level funding for general fund
358.23 community and family health grants issued
358.24 under this paragraph shall be reduced by 5.5
358.25 percent at the allotment level.

358.26 (b) The positive alternatives grant is exempt
358.27 from this reduction. The base for the positive
358.28 alternatives grant is \$2,357,000 per year.

358.29 (c) The family planning grants are exempt
358.30 from this reduction. The base for family
358.31 planning grants is \$4,197,000 per year.

358.32 **Colorectal Screening.** \$100,000 in
358.33 fiscal year 2010 is for grants to the
358.34 Hennepin County Medical Center and

359.1 MeritCare Bemidji for colorectal screening
359.2 demonstration projects.

359.3 **Women's Heart Health Pilot Project.**

359.4 \$100,000 in fiscal year 2010 is for the
359.5 women's heart health pilot project. This is a
359.6 onetime appropriation and is available until
359.7 expended.

359.8 **Feasibility Pilot Project for Cancer**

359.9 **Surveillance.** Of this appropriation for fiscal
359.10 year 2010, the commissioner of health must
359.11 provide grant funding from the Department
359.12 of Health's current resources for the Chronic
359.13 Disease and Environmental Epidemiology
359.14 section. The grant must cover the cost of one
359.15 full-time equivalent position at the Hennepin
359.16 County Medical Center. The grant must
359.17 be sufficient to cover the responsibilities
359.18 associated with carrying out the feasibility
359.19 pilot project but shall not exceed \$100,000.

359.20 **TANF Appropriations.** (1) \$1,156,000 of
359.21 the TANF funds are appropriated each year to
359.22 the commissioner for family planning grants
359.23 under Minnesota Statutes, section 145.925.

359.24 (2) \$3,579,000 of the TANF funds are
359.25 appropriated each year to the commissioner
359.26 for home visiting and nutritional services
359.27 listed under Minnesota Statutes, section
359.28 145.882, subdivision 7, clauses (6) and (7).

359.29 Funds must be distributed to community
359.30 health boards according to Minnesota
359.31 Statutes, section 145A.131, subdivision 1.

359.32 (3) \$2,000,000 of the TANF funds are
359.33 appropriated each year to the commissioner
359.34 for decreasing racial and ethnic disparities

360.1 in infant mortality rates under Minnesota
360.2 Statutes, section 145.928, subdivision 7.
360.3 (4) \$4,998,000 of the TANF funds are
360.4 appropriated each year to the commissioner
360.5 for the family home visiting grant program
360.6 according to Minnesota Statutes, section
360.7 145A.17. \$4,000,000 of the funding must
360.8 be distributed to community health boards
360.9 according to Minnesota Statutes, section
360.10 145A.131, subdivision 1. \$998,000 of
360.11 the funding must be distributed to tribal
360.12 governments according to Minnesota
360.13 Statutes, section 145A.14, subdivision 2a.
360.14 The commissioner may use five percent of
360.15 the funds appropriated each fiscal year to
360.16 conduct the ongoing evaluations required
360.17 under Minnesota Statutes, section 145A.17,
360.18 subdivision 7, and may use ten percent of
360.19 the funds appropriated each fiscal year to
360.20 provide training and technical assistance as
360.21 required under Minnesota Statutes, section
360.22 145A.17, subdivisions 4 and 5.
360.23 **TANF Carryforward.** Any unexpended
360.24 balance of the TANF appropriation in the
360.25 first year of the biennium does not cancel but
360.26 is available for the second year.

360.27 **Subd. 3. Policy Quality and Compliance**

360.28	<u>Appropriations by Fund</u>		
360.29	<u>General</u>	<u>13,069,000</u>	<u>8,801,000</u>
360.30	<u>State Government</u>		
360.31	<u>Special Revenue</u>	<u>14,173,000</u>	<u>14,276,000</u>
360.32	<u>Health Care Access</u>	<u>13,083,000</u>	<u>11,375,000</u>

360.33 **Rural Pharmacy Planning.** \$100,000 in
360.34 fiscal year 2010 is for the rural pharmacy
360.35 planning and transition grant program under

361.1 Minnesota Statutes, section 144.1476. The
361.2 appropriation is available until expended.

361.3 **Value-Based Insurance Designs.** The
361.4 commissioner of health, in consultation
361.5 with the commissioner of human services,
361.6 commerce, and Minnesota management
361.7 and budget, shall study and report to the
361.8 legislature on value-based insurance designs
361.9 that vary enrollee cost-sharing based on
361.10 clinical or cost-effectiveness of services.
361.11 In performing this study, the commissioner
361.12 shall consult with and seek input from
361.13 health plans, health care providers, and
361.14 employers. The commissioner shall report to
361.15 the legislature by January 15, 2010.

361.16 **Health Information Technology.** Of the
361.17 general fund appropriation, \$4,000,000 is
361.18 to fund the revolving loan account under
361.19 Minnesota Statutes, section 62J.496. This
361.20 appropriation must not be expended unless
361.21 it is matched with federal funding under the
361.22 federal Health Information Technology for
361.23 Economic and Clinical Health (HITECH)
361.24 Act. This appropriation must not be included
361.25 in the agency's base budget for the fiscal year
361.26 beginning July 1, 2012.

361.27 **Nursing Home Moratorium Exception.** Of
361.28 the general fund appropriation, \$1,386,000
361.29 is to permit the commissioner to approve
361.30 moratorium exception projects under
361.31 Minnesota Statutes, section 144A.073.
361.32 During fiscal year 2010, the commissioner
361.33 may approve moratorium exception projects
361.34 for which the full annualized state share of
361.35 medical assistance costs does not exceed

362.1 \$3,000,000. During fiscal year 2011, the
362.2 commissioner may approve moratorium
362.3 exception projects for which the full
362.4 annualized state share of medical assistance
362.5 costs does not exceed \$3,000,000, less the
362.6 amount approved during the first year.

362.7 **Base Adjustment.** The general fund
362.8 base is \$8,801,000 in fiscal year 2012 and
362.9 \$8,593,000 in fiscal year 2013. The health
362.10 care access fund base is \$10,775,000 in fiscal
362.11 year 2012 and \$6,641,000 in fiscal year 2013.
362.12 The state government special revenue fund
362.13 base is \$14,234,000 for each of fiscal years
362.14 2012 and 2013.

362.15 **Subd. 4. Health Protection**

362.16	<u>Appropriations by Fund</u>		
362.17	<u>General</u>	<u>9,679,000</u>	<u>9,679,000</u>
362.18	<u>State Government</u>		
362.19	<u>Special Revenue</u>	<u>30,227,000</u>	<u>30,209,000</u>

362.20 **Grants Reduction.** Effective July 1,
362.21 2009, base-level funding for general fund
362.22 health protection grants issued under this
362.23 paragraph shall be reduced by 2.55 percent
362.24 at the allotment level. Effective July 1,
362.25 2011, base-level funding for general fund
362.26 health protection grants issued under this
362.27 paragraph shall be reduced by 5.5 percent at
362.28 the allotment level.

362.29 **Session Laws Adjustment.** (a) \$163,000
362.30 each year is for the lead abatement grant
362.31 program. This adjustment is onetime.

362.32 (b) \$100,000 each year is for emergency
362.33 preparedness and response activities. This
362.34 adjustment is onetime. Of this amount,

363.1	<u>\$50,000 each year is for tuberculosis</u>		
363.2	<u>prevention and control.</u>		
363.3	<u>Subd. 5. Administrative Support Services</u>	<u>7,190,000</u>	<u>7,190,000</u>
363.4	<u>Sec. 5. HEALTH-RELATED BOARDS</u>		
363.5	<u>Subdivision 1. Total Appropriation</u>	<u>\$ 14,753,000</u>	<u>\$ 15,036,000</u>
363.6	<u>This appropriation is from the state</u>		
363.7	<u>government special revenue fund.</u>		
363.8	<u>Transfer From Special Revenue Fund.</u>		
363.9	<u>During the fiscal year beginning July 1, 2011,</u>		
363.10	<u>the commissioner of finance shall transfer</u>		
363.11	<u>\$10,000,000 from the state government</u>		
363.12	<u>special revenue fund to the general fund. The</u>		
363.13	<u>boards must allocate this reduction to boards</u>		
363.14	<u>carrying a positive balance as of July 1, 2011.</u>		
363.15	<u>The amounts that may be spent for each</u>		
363.16	<u>purpose are specified in the following</u>		
363.17	<u>subdivisions.</u>		
363.18	<u>Subd. 2. Board of Chiropractic Examiners</u>	<u>492,000</u>	<u>509,000</u>
363.19	<u>Subd. 3. Board of Dentistry</u>	<u>1,100,000</u>	<u>1,136,000</u>
363.20	<u>Subd. 4. Board of Dietetic and Nutrition</u>		
363.21	<u>Practice</u>	<u>105,000</u>	<u>105,000</u>
363.22	<u>Subd. 5. Board of Marriage and Family</u>		
363.23	<u>Therapy</u>	<u>159,000</u>	<u>167,000</u>
363.24	<u>Subd. 6. Board of Medical Practice</u>	<u>3,682,000</u>	<u>3,682,000</u>
363.25	<u>Subd. 7. Board of Nursing</u>	<u>3,368,000</u>	<u>3,521,000</u>
363.26	<u>Subd. 8. Board of Nursing Home</u>		
363.27	<u>Administrators</u>	<u>1,358,000</u>	<u>1,262,000</u>
363.28	<u>Administrative Services Unit - Operating</u>		
363.29	<u>Costs. Of this appropriation, \$524,000</u>		
363.30	<u>in fiscal year 2010 and \$526,000 in</u>		
363.31	<u>fiscal year 2011 are for operating costs</u>		
363.32	<u>of the administrative services unit. The</u>		
363.33	<u>administrative services unit may receive</u>		

364.1 and expend reimbursements for services
364.2 performed by other agencies.

364.3 **Administrative Services Unit - Retirement**

364.4 **Costs.** Of this appropriation in fiscal year
364.5 2010, \$201,000 is for onetime retirement
364.6 costs in the health-related boards. This
364.7 funding may be transferred to the health
364.8 boards incurring those costs for their
364.9 payment. These funds are available either
364.10 year of the biennium.

364.11 **Administrative Services Unit - Volunteer**

364.12 **Health Care Provider Program.** Of this
364.13 appropriation, \$79,000 in fiscal year 2010
364.14 and \$89,000 in fiscal year 2011 are to pay
364.15 for medical professional liability coverage
364.16 required under Minnesota Statutes, section
364.17 214.40.

364.18 **Administrative Services Unit - Contested**

364.19 **Cases and Other Legal Proceedings.** Of
364.20 this appropriation, \$200,000 in fiscal year
364.21 2010 and \$200,000 in fiscal year 2011
364.22 are for costs of contested case hearings
364.23 and other unanticipated costs of legal
364.24 proceedings involving health-related
364.25 boards funded under this section. Upon
364.26 certification of a health-related board to the
364.27 administrative services unit that the costs
364.28 will be incurred and that there is insufficient
364.29 money available to pay for the costs out of
364.30 money currently available to that board, the
364.31 administrative services unit is authorized
364.32 to transfer money from this appropriation
364.33 to the board for payment of those costs
364.34 with the approval of the commissioner of
364.35 finance. This appropriation does not cancel.

365.1	<u>Any unencumbered and unspent balances</u>		
365.2	<u>remain available for these expenditures in</u>		
365.3	<u>subsequent fiscal years.</u>		
365.4	<u>Subd. 9. Board of Optometry</u>	<u>105,000</u>	<u>108,000</u>
365.5	<u>Subd. 10. Board of Pharmacy</u>	<u>1,509,000</u>	<u>1,579,000</u>
365.6	<u>Subd. 11. Board of Physical Therapy</u>	<u>346,000</u>	<u>356,000</u>
365.7	<u>Subd. 12. Board of Podiatry</u>	<u>61,000</u>	<u>64,000</u>
365.8	<u>Subd. 13. Board of Psychology</u>	<u>876,000</u>	<u>907,000</u>
365.9	<u>Subd. 14. Board of Social Work</u>	<u>958,000</u>	<u>996,000</u>
365.10	<u>Subd. 15. Board of Veterinary Medicine</u>	<u>240,000</u>	<u>250,000</u>
365.11	<u>Subd. 16. Board of Behavioral Health and</u>	<u>394,000</u>	<u>394,000</u>
365.12	<u>Therapy</u>		
365.13	<u>Sec. 6. EMERGENCY MEDICAL SERVICES</u>		
365.14	<u>BOARD</u>	<u>\$ 4,024,000</u>	<u>\$ 4,054,000</u>
365.15	<u>Appropriations by Fund</u>		
365.16		<u>2010</u>	<u>2011</u>
365.17	<u>General</u>	<u>3,288,000</u>	<u>3,288,000</u>
365.18	<u>State Government</u>		
365.19	<u>Special Revenue</u>	<u>736,000</u>	<u>766,000</u>
365.20	<u>Cooper/Sams</u>		
365.21	<u>Volunteer</u>		
365.22	<u>Ambulance Trust</u>	<u>625,000</u>	<u>0</u>
365.23	<u>Longevity Award and Incentive Program.</u>		
365.24	<u>Of the general fund appropriation, \$700,000</u>		
365.25	<u>in fiscal year 2010 and \$700,000 in fiscal</u>		
365.26	<u>year 2011 are to the board for the ambulance</u>		
365.27	<u>service personnel longevity award and</u>		
365.28	<u>incentive program, under Minnesota Statutes,</u>		
365.29	<u>section 144E.40.</u>		
365.30	<u>Transfer. In fiscal year 2010, \$626,000</u>		
365.31	<u>is transferred from the Cooper/Sams</u>		
365.32	<u>volunteer ambulance trust, established under</u>		
365.33	<u>Minnesota Statutes, section 144E.42, to the</u>		
365.34	<u>general fund.</u>		

366.1 **Health Professional Services Program.**
366.2 \$736,000 in fiscal year 2010 and \$766,000 in
366.3 fiscal year 2011 from the state government
366.4 special revenue fund are for the health
366.5 professional services program.

366.6 **Regional Medical Services Program. (a)**
366.7 \$400,000 in the first year is transferred from
366.8 the Cooper/Sams volunteer ambulance trust
366.9 to the emergency medical services system
366.10 fund.

366.11 (b) \$400,000 in the first year from the
366.12 emergency medical services system fund is
366.13 for the regional emergency medical services
366.14 programs. This amount shall be distributed
366.15 equally to the eight emergency medical
366.16 service regions. Notwithstanding Minnesota
366.17 Statutes, section 144E.50, 100 percent of
366.18 the appropriation shall be passed on to the
366.19 emergency medical service regions.

366.20 **Comprehensive Advanced Life-Support**
366.21 **Educational (CALS) Program. \$100,000 in**
366.22 the first year from the Cooper/Sams volunteer
366.23 ambulance trust is for the comprehensive
366.24 advanced life-support educational (CALS)
366.25 program established under Minnesota
366.26 Statutes, section 144E.37. This appropriation
366.27 is to extend availability and affordability
366.28 of the CALS program for rural emergency
366.29 medical personnel and to assist hospital staff
366.30 in attaining the credentialing levels necessary
366.31 for implementation of the statewide trauma
366.32 system.

366.33 **Emergency Medical Services for Children**
366.34 **(EMS-C) Program. \$25,000 in the first**
366.35 year from the Cooper/Sams volunteer

367.1 ambulance trust is for the emergency medical
367.2 services for children (EMS-C) program.
367.3 This appropriation is to meet increased need
367.4 for medical training specific to pediatric
367.5 emergencies.

367.6 Sec. 7. **DEPARTMENT OF VETERANS**
367.7 **AFFAIRS** \$ 200,000 \$ 0

367.8 **Veterans Paramedic Apprenticeship**
367.9 **Program.** \$200,000 in the first year is from
367.10 the Cooper/Sams volunteer ambulance trust
367.11 to the commissioner of veterans affairs
367.12 for a grant to the Minnesota Ambulance
367.13 Association to implement a veterans
367.14 paramedic apprenticeship program to
367.15 reintegrate returning military medics into
367.16 Minnesota's workforce in the field of
367.17 paramedic and emergency services, thereby
367.18 guaranteeing returning military medics
367.19 gainful employment with livable wages and
367.20 benefits. This appropriation is available until
367.21 expended.

367.22 Sec. 8. **DEPARTMENT OF PUBLIC SAFETY** \$ 250,000 \$ 0

367.23 **Medical Response Unit Reimbursement**
367.24 **Pilot Program.** (a) \$250,000 in the first
367.25 year is from the Cooper/Sams volunteer
367.26 ambulance trust to the Department of
367.27 Public Safety for a medical response unit
367.28 reimbursement pilot program. Of this
367.29 appropriation, \$75,000 is for administrative
367.30 costs to the Department of Public Safety,
367.31 including providing contract staff support
367.32 and technical assistance to the pilot program
367.33 partners if necessary.

369.1 **TANF Prior Appropriation Cancellation.**

369.2 Notwithstanding Laws 2001, First Special
369.3 Session chapter 9, article 17, section
369.4 2, subdivision 11, paragraph (b), any
369.5 unexpended TANF funds appropriated to the
369.6 commissioner to contract with the Board of
369.7 Trustees of Minnesota State Colleges and
369.8 Universities, to provide tuition waivers to
369.9 employees of health care and human service
369.10 providers that are members of qualifying
369.11 consortia operating under Minnesota
369.12 Statutes, sections 116L.10 to 116L.15, must
369.13 cancel at the end of fiscal year 2007.

369.14 **MFIP Pilot Program.** Of the TANF
369.15 appropriation, \$100,000 in fiscal year 2008
369.16 and \$750,000 in fiscal year 2009 are for a
369.17 grant to the Stearns-Benton Employment and
369.18 Training Council for the Workforce U pilot
369.19 program. Base level funding for this program
369.20 shall be \$750,000 in 2010 and \$0 in 2011.

369.21 **Supported Work.** (1) Of the TANF
369.22 appropriation, \$5,468,000 in fiscal year 2008
369.23 is for supported work for MFIP participants,
369.24 to be allocated to counties and tribes based
369.25 on the criteria under clauses (2) and (3), and
369.26 is available until expended. Paid transitional
369.27 work experience and other supported
369.28 employment under this rider provides
369.29 a continuum of employment assistance,
369.30 including outreach and recruitment,
369.31 program orientation and intake, testing and
369.32 assessment, job development and marketing,
369.33 preworksite training, supported worksite
369.34 experience, job coaching, and postplacement
369.35 follow-up, in addition to extensive case
369.36 management and referral services. * **(The**

370.1 preceding text "and \$7,291,000 in fiscal
370.2 year 2009" was indicated as vetoed by the
370.3 governor.)

370.4 (2) A county or tribe is eligible to receive an
370.5 allocation under this rider if:

370.6 (i) the county or tribe is not meeting the
370.7 federal work participation rate;

370.8 (ii) the county or tribe has participants who
370.9 are required to perform work activities under
370.10 Minnesota Statutes, chapter 256J, but are not
370.11 meeting hourly work requirements; and

370.12 (iii) the county or tribe has assessed
370.13 participants who have completed six weeks
370.14 of job search or are required to perform
370.15 work activities and are not meeting the
370.16 hourly requirements, and the county or tribe
370.17 has determined that the participant would
370.18 benefit from working in a supported work
370.19 environment.

370.20 (3) A county or tribe may also be eligible for
370.21 funds in order to contract for supplemental
370.22 hours of paid work at the participant's child's
370.23 place of education, child care location, or the
370.24 child's physical or mental health treatment
370.25 facility or office. This grant to counties and
370.26 tribes is specifically for MFIP participants
370.27 who need to work up to five hours more
370.28 per week in order to meet the hourly work
370.29 requirement, and the participant's employer
370.30 cannot or will not offer more hours to the
370.31 participant.

370.32 **Work Study.** Of the TANF appropriation,
370.33 \$750,000 each year are to the commissioner
370.34 to contract with the Minnesota Office of
370.35 Higher Education for the biennium beginning

July 1, 2007, for work study grants under Minnesota Statutes, section 136A.233, specifically for low-income individuals who receive assistance under Minnesota Statutes, chapter 256J, and for grants to opportunities industrialization centers. * (The preceding text beginning "Work Study. Of the TANF appropriation," was indicated as vetoed by the governor.)

Integrated Service Projects. \$2,500,000 in fiscal year 2008 and \$2,500,000 in fiscal year 2009 are appropriated from the TANF fund to the commissioner to continue to fund the existing integrated services projects for MFIP families, and if funding allows, additional similar projects.

Base Adjustment. The TANF base for fiscal year 2010 is \$115,902,000 and for fiscal year 2011 is \$115,152,000.

(c) MFIP Child Care Assistance Grants

General	74,654,000	71,951,000
---------	------------	------------

(d) Basic Sliding Fee Child Care Assistance Grants

General	42,995,000	45,008,000
---------	------------	------------

Base Adjustment. The general fund base is \$44,881,000 for fiscal year 2010 and \$44,852,000 for fiscal year 2011.

At-Home Infant Care Program. No funding shall be allocated to or spent on the at-home infant care program under Minnesota Statutes, section 119B.035.

(e) Child Care Development Grants

General	4,390,000	6,390,000
---------	-----------	-----------

372.1 **Prekindergarten Exploratory Projects.** Of
372.2 the general fund appropriation, \$2,000,000
372.3 the first year and \$4,000,000 the second
372.4 year are for grants to the city of St. Paul,
372.5 Hennepin County, and Blue Earth County to
372.6 establish scholarship demonstration projects
372.7 to be conducted in partnership with the
372.8 Minnesota Early Learning Foundation to
372.9 promote children's school readiness. This
372.10 appropriation is available until June 30, 2009.

372.11 **Child Care Services Grants.** Of this
372.12 appropriation, \$250,000 each year are for
372.13 the purpose of providing child care services
372.14 grants under Minnesota Statutes, section
372.15 119B.21, subdivision 5. This appropriation
372.16 is for the 2008-2009 biennium only, and does
372.17 not increase the base funding.

372.18 **Early Childhood Professional**
372.19 **Development System.** Of this appropriation,
372.20 \$250,000 each year are for purposes of the
372.21 early childhood professional development
372.22 system, which increases the quality and
372.23 continuum of professional development
372.24 opportunities for child care practitioners.
372.25 This appropriation is for the 2008-2009
372.26 biennium only, and does not increase the
372.27 base funding.

372.28 **Base Adjustment.** The general fund base
372.29 is \$1,515,000 for each of fiscal years 2010
372.30 and 2011.

372.31 **(f) Child Support Enforcement Grants**

372.32	General	11,038,000	3,705,000
--------	---------	------------	-----------

372.33 **Child Support Enforcement.** \$7,333,000
372.34 for fiscal year 2008 is to make grants to
372.35 counties for child support enforcement

373.1 programs to make up for the loss under the
373.2 2005 federal Deficit Reduction Act of federal
373.3 matching funds for federal incentive funds
373.4 passed on to the counties by the state.

373.5 This appropriation is available until June 30,
373.6 2009.

373.7 (g) **Children's Services Grants**

373.8	Appropriations by Fund		
373.9	General	63,647,000	71,147,000
373.10	Health Care Access	250,000	-0-
373.11	TANF	240,000	340,000

373.12 **Grants for Programs Serving Young**
373.13 **Parents.** Of the TANF fund appropriation,
373.14 \$140,000 each year is for a grant to a program
373.15 or programs that provide comprehensive
373.16 services through a private, nonprofit agency
373.17 to young parents in Hennepin County who
373.18 have dropped out of school and are receiving
373.19 public assistance. The program administrator
373.20 shall report annually to the commissioner on
373.21 skills development, education, job training,
373.22 and job placement outcomes for program
373.23 participants.

373.24 **County Allocations for Rate Increases.**
373.25 County Children and Community Services
373.26 Act allocations shall be increased by
373.27 \$197,000 effective October 1, 2007, and
373.28 \$696,000 effective October 1, 2008, to help
373.29 counties pay for the rate adjustments to
373.30 day training and habilitation providers for
373.31 participants paid by county social service
373.32 funds. Notwithstanding the provisions of
373.33 Minnesota Statutes, section 256M.40, the
373.34 allocation to a county shall be based on
373.35 the county's proportion of social services

374.1 spending for day training and habilitation
374.2 services as determined in the most recent
374.3 social services expenditure and grant
374.4 reconciliation report.

374.5 **Privatized Adoption Grants.** Federal
374.6 reimbursement for privatized adoption grant
374.7 and foster care recruitment grant expenditures
374.8 is appropriated to the commissioner for
374.9 adoption grants and foster care and adoption
374.10 administrative purposes.

374.11 **Adoption Assistance Incentive Grants.**
374.12 Federal funds available during fiscal year
374.13 2008 and fiscal year 2009 for the adoption
374.14 incentive grants are appropriated to the
374.15 commissioner for these purposes.

374.16 **Adoption Assistance and Relative Custody**
374.17 **Assistance.** The commissioner may transfer
374.18 unencumbered appropriation balances for
374.19 adoption assistance and relative custody
374.20 assistance between fiscal years and between
374.21 programs.

374.22 **Children's Mental Health Grants.** Of the
374.23 general fund appropriation, \$5,913,000 in
374.24 fiscal year 2008 and \$6,825,000 in fiscal year
374.25 2009 are for children's mental health grants.
374.26 The purpose of these grants is to increase and
374.27 maintain the state's children's mental health
374.28 service capacity, especially for school-based
374.29 mental health services. The commissioner
374.30 shall require grantees to utilize all available
374.31 third party reimbursement sources as a
374.32 condition of using state grant funds. At
374.33 least 15 percent of these funds shall be
374.34 used to encourage efficiencies through early
374.35 intervention services. At least another 15

375.1 percent shall be used to provide respite care
375.2 services for children with severe emotional
375.3 disturbance at risk of out-of-home placement.

375.4 **Mental Health Crisis Services.** Of the
375.5 general fund appropriation, \$2,528,000 in
375.6 fiscal year 2008 and \$2,850,000 in fiscal year
375.7 2009 are for statewide funding of children's
375.8 mental health crisis services. Providers must
375.9 utilize all available funding streams.

375.10 **Children's Mental Health Evidence-Based**
375.11 **and Best Practices.** Of the general fund
375.12 appropriation, \$375,000 in fiscal year 2008
375.13 and \$750,000 in fiscal year 2009 are for
375.14 children's mental health evidence-based and
375.15 best practices including, but not limited
375.16 to: Adolescent Integrated Dual Diagnosis
375.17 Treatment services; school-based mental
375.18 health services; co-location of mental
375.19 health and physical health care, and; the
375.20 use of technological resources to better
375.21 inform diagnosis and development of
375.22 treatment plan development by mental
375.23 health professionals. The commissioner
375.24 shall require grantees to utilize all available
375.25 third-party reimbursement sources as a
375.26 condition of using state grant funds.

375.27 **Culturally Specific Mental Health**
375.28 **Treatment Grants.** Of the general fund
375.29 appropriation, \$75,000 in fiscal year 2008
375.30 and \$300,000 in fiscal year 2009 are for
375.31 children's mental health grants to support
375.32 increased availability of mental health
375.33 services for persons from cultural and
375.34 ethnic minorities within the state. The
375.35 commissioner shall use at least 20 percent

376.1 of these funds to help members of cultural
376.2 and ethnic minority communities to become
376.3 qualified mental health professionals and
376.4 practitioners. The commissioner shall assist
376.5 grantees to meet third-party credentialing
376.6 requirements and require them to utilize all
376.7 available third-party reimbursement sources
376.8 as a condition of using state grant funds.

376.9 **Mental Health Services for Children with**
376.10 **Special Treatment Needs.** Of the general
376.11 fund appropriation, \$50,000 in fiscal year
376.12 2008 and \$200,000 in fiscal year 2009 are
376.13 for children's mental health grants to support
376.14 increased availability of mental health
376.15 services for children with special treatment
376.16 needs. These shall include, but not be limited
376.17 to: victims of trauma, including children
376.18 subjected to abuse or neglect, veterans and
376.19 their families, and refugee populations;
376.20 persons with complex treatment needs, such
376.21 as eating disorders; and those with low
376.22 incidence disorders.

376.23 **MFIP and Children's Mental Health**
376.24 **Pilot Project.** Of the TANF appropriation,
376.25 \$100,000 in fiscal year 2008 and \$200,000
376.26 in fiscal year 2009 are to fund the MFIP
376.27 and children's mental health pilot project.
376.28 Of these amounts, up to \$100,000 may be
376.29 expended on evaluation of this pilot.

376.30 ~~**Prenatal Alcohol or Drug Use.** Of the~~
376.31 ~~general fund appropriation, \$75,000 each~~
376.32 ~~year is to award grants beginning July 1,~~
376.33 ~~2007, to programs that provide services~~
376.34 ~~under Minnesota Statutes, section 254A.171,~~
376.35 ~~in Pine, Kanabec, and Carlton Counties. This~~

377.1 ~~appropriation shall become part of the base~~
377.2 ~~appropriation.~~

377.3 **Base Adjustment.** The general fund base
377.4 is \$62,572,000 in fiscal year 2010 and
377.5 \$62,575,000 in fiscal year 2011.

377.6 **(h) Children and Community Services Grants**

377.7	General	101,369,000	69,208,000
-------	---------	-------------	------------

377.8 **Base Adjustment.** The general fund base
377.9 is \$69,274,000 in each of fiscal years 2010
377.10 and 2011.

377.11 **Targeted Case Management Temporary**
377.12 **Funding.** (a) Of the general fund
377.13 appropriation, \$32,667,000 in fiscal year
377.14 2008 is transferred to the targeted case
377.15 management contingency reserve account in
377.16 the general fund to be allocated to counties
377.17 and tribes affected by reductions in targeted
377.18 case management federal Medicaid revenue
377.19 as a result of the provisions in the federal
377.20 Deficit Reduction Act of 2005, Public Law
377.21 109-171.

377.22 (b) Contingent upon (1) publication by the
377.23 federal Centers for Medicare and Medicaid
377.24 Services of final regulations implementing
377.25 the targeted case management provisions
377.26 of the federal Deficit Reduction Act of
377.27 2005, Public Law 109-171, or (2) the
377.28 issuance of a finding by the Centers for
377.29 Medicare and Medicaid Services of federal
377.30 Medicaid overpayments for targeted case
377.31 management expenditures, up to \$32,667,000
377.32 is appropriated to the commissioner of human
377.33 services. Prior to distribution of funds, the
377.34 commissioner shall estimate and certify the
377.35 amount by which the federal regulations or

378.1 federal disallowance will reduce targeted
378.2 case management Medicaid revenue over the
378.3 2008-2009 biennium.

378.4 (c) Within 60 days of a contingency described
378.5 in paragraph (b), the commissioner shall
378.6 distribute the grants proportionate to each
378.7 affected county or tribe's targeted case
378.8 management federal earnings for calendar
378.9 year 2005, not to exceed the lower of (1) the
378.10 amount of the estimated reduction in federal
378.11 revenue or (2) \$32,667,000.

378.12 (d) These funds are available in either year of
378.13 the biennium. Counties and tribes shall use
378.14 these funds to pay for social service-related
378.15 costs, but the funds are not subject to
378.16 provisions of the Children and Community
378.17 Services Act grant under Minnesota Statutes,
378.18 chapter 256M.

378.19 (e) This appropriation shall be available to
378.20 pay counties and tribes for expenses incurred
378.21 on or after July 1, 2007. The appropriation
378.22 shall be available until expended.

378.23 (i) **General Assistance Grants**

378.24	General	37,876,000	38,253,000
--------	---------	------------	------------

378.25 **General Assistance Standard.** The
378.26 commissioner shall set the monthly standard
378.27 of assistance for general assistance units
378.28 consisting of an adult recipient who is
378.29 childless and unmarried or living apart
378.30 from parents or a legal guardian at \$203.
378.31 The commissioner may reduce this amount
378.32 according to Laws 1997, chapter 85, article
378.33 3, section 54.

379.1 **Emergency General Assistance.** The
379.2 amount appropriated for emergency general
379.3 assistance funds is limited to no more
379.4 than \$7,889,812 in fiscal year 2008 and
379.5 \$7,889,812 in fiscal year 2009. Funds
379.6 to counties must be allocated by the
379.7 commissioner using the allocation method
379.8 specified in Minnesota Statutes, section
379.9 256D.06.

379.10 (j) **Minnesota Supplemental Aid Grants**

379.11 General	30,505,000	30,812,000
------------------	------------	------------

379.12 **Emergency Minnesota Supplemental**
379.13 **Aid Funds.** The amount appropriated for
379.14 emergency Minnesota supplemental aid
379.15 funds is limited to no more than \$1,100,000
379.16 in fiscal year 2008 and \$1,100,000 in fiscal
379.17 year 2009. Funds to counties must be
379.18 allocated by the commissioner using the
379.19 allocation method specified in Minnesota
379.20 Statutes, section 256D.46.

379.21 (k) **Group Residential Housing Grants**

379.22 General	91,069,000	98,671,000
------------------	------------	------------

379.23 **People Incorporated.** Of the general fund
379.24 appropriation, \$460,000 each year is to
379.25 augment community support and mental
379.26 health services provided to individuals
379.27 residing in facilities under Minnesota
379.28 Statutes, section 256I.05, subdivision 1m.

379.29 (l) **Other Children and Economic Assistance**
379.30 **Grants**

379.31 General	20,183,000	16,333,000
379.32 Federal TANF	1,500,000	1,500,000

379.33 **Base Adjustment.** The general fund base
379.34 shall be \$16,033,000 in fiscal year 2010 and

380.1 \$15,533,000 in fiscal year 2011. The TANF
380.2 base shall be \$1,500,000 in fiscal year 2010
380.3 and \$1,181,000 in fiscal year 2011.

380.4 **Homeless and Runaway Youth.** Of the
380.5 general fund appropriation, \$500,000 each
380.6 year are for the Runaway and Homeless
380.7 Youth Act under Minnesota Statutes, section
380.8 256K.45. Funds shall be spent in each area
380.9 of the continuum of care to ensure that
380.10 programs are meeting the greatest need. This
380.11 is a onetime appropriation.

380.12 **Long-Term Homelessness.** Of the general
380.13 fund appropriation, \$2,000,000 in fiscal year
380.14 2008 is for implementation of programs
380.15 to address long-term homelessness and is
380.16 available in either year of the biennium. This
380.17 is a onetime appropriation.

380.18 **Minnesota Community Action Grants.** (a)
380.19 Of the general fund appropriation, \$250,000
380.20 each year is for the purposes of Minnesota
380.21 community action grants under Minnesota
380.22 Statutes, sections 256E.30 to 256E.32. This
380.23 is a onetime appropriation.

380.24 (b) Of the TANF appropriation, \$1,500,000
380.25 each year is for community action agencies
380.26 for auto repairs, auto loans, and auto
380.27 purchase grants to individuals who are
380.28 eligible to receive benefits under Minnesota
380.29 Statutes, chapter 256J, or who have lost
380.30 eligibility for benefits under Minnesota
380.31 Statutes, chapter 256J, due to earnings in the
380.32 prior 12 months. Base level funding for this
380.33 activity shall be \$1,500,000 in fiscal year
380.34 2010 and \$1,181,000 in fiscal year 2011. *

380.35 **(The preceding text beginning "(b) Of the**

381.1 TANF appropriation," was indicated as
381.2 vetoed by the governor.)
381.3 (c) Money appropriated under paragraphs (a)
381.4 and (b) that is not spent in the first year does
381.5 not cancel but is available for the second
381.6 year.

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

381.8 Sec. 13. **FEDERAL STIMULUS FUNDS; REPORT.**

381.9 By February 15, 2010, the commissioner of health shall submit to the chairs and
381.10 ranking minority members of the house of representatives and senate committees with
381.11 jurisdiction over public health and public safety finance a report on how funds from the
381.12 American Recovery and Reinvestment Act of 2009 are used: (1) to support advancing
381.13 the objectives of the Minnesota Department of Health's Sexual Violence Prevention Plan;
381.14 and (2) to support any pilot programs that might demonstrate and evaluate how use of
381.15 community-based prevention grants might serve as a model for future investment of state
381.16 resources to help advance the department's Sexual Violence Prevention Plan.

381.17 Sec. 14. **EMERGENCY SERVICES SHELTER GRANTS FROM AMERICAN**
381.18 **RECOVERY AND REINVESTMENT ACT.**

381.19 To the extent permitted under federal law, the commissioner of human services, when
381.20 determining the uses of the emergency services shelter grants provided under the American
381.21 Recovery and Reinvestment Act, shall give priority to programs that serve the following:
381.22 (1) homeless youth;
381.23 (2) American Indian women who are victims of trafficking;
381.24 (3) high-risk adult males considered to be very likely to enter or reenter state or
381.25 county correctional programs, or chemical and mental health programs;
381.26 (4) battered women; and
381.27 (5) families affected by foreclosure.

381.28 Sec. 15. **TRANSFERS.**

381.29 Subdivision 1. **Grants.** The commissioner of human services, with the approval
381.30 of the commissioner of finance, and after notification of the chairs of the relevant senate
381.31 budget division and house of representatives finance division committee, may transfer
381.32 unencumbered appropriation balances for the biennium ending June 30, 2011, within

382.1 fiscal years among the MFIP, general assistance, general assistance medical care, medical
382.2 assistance, MinnesotaCare, MFIP child care assistance under Minnesota Statutes, section
382.3 119B.05, Minnesota supplemental aid, and group residential housing programs, and the
382.4 entitlement portion of the chemical dependency consolidated treatment fund, and between
382.5 fiscal years of the biennium.

382.6 Subd. 2. **Administration.** Positions, salary money, and nonsalary administrative
382.7 money may be transferred within the Departments of Human Services and Health as the
382.8 commissioners consider necessary, with the advance approval of the commissioner of
382.9 finance. The commissioner shall inform the chairs of the relevant house and senate health
382.10 committees quarterly about transfers made under this provision.

382.11 Sec. 16. **EXPIRATION OF UNCODIFIED LANGUAGE.**

382.12 All uncoded language contained in this article expires on June 30, 2011, unless a
382.13 different expiration date is explicit.

382.14 Sec. 17. **EFFECTIVE DATE.**

382.15 The provisions in this article are effective July 1, 2009, unless a different effective
382.16 date is specified.

APPENDIX
Article locations in H1362-3

ARTICLE 1	LICENSING	Page.Ln 2.50
ARTICLE 2	MFIP, CHILDREN, AND ADULT SUPPORTS	Page.Ln 23.13
ARTICLE 3	CHILD SUPPORT	Page.Ln 43.1
ARTICLE 4	STATE-OPERATED SERVICES	Page.Ln 45.1
ARTICLE 5	DEPARTMENT OF HEALTH	Page.Ln 50.4
ARTICLE 6	HEALTH CARE PROGRAMS	Page.Ln 65.18
ARTICLE 7	TECHNICAL	Page.Ln 139.6
ARTICLE 8	CHEMICAL AND MENTAL HEALTH	Page.Ln 157.19
ARTICLE 9	CONTINUING CARE	Page.Ln 178.25
	STATE-COUNTY RESULTS, ACCOUNTABILITY, AND SERVICE	
ARTICLE 10	DELIVERY REFORM ACT	Page.Ln 285.1
ARTICLE 11	PUBLIC HEALTH	Page.Ln 293.7
ARTICLE 12	HEALTH-RELATED FEES	Page.Ln 325.23
ARTICLE 13	MISCELLANEOUS	Page.Ln 331.14
ARTICLE 14	HUMAN SERVICES FORECAST ADJUSTMENTS	Page.Ln 335.3
ARTICLE 15	APPROPRIATIONS	Page.Ln 336.23