

## NINETY-FOURTH SESSION

H. F. No. 2434

03/17/2025 Authored by Schomacker and Noor  
The bill was read for the first time and referred to the Committee on Human Services Finance and Policy  
04/21/2025 Adoption of Report: Amended and re-referred to the Committee on Ways and Means  
05/01/2025 Adoption of Report: Placed on the General Register as Amended  
Read for the Second Time

1.1

## A bill for an act

1.2 relating to human services; modifying provisions relating to aging services,  
1.3 disability services, health care services, behavioral health services, background  
1.4 studies, Department of Human Services program integrity, direct care and treatment  
1.5 services, and housing supports; establishing a patient driven payment model  
1.6 phase-in, the Minnesota Caregiver Defined Contribution Retirement Fund Trust,  
1.7 early intensive developmental and behavioral intervention provisional licensure,  
1.8 and recovery residence certification; adjusting rates for nursing home wage  
1.9 standards; establishing an advisory task force and workgroups; creating a civil  
1.10 cause of action; creating grants; requiring reports; making forecast adjustments;  
1.11 appropriating money; amending Minnesota Statutes 2024, sections 13.46,  
1.12 subdivisions 2, 3; 142A.02, subdivision 1; 142A.09, subdivision 1; 144.0724,  
1.13 subdivisions 2, 11, by adding a subdivision; 179A.54, by adding a subdivision;  
1.14 245.095, subdivision 5, by adding a subdivision; 245.462, subdivision 20; 245.4661,  
1.15 subdivisions 2, 6, 7; 245.467, subdivision 4; 245.4711, subdivisions 1, 4; 245.4712,  
1.16 subdivisions 1, 3; 245.4871, subdivision 5; 245.91, subdivision 4; 245A.03, by  
1.17 adding a subdivision; 245A.04, subdivisions 1, 7; 245A.042, by adding a  
1.18 subdivision; 245A.043, by adding a subdivision; 245A.05; 245A.07, subdivision  
1.19 2; 245A.10, subdivisions 2, 3, 4, 8; 245C.02, subdivision 7; 245C.03, subdivisions  
1.20 6, 13, 15; 245C.04, subdivision 6, by adding a subdivision; 245C.08, subdivision  
1.21 5; 245C.10, by adding a subdivision; 245C.13, subdivision 2; 245C.14, by adding  
1.22 subdivisions; 245C.15, subdivisions 1, 4a; 245C.16, subdivision 1; 245C.22,  
1.23 subdivisions 3, 8; 245D.091, subdivisions 2, 3; 245G.01, subdivision 13b, by  
1.24 adding subdivisions; 245G.02, subdivision 2; 245G.07, subdivisions 1, 3, 4, by  
1.25 adding subdivisions; 245G.11, subdivision 6, by adding a subdivision; 245G.22,  
1.26 subdivisions 11, 15; 246.54, subdivisions 1a, 1b; 246B.10; 246C.091, subdivision  
1.27 3; 252.27, by adding subdivisions; 254A.19, subdivision 4; 254B.01, subdivisions  
1.28 10, 11; 254B.02, subdivision 5; 254B.03, subdivisions 1, 3, 4; 254B.04,  
1.29 subdivisions 1a, 5, 6, 6a; 254B.05, subdivisions 1, 1a, 5, by adding a subdivision;  
1.30 254B.052, by adding a subdivision; 254B.06, subdivision 2, by adding a  
1.31 subdivision; 254B.09, subdivision 2; 254B.19, subdivision 1; 256.01, subdivisions  
1.32 29, 34; 256.043, subdivision 3; 256.9657, subdivisions 1, 7a; 256.983, subdivision  
1.33 4; 256B.051, subdivision 6, by adding a subdivision; 256B.0625, subdivisions 5m,  
1.34 20; 256B.0659, subdivisions 17a, 21; 256B.0757, subdivision 4c; 256B.0761,  
1.35 subdivision 4; 256B.0911, subdivisions 24, 26, by adding subdivisions; 256B.0922,  
1.36 subdivision 1, by adding a subdivision; 256B.0924, subdivision 6; 256B.0949,  
1.37 subdivisions 15, 16, 16a, by adding a subdivision; 256B.14, subdivision 2; 256B.19,  
1.38 subdivision 1; 256B.434, subdivision 4k; 256B.4912, subdivision 1; 256B.4914,

2.1 subdivisions 3, 5, 5a, 5b, 6a, 6b, 6c, 8, 9, by adding subdivisions; 256B.766;  
2.2 256B.85, subdivisions 7a, 8, 12, 16; 256B.851, subdivisions 5, 6, 7, by adding  
2.3 subdivisions; 256G.08, subdivisions 1, 2; 256G.09, subdivisions 1, 2; 256I.03,  
2.4 subdivision 11a; 256I.04, subdivision 2a; 256I.05, subdivisions 1d, 1e, 1f, 1g, 1h,  
2.5 1i, 1j, 1k, 1l, 1m, 1n, 1p, 1q, 1r, 1s, 1t, 1u, 2; 256R.02, subdivision 19, by adding  
2.6 subdivisions; 256R.23, subdivisions 2, 3; 256R.24, subdivision 1; 256R.25;  
2.7 260E.14, subdivision 1; 325F.725; 609A.015, subdivision 4; 609A.055, subdivision  
2.8 3; 611.43, by adding a subdivision; 611.46, subdivision 1; 611.55, by adding a  
2.9 subdivision; 626.5572, subdivision 13; Laws 2021, First Special Session chapter  
2.10 7, article 13, sections 73; 75, subdivision 4, as amended; Laws 2023, chapter 61,  
2.11 article 1, sections 5; 27; 30; 32; 47; 61, subdivision 4; 85; article 9, section 2,  
2.12 subdivision 14, as amended; Laws 2024, chapter 127, article 53, section 2,  
2.13 subdivision 19; proposing coding for new law in Minnesota Statutes, chapters  
2.14 245A; 245D; 245B; 256; 256K; 256R; repealing Minnesota Statutes 2024, sections  
2.15 245G.01, subdivision 20d; 245G.07, subdivision 2; 254B.01, subdivision 5;  
2.16 254B.04, subdivision 2a; 254B.181; Laws 2021, First Special Session chapter 7,  
2.17 article 13, section 75, subdivisions 3, as amended, 6, as amended.

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

2.19 **ARTICLE 1**  
2.20 **AGING SERVICES**

2.21 Section 1. Minnesota Statutes 2024, section 256.9657, subdivision 1, is amended to read:

2.22 **Subdivision 1. Nursing home license surcharge.** (a) ~~Effective July 1, 1993, Each~~  
2.23 non-state-operated nursing home licensed under chapter 144A shall pay to the commissioner  
2.24 an annual surcharge according to the schedule in subdivision 4. The surcharge shall be  
2.25 calculated as ~~\$620~~ \$2,815 per licensed bed. If the number of licensed beds is ~~reduced~~  
2.26 changed, the surcharge shall be based on the number of ~~remaining~~ licensed beds ~~the second~~  
2.27 ~~month following the receipt of timely notice by the commissioner of human services that~~  
2.28 ~~beds have been delicensed on the first day of the month following the change in number of~~  
2.29 licensed beds. The nursing home must notify the commissioner of health in writing when  
2.30 beds are licensed or delicensed. ~~The commissioner of health must notify the commissioner~~  
2.31 ~~of human services within ten working days after receiving written notification. If the~~  
2.32 ~~notification is received by the commissioner of human services by the 15th of the month,~~  
2.33 ~~the invoice for the second following month must be reduced to recognize the delicensing~~  
2.34 ~~of beds. Beds on layaway status continue to be subject to the surcharge.~~ The commissioner  
2.35 of human services must acknowledge a medical care surcharge appeal within ~~30~~ 90 days  
2.36 of receipt of the written appeal from the provider.

2.37 (b) ~~Effective July 1, 1994, the surcharge in paragraph (a) shall be increased to \$625~~  
2.38 ~~January 1, 2026, or the first day of the month following federal approval, whichever is later,~~  
2.39 the surcharge under this subdivision shall be increased to \$5,900.

3.1        ~~(c) Effective August 15, 2002, the surcharge under paragraph (b) shall be increased to~~  
3.2        ~~\$990.~~

3.3        ~~(d) Effective July 15, 2003, the surcharge under paragraph (c) shall be increased to~~  
3.4        ~~\$2,815.~~

3.5        ~~(e) (c) The commissioner may reduce, and may subsequently restore, the surcharge under~~  
3.6        ~~paragraph (d) based on the commissioner's determination of a permissible surcharge must~~  
3.7        ~~decrease the amount under this subdivision as necessary to remain under the allowable~~  
3.8        ~~federal tax percent in Code of Federal Regulations, title 42, part 433.~~

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

3.10      Sec. 2. Minnesota Statutes 2024, section 256.9657, subdivision 7a, is amended to read:

3.11      Subd. 7a. **Withholding.** If any provider obligated to pay an annual surcharge under this  
3.12      section is more than two months delinquent in the timely payment of a monthly surcharge  
3.13      installment payment, the provisions in paragraphs (a) to (f) apply.

3.14      (a) The department may withhold some or all of the amount of the delinquent surcharge,  
3.15      together with any interest and penalties due and owing on those amounts, from any money  
3.16      the department owes to the provider. The department may, at its discretion, also withhold  
3.17      future surcharge installment payments from any money the department owes the provider  
3.18      as those installments become due and owing. The department may continue this withholding  
3.19      until the department determines there is no longer any need to do so.

3.20      (b) The department shall give prior notice of the department's intention to withhold by  
3.21      mailing or emailing a written notice to the provider at the address to which remittance  
3.22      advices are mailed, placing the notice in the provider's MN-ITS mailbox, or faxing a copy  
3.23      of the notice to the provider at least ten business days before the date of the first payment  
3.24      period for which the withholding begins. The notice may be sent by ordinary or certified  
3.25      mail, email, MN-ITS mailbox, or facsimile, and shall be deemed received as of the date of  
3.26      mailing or receipt issuance of the facsimile, email, MN-ITS mailbox, or distribution. The  
3.27      notice shall:

3.28      (1) state the amount of the delinquent surcharge;

3.29      (2) state the amount of the withholding per payment period;

3.30      (3) state the date on which the withholding is to begin;

3.31      (4) state whether the department intends to withhold future installments of the provider's  
3.32      surcharge payments;

4.1       (5) inform the provider of their rights to informally object to the proposed withholding  
4.2       and to appeal the withholding as provided for in this subdivision;

4.3       (6) state that the provider may prevent the withholding during the pendency of their  
4.4       appeal by posting a bond; and

4.5       (7) state other contents as the department deems appropriate.

4.6       (c) The provider may informally object to the withholding in writing anytime before the  
4.7       withholding begins. An informal objection shall not stay or delay the commencement of  
4.8       the withholding. The department may postpone the commencement of the withholding as  
4.9       deemed appropriate and shall not be required to give another notice at the end of the  
4.10       postponement and before commencing the withholding. The provider shall have the right  
4.11       to appeal any withholding from remittances by filing an appeal with Ramsey County District  
4.12       Court and serving notice of the appeal on the department within 30 days of the date of the  
4.13       written notice of the withholding. Notice shall be given and the appeal shall be heard no  
4.14       later than 45 days after the appeal is filed. In a hearing of the appeal, the department's action  
4.15       shall be sustained if the department proves the amount of the delinquent surcharges or  
4.16       overpayment the provider owes, plus any accrued interest and penalties, has not been repaid.  
4.17       The department may continue withholding for delinquent and current surcharge installment  
4.18       payments during the pendency of an appeal unless the provider posts a bond from a surety  
4.19       company licensed to do business in Minnesota in favor of the department in an amount  
4.20       equal to two times the provider's total annual surcharge payment for the fiscal year in which  
4.21       the appeal is filed with the department.

4.22       (d) The department shall refund any amounts due to the provider under any final  
4.23       administrative or judicial order or decree which fully and finally resolves the appeal together  
4.24       with interest on those amounts at the rate of three percent per annum simple interest computed  
4.25       from the date of each withholding, as soon as practical after entry of the order or decree.

4.26       (e) The commissioner, or the commissioner's designee, may enter into written settlement  
4.27       agreements with a provider to resolve disputes and other matters involving unpaid surcharge  
4.28       installment payments or future surcharge installment payments.

4.29       (f) Notwithstanding any law to the contrary, all unpaid surcharges, plus any accrued  
4.30       interest and penalties, shall be overpayments for purposes of section 256B.0641.

4.31       Sec. 3. Minnesota Statutes 2024, section 256B.0922, subdivision 1, is amended to read:

4.32       **Subdivision 1. Essential community supports.** (a) The purpose of the essential  
4.33       community supports program is to provide targeted services to persons ~~age 65 and older~~

5.1 who need essential community support, but whose needs do not meet the level of care  
5.2 required for nursing facility placement under section 144.0724, subdivision 11, and who  
5.3 are either 60 years of age or older or are persons with dementia.

5.4 (b) Essential community supports are available not to exceed \$400 per person per month.  
5.5 Essential community supports may be used as authorized within an authorization period  
5.6 not to exceed 12 months. Services must be available to a person who:

5.7 (1) is age 65 60 or older or has a score on the cognitive screening tool conducted as part  
5.8 of the MnCHOICES assessment under section 256B.0911 that indicates the possible presence  
5.9 of dementia;

5.10 (2) is not eligible for medical assistance;

5.11 (3) has received a community assessment under section 256B.0911, subdivisions 17 to  
5.12 21, 23, 24, or 27, and does not require the level of care provided in a nursing facility;

5.13 (4) meets the financial eligibility criteria ~~for the alternative care program under section~~  
5.14 ~~256B.0913, subdivision 4 under subdivision 3;~~

5.15 (5) has an assessment summary; and

5.16 (6) has been determined by a community assessment under section 256B.0911,  
5.17 subdivisions 17 to 21, 23, 24, or 27, to be a person who would require provision of at least  
5.18 one of the following services, as defined in the approved elderly waiver plan, in order to  
5.19 maintain their community residence:

5.20 (i) adult day services;

5.21 (ii) caregiver support;

5.22 (iii) homemaker support;

5.23 (iv) chores;

5.24 (v) a personal emergency response device or system;

5.25 (vi) home-delivered meals; ~~or~~

5.26 (vii) community living assistance as defined by the commissioner; or

5.27 (viii) respite care.

5.28 (c) The person receiving any of the essential community supports in this subdivision  
5.29 must also receive service coordination, not to exceed \$600 in a 12-month authorization  
5.30 period, as part of their assessment summary.

6.1       (d) A person who has been determined to be eligible for essential community supports  
6.2       must be reassessed at least annually and continue to meet the criteria in paragraph (b) to  
6.3       remain eligible for essential community supports.

6.4       (e) The commissioner is authorized to use federal matching funds for essential community  
6.5       supports as necessary and to meet demand for essential community supports as outlined in  
6.6       subdivision 2, and that amount of federal funds is appropriated to the commissioner for this  
6.7       purpose.

6.8       Sec. 4. Minnesota Statutes 2024, section 256B.0922, is amended by adding a subdivision  
6.9       to read:

6.10       Subd. 3. Financial eligibility criteria. (a) To be eligible for essential community  
6.11       supports, a person may have an income up to 400 percent of the federal poverty guidelines  
6.12       for the household size. When determining financial eligibility under this subdivision, the  
6.13       commissioner must use the income methodology described in section 256B.056, subdivision  
6.14       1a, paragraph (b).

6.15       (b) No asset limit applies to a person eligible for essential community supports.

6.16       Sec. 5. Minnesota Statutes 2024, section 256B.434, subdivision 4k, is amended to read:

6.17       Subd. 4k. Property rate increase for certain nursing facilities. (a) A rate increase  
6.18       under this subdivision ends upon the effective date of the transition of the facility's property  
6.19       rate to a property payment rate under section 256R.26, subdivision 8, ~~or May 31, 2026,~~  
6.20       ~~whichever is earlier.~~

6.21       (b) The commissioner shall increase the property rate of a nursing facility located in the  
6.22       city of St. Paul at 1415 Almond Avenue in Ramsey County by \$10.65 on January 1, 2025.

6.23       (c) The commissioner shall increase the property rate of a nursing facility located in the  
6.24       city of Duluth at 3111 Church Place in St. Louis County by \$20.81 on January 1, 2025.

6.25       (d) The commissioner shall increase the property rate of a nursing facility located in the  
6.26       city of Chatfield at 1102 Liberty Street SE in Fillmore County by \$21.35 on January 1,  
6.27       2025.

6.28       (e) ~~Effective January 1, 2025, through June 30, 2025, the commissioner shall increase  
6.29       the property rate of a nursing facility located in the city of Fergus Falls at 1131 South  
6.30       Mabelle Avenue in Ottertail County by \$38.56.~~

6.31       EFFECTIVE DATE. This section is effective January 1, 2026.

7.1        Sec. 6. Minnesota Statutes 2024, section 256R.02, subdivision 19, is amended to read:

7.2        **Subd. 19. External fixed costs.** "External fixed costs" means costs related to the nursing  
7.3        home surcharge under section 256.9657, subdivision 1; licensure fees under section 144.122;  
7.4        family advisory council fee under section 144A.33; scholarships under section 256R.37;  
7.5        planned closure rate adjustments under section 256R.40; consolidation rate adjustments  
7.6        under section 144A.071, subdivisions 4c, paragraph (a), clauses (5) and (6), and 4d;  
7.7        single-bed room incentives under section 256R.41; property taxes, special assessments, and  
7.8        payments in lieu of taxes; employer health insurance costs; quality improvement incentive  
7.9        payment rate adjustments under section 256R.39; performance-based incentive payments  
7.10       under section 256R.38; special dietary needs under section 256R.51; Public Employees  
7.11       Retirement Association employer costs; ~~and~~ border city rate adjustments under section  
7.12       256R.481; and the rate adjustment for nursing home wage standards under section 256R.495.

7.13       **EFFECTIVE DATE.** This section is effective January 1, 2026, or upon federal approval,  
7.14       whichever is later, and applies retroactively to the rate year beginning January 1, 2026. The  
7.15       commissioner of human services shall notify the revisor of statutes when federal approval  
7.16       is obtained.

7.17       Sec. 7. Minnesota Statutes 2024, section 256R.02, is amended by adding a subdivision to  
7.18       read:

7.19       **Subd. 25b. Known cost change factor.** "Known cost change factor" means 1.00 plus  
7.20       the average amount of increase in minimum wages for nursing home employees approved  
7.21       by the Nursing Home Workforce Standards Board established under section 181.212 that  
7.22       have taken effect within the previous 12 months.

7.23       **EFFECTIVE DATE.** This section is effective January 1, 2027, or upon federal approval,  
7.24       whichever is later, and applies retroactively to the rate year beginning January 1, 2027. The  
7.25       commissioner of human services shall notify the revisor of statutes when federal approval  
7.26       is obtained.

7.27       Sec. 8. Minnesota Statutes 2024, section 256R.02, is amended by adding a subdivision to  
7.28       read:

7.29       **Subd. 36a. Patient driven payment model or PDPM.** "Patient driven payment model"  
7.30       or "PDPM" has the meaning given in section 144.0724, subdivision 2.

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

8.1 Sec. 9. Minnesota Statutes 2024, section 256R.02, is amended by adding a subdivision to  
8.2 read:

8.3 **Subd. 45a. Resource utilization group or RUG.** "Resource utilization group" or "RUG"  
8.4 has the meaning given in section 144.0724, subdivision 2.

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

8.6 Sec. 10. Minnesota Statutes 2024, section 256R.23, subdivision 2, is amended to read:

8.7 **Subd. 2. Calculation of direct care cost per standardized day.** Each facility's direct  
8.8 care cost per standardized day is calculated as follows: (1) multiply the facility's direct care  
8.9 costs divided and the known cost change factor; and (2) divide the result of clause (1) by  
8.10 the sum of the facility's standardized days. A facility's direct care cost per standardized day  
8.11 is the facility's cost per day for direct care services associated with a case mix index of 1.00.

8.12 **EFFECTIVE DATE.** This section is effective January 1, 2027, or upon federal approval,  
8.13 whichever is later, and applies retroactively to the rate year beginning January 1, 2027. The  
8.14 commissioner of human services shall notify the revisor of statutes when federal approval  
8.15 is obtained.

8.16 Sec. 11. Minnesota Statutes 2024, section 256R.23, subdivision 3, is amended to read:

8.17 **Subd. 3. Calculation of other care-related cost per resident day.** Each facility's other  
8.18 care-related cost per resident day is its calculated as follows:

8.19 (1) multiply the facility's other care-related costs, divided and the known cost change  
8.20 factor; and

8.21 (2) divide the result of clause (1) by the sum of the facility's resident days.

8.22 **EFFECTIVE DATE.** This section is effective January 1, 2027, or upon federal approval,  
8.23 whichever is later, and applies retroactively to the rate year beginning January 1, 2027. The  
8.24 commissioner of human services shall notify the revisor of statutes when federal approval  
8.25 is obtained.

8.26 Sec. 12. Minnesota Statutes 2024, section 256R.24, subdivision 1, is amended to read:

8.27 **Subdivision 1. Determination of other operating cost per day.** Each facility's other  
8.28 operating cost per day is its calculated as follows:

8.29 (1) multiply the facility's other operating costs divided and the known cost change factor;  
8.30 and

9.1       (2) divide the result of clause (1) by the sum of the facility's resident days.

9.2       **EFFECTIVE DATE.** This section is effective January 1, 2027, or upon federal approval,  
9.3       whichever is later, and applies retroactively to the rate year beginning January 1, 2027. The  
9.4       commissioner of human services shall notify the revisor of statutes when federal approval  
9.5       is obtained.

9.6       Sec. 13. Minnesota Statutes 2024, section 256R.25, is amended to read:

9.7       **256R.25 EXTERNAL FIXED COSTS PAYMENT RATE.**

9.8       Subdivision 1. Determination of external fixed cost payment rate. (a) The payment  
9.9       rate for external fixed costs is the sum of the amounts in paragraphs (b) to (p) subdivisions  
9.10       2 to 17.

9.11       Subd. 2. Provider surcharges. (b) For a facility licensed as a nursing home, the portion  
9.12       related to the provider surcharge under section 256.9657 is equal to \$8.86 \$19.02 per resident  
9.13       day. For a facility licensed as both a nursing home and a boarding care home, the portion  
9.14       related to the provider surcharge under section 256.9657 is equal to \$8.86 \$19.02 per resident  
9.15       day multiplied by the result of its number of nursing home beds divided by its total number  
9.16       of licensed beds. The commissioner must decrease the portion related to the provider  
9.17       surcharge as necessary to conform to decreases in the nursing home license surcharge fee  
9.18       under section 256.9657.

9.19       Subd. 3. Licensure fees. (e) The portion related to the licensure fee under section 144.122,  
9.20       paragraph (d), is the amount of the fee divided by the sum of the facility's resident days.

9.21       Subd. 4. Advisory councils. (d) The portion related to development and education of  
9.22       resident and family advisory councils under section 144A.33 is \$5 per resident day divided  
9.23       by 365.

9.24       Subd. 5. Scholarships. (e) The portion related to scholarships is determined under section  
9.25       256R.37.

9.26       Subd. 6. Planned closures. (f) The portion related to planned closure rate adjustments  
9.27       is as determined under section 256R.40, subdivision 5, and Minnesota Statutes 2010, section  
9.28       256B.436.

9.29       Subd. 7. Consolidations. (g) The portion related to consolidation rate adjustments shall  
9.30       be as determined under section 144A.071, subdivisions 4c, paragraph (a), clauses (5) and  
9.31       (6), and 4d.

10.1        Subd. 8. Single-bed rooms. ~~(h)~~ The portion related to single-bed room incentives is as  
10.2        determined under section 256R.41.

10.3        Subd. 9. Taxes. ~~(f)~~ The portions related to real estate taxes, special assessments, and  
10.4        payments made in lieu of real estate taxes directly identified or allocated to the nursing  
10.5        facility are the allowable amounts divided by the sum of the facility's resident days. Allowable  
10.6        costs under this paragraph for payments made by a nonprofit nursing facility that are in lieu  
10.7        of real estate taxes shall not exceed the amount which the nursing facility would have paid  
10.8        to a city or township and county for fire, police, sanitation services, and road maintenance  
10.9        costs had real estate taxes been levied on that property for those purposes.

10.10       Subd. 10. Health insurance. ~~(f)~~ The portion related to employer health insurance costs  
10.11       is ~~the~~ calculated as follows:

10.12       (1) multiply the facility's allowable employer health insurance costs ~~divided and the~~  
10.13       known cost change factor; and

10.14       (2) divide the result of clause (1) by the sum of the facility's resident days.

10.15       Subd. 11. Public employees retirement. ~~(k)~~ The portion related to the Public Employees  
10.16       Retirement Association is the allowable costs divided by the sum of the facility's resident  
10.17       days.

10.18       Subd. 12. Quality improvement incentives. ~~(f)~~ The portion related to quality  
10.19       improvement incentive payment rate adjustments is the amount determined under section  
10.20       256R.39.

10.21       Subd. 13. Performance-based incentives. ~~(m)~~ The portion related to performance-based  
10.22       incentive payments is the amount determined under section 256R.38.

10.23       Subd. 14. Special diets. ~~(n)~~ The portion related to special dietary needs is the amount  
10.24       determined under section 256R.51.

10.25       Subd. 15. Border city facilities. ~~(o)~~ The portion related to the rate adjustments for border  
10.26       city facilities is the amount determined under section 256R.481.

10.27       Subd. 16. Critical access facilities. ~~(p)~~ The portion related to the rate adjustment for  
10.28       critical access nursing facilities is the amount determined under section 256R.47.

10.29       Subd. 17. Nursing home wage standards. The portion related to the rate adjustment  
10.30       for nursing home wage standards is the amount determined under section 256R.495. This  
10.31       paragraph expires January 1, 2029.

11.1        **EFFECTIVE DATE.** The amendments to subdivisions 1 and 17 are effective January  
11.2        1, 2026, or upon federal approval, whichever is later, and apply retroactively to the rate  
11.3        year beginning January 1, 2026. The amendments to subdivision 2 are effective January 1,  
11.4        2026, or the first day of the month following federal approval, whichever is later. The  
11.5        amendments to subdivision 10 are effective January 1, 2027, or upon federal approval,  
11.6        whichever is later, and apply retroactively to the rate year beginning January 1, 2027. The  
11.7        commissioner of human services shall notify the revisor of statutes when federal approval  
11.8        is obtained.

11.9        Sec. 14. **[256R.495] RATE ADJUSTMENT FOR NURSING HOME WAGE**  
11.10        **STANDARDS.**

11.11        **Subdivision 1. Nursing facility rate adjustment.** Effective for the rate years beginning  
11.12        January 1, 2026, and January 1, 2027, nursing facility rates under this chapter must include  
11.13        a rate adjustment to pay for the nursing home wage standards promulgated by the Nursing  
11.14        Home Workforce Standards Board and adopted as proposed on October 28, 2024. Each  
11.15        nursing facility reimbursed under this chapter must report to the commissioner the wage  
11.16        rate for every employee and contracted employee below the minimum wage standards  
11.17        established by the board under section 181.212.

11.18        **Subd. 2. Application for January 1, 2026, and January 1, 2027, rate adjustments.** (a)  
11.19        To receive a rate adjustment, a nursing facility must submit an application for each rate year  
11.20        in which the rate adjustment under this section is in effect to the commissioner in a form  
11.21        and manner determined by the commissioner. The application must include data for a period  
11.22        beginning with the first pay period after July 1 of the year prior to the rate year in which  
11.23        the rate adjustment takes effect, including at least three months of employee compensated  
11.24        hours by wage rate and a spending plan that describes how the funds from the rate adjustment  
11.25        will be allocated for compensation to employees as defined by Minnesota Rules, part  
11.26        5200.2060, that are paid less than the general wage standards defined in Minnesota Rules,  
11.27        part 5200.2080, and the wage standards for certain positions defined by Minnesota Rules,  
11.28        part 5200.2090. The application must be submitted by October 1 of the year prior to the  
11.29        rate year in which the rate adjustment takes effect. The commissioner may request any  
11.30        additional information needed to determine the rate adjustment within 20 calendar days of  
11.31        receiving a completed application. The nursing facility must provide any additional  
11.32        information requested by the commissioner within 20 calendar days of receiving a request  
11.33        from the commissioner for additional information. The commissioner may waive the  
11.34        deadlines in this subdivision under extraordinary circumstances.

12.1        (b) For a nursing facility in which employees are represented by an exclusive bargaining  
12.2        representative, the commissioner shall approve an application submitted under this  
12.3        subdivision only upon receipt of a letter of acceptance of the spending plan in regard to  
12.4        members of the bargaining unit, signed by the exclusive bargaining agent and dated after  
12.5        July 1 of the year prior to the rate year in which the rate adjustment takes effect. Upon  
12.6        receipt of the letter of acceptance, the commissioner shall deem all requirements of this  
12.7        paragraph met in regard to the members of the bargaining unit.

12.8        Subd. 3. January 1, 2026, rate adjustment calculation. Based on the application in  
12.9        subdivision 2, the commissioner shall calculate the annualized compensation costs by adding  
12.10        the totals of clauses (1) to (5). The result must be divided by the resident days from the most  
12.11        recently available cost report to determine a per diem amount, which must be included in  
12.12        the external fixed costs payment rate under section 256R.25:

12.13        (1) for all nursing home workers, the sum of the difference between \$19 and any hourly  
12.14        wage rate of less than \$19 multiplied by the number of compensated hours at that wage  
12.15        rate;

12.16        (2) for certified nursing assistants, the sum of the difference between \$22.50 and any  
12.17        hourly wage rate of less than \$22.50 multiplied by the number of compensated hours at that  
12.18        wage rate;

12.19        (3) for trained medication aides, the sum of the difference between \$23.50 and any hourly  
12.20        wage rate of less than \$23.50 multiplied by the number of compensated hours at that wage  
12.21        rate;

12.22        (4) for licensed practical nurses, the sum of the difference between \$27 and any hourly  
12.23        wage rate of less than \$27 multiplied by the number of compensated hours at that wage  
12.24        rate; and

12.25        (5) the sum of the employer's share of FICA taxes, Medicare taxes, state and federal  
12.26        unemployment taxes, workers' compensation, pensions, and contributions to employee  
12.27        retirement accounts attributable to the amounts in clauses (1) to (4).

12.28        Subd. 4. January 1, 2027, rate adjustment calculation. Based on the application in  
12.29        subdivision 2, the commissioner shall calculate the annualized compensation costs by adding  
12.30        the totals of clauses (1) to (5). The result must be divided by the resident days from the most  
12.31        recently available cost report to determine a per diem amount, which must be included in  
12.32        the external fixed costs payment rate under section 256R.25:

13.1 (1) for all nursing home workers, the sum of the difference between \$20.50 and any

13.2 hourly wage rate of less than \$20.50 multiplied by the number of compensated hours at that  
13.3 wage rate;

13.4 (2) for certified nursing assistants, the sum of the difference between \$24 and any hourly

13.5 wage rate of less than \$24 multiplied by the number of compensated hours at that wage  
13.6 rate;

13.7 (3) for trained medication aides, the sum of the difference between \$25 and any hourly

13.8 wage rate of less than \$25 multiplied by the number of compensated hours at that wage  
13.9 rate;

13.10 (4) for licensed practical nurses, the sum of the difference between \$28.50 and any hourly

13.11 wage rate of less than \$28.50 multiplied by the number of compensated hours at that wage  
13.12 rate; and

13.13 (5) the sum of the employer's share of FICA taxes, Medicare taxes, state and federal

13.14 unemployment taxes, workers' compensation, pensions, and contributions to employee  
13.15 retirement accounts attributable to the amounts in clauses (1) to (4).

13.16 **Subd. 5. Rate adjustment timeline.** (a) For the rate year beginning January 1, 2026,

13.17 nursing facilities that receive approval of the application in subdivision 2 must receive a  
13.18 rate adjustment according to subdivision 3. The rate adjustment must continue to be included  
13.19 in the external fixed costs payment rate under section 256R.25 until January 1, 2028.

13.20 (b) For the rate year beginning January 1, 2027, nursing facilities that receive approval

13.21 of the application in subdivision 2 must receive a rate adjustment according to subdivision  
13.22 4. The rate adjustment must continue to be included in the external fixed costs payment rate  
13.23 under section 256R.25 until January 1, 2029.

13.24 **Subd. 6. Expiration.** This section expires January 1, 2029.

13.25 **EFFECTIVE DATE.** This section is effective July 1, 2025, or upon federal approval,

13.26 whichever is later. The commissioner of human services shall notify the revisor of statutes  
13.27 when federal approval is obtained.

13.28 **Sec. 15. [256R.531] PATIENT DRIVEN PAYMENT MODEL PHASE-IN.**

13.29 **Subdivision 1. Model phase-in.** From October 1, 2025, to December 31, 2028, the

13.30 commissioner shall determine an adjustment to the total payment rate for each facility as  
13.31 determined under sections 256R.21 and 256R.27 to phase in the direct care payment rate

14.1 from the RUG-IV case mix classification system to the patient driven payment model  
14.2 (PDPM) case mix classification system.

14.3 **Subd. 2. RUG-IV standardized days and facility case mix index.** (a) The commissioner  
14.4 must determine the RUG-IV standardized days and facility average case mix using the sum  
14.5 of the resident days by case mix classification for all payers on the Minnesota Statistical  
14.6 and Cost Report.

14.7 (b) For the rate year beginning January 1, 2028, to December 31, 2028:

14.8 (1) the commissioner must determine the RUG-IV facility average case mix using the  
14.9 sum of the resident days by the case mix classification for all payers on the September 30,  
14.10 2025, Minnesota Statistical and Cost Report; and

14.11 (2) the commissioner must determine the RUG-IV standardized days by multiplying the  
14.12 resident days on the September 30, 2026, Minnesota Statistical and Cost Report by the  
14.13 RUG-IV facility case mix index determined under clause (1).

14.14 **Subd. 3. RUG-IV medical assistance case mix adjusted direct care payment rate.** The  
14.15 commissioner must determine a facility's RUG-IV medical assistance case mix adjusted  
14.16 direct care payment rate as the product of:

14.17 (1) the facility's RUG-IV direct care and payment rate determined in section 256R.23,  
14.18 subdivision 7, using the RUG-IV standardized days determined in subdivision 2; and

14.19 (2) the corresponding medical assistance facility average case mix index for medical  
14.20 assistance days determined in subdivision 2.

14.21 **Subd. 4. PDPM medical assistance case mix adjusted direct care payment rate.** The  
14.22 commissioner must determine a facility's PDPM medical assistance case mix adjusted direct  
14.23 care payment rate as the product of:

14.24 (1) the facility's direct care payment rate determined in section 256R.23, subdivision 7;  
14.25 and

14.26 (2) the corresponding medical assistance facility average case mix index for medical  
14.27 assistance days as defined in section 256R.02, subdivision 20.

14.28 **Subd. 5. Blended medical assistance case mix adjusted direct care payment rate.** The  
14.29 commissioner must determine a facility's blended medical assistance case mix adjusted  
14.30 direct care payment rate as the sum of:

14.31 (1) the RUG-IV medical assistance case mix adjusted direct care payment rate determined  
14.32 in subdivision 3 multiplied by the following percentages:

15.1        (i) from October 1, 2025, to December 31, 2026, 75 percent;

15.2        (ii) from January 1, 2027, to December 31, 2027, 50 percent; and

15.3        (iii) from January 1, 2028, to December 31, 2028, 25 percent; and

15.4        (2) the PDPM medical assistance case mix adjusted direct care payment rate determined

15.5        in subdivision 4 multiplied by the following percentages:

15.6        (i) October 1, 2025, to December 31, 2026, 25 percent;

15.7        (ii) January 1, 2027, to December 31, 2027, 50 percent; and

15.8        (iii) January 1, 2028, to December 31, 2028, 75 percent.

15.9        **Subd. 6. PDPM phase-in rate adjustment.** The commissioner shall determine a facility's

15.10        PDPM phase-in rate adjustment as the difference between:

15.11        (1) the blended medical assistance case mix adjusted direct care payment rate determined

15.12        in subdivision 5; and

15.13        (2) the PDPM medical assistance case mix adjusted direct care payment rate determined

15.14        in section 256R.23, subdivision 7.

15.15        **EFFECTIVE DATE.** This section is effective October 1, 2025.

## ARTICLE 2

### DISABILITY SERVICES

15.18        Section 1. Minnesota Statutes 2024, section 144.0724, subdivision 2, is amended to read:

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

15.20        given.

15.21        (a) "Assessment reference date" or "ARD" means the specific end point for look-back

15.22        periods in the MDS assessment process. This look-back period is also called the observation

15.23        or assessment period.

15.24        (b) "Case mix index" means the weighting factors assigned to the case mix reimbursement

15.25        classifications determined by an assessment.

15.26        (c) "Index maximization" means classifying a resident who could be assigned to more

15.27        than one category, to the category with the highest case mix index.

15.28        (d) "Minimum Data Set" or "MDS" means a core set of screening, clinical assessment,

15.29        and functional status elements, that include common definitions and coding categories

16.1 specified by the Centers for Medicare and Medicaid Services and designated by the  
16.2 Department of Health.

16.3 (e) "Representative" means a person who is the resident's guardian or conservator, the  
16.4 person authorized to pay the nursing home expenses of the resident, a representative of the  
16.5 Office of Ombudsman for Long-Term Care whose assistance has been requested, or any  
16.6 other individual designated by the resident.

16.7 (f) "Activities of daily living" includes personal hygiene, dressing, bathing, transferring,  
16.8 bed mobility, locomotion, eating, and toileting.

16.9 (g) "Nursing facility level of care determination" means the assessment process that  
16.10 results in a determination of a resident's or prospective resident's need for nursing facility  
16.11 level of care as established in subdivision 11 for purposes of medical assistance payment  
16.12 of long-term care services for:

16.13 (1) nursing facility services under chapter 256R;

16.14 (2) elderly waiver services under chapter 256S; and

16.15 (3) ~~CADI and BI waiver services under section 256B.49~~; and

16.16 (4) ~~(3)~~ state payment of alternative care services under section 256B.0913.

16.17 **EFFECTIVE DATE.** This section is effective January 1, 2026, or upon federal approval,  
16.18 whichever is later. The commissioner of human services shall notify the revisor of statutes  
16.19 when federal approval is obtained.

16.20 Sec. 2. Minnesota Statutes 2024, section 144.0724, subdivision 11, is amended to read:

16.21 Subd. 11. **Nursing facility level of care.** (a) For purposes of medical assistance payment  
16.22 of long-term care services determined under subdivision 2, paragraph (g), a recipient must  
16.23 be determined, using assessments defined in subdivision 4, to meet one of the following  
16.24 nursing facility level of care criteria:

16.25 (1) the person requires formal clinical monitoring at least once per day;

16.26 (2) the person needs the assistance of another person or constant supervision to begin  
16.27 and complete at least four of the following activities of living: bathing, bed mobility, dressing,  
16.28 eating, grooming, toileting, transferring, and walking;

16.29 (3) the person needs the assistance of another person or constant supervision to begin  
16.30 and complete toileting, transferring, or positioning and the assistance cannot be scheduled;

17.1        (4) the person has significant difficulty with memory, using information, daily decision  
17.2        making, or behavioral needs that require intervention;

17.3        (5) the person has had a qualifying nursing facility stay of at least 90 days;

17.4        (6) the person meets the nursing facility level of care criteria determined 90 days after  
17.5        admission or on the first quarterly assessment after admission, whichever is later; or

17.6        (7) the person is determined to be at risk for nursing facility admission or readmission  
17.7        through a face-to-face long-term care consultation assessment as specified in section  
17.8        256B.0911, subdivision 17 to 21, 23, 24, 27, or 28, by a county, tribe, or managed care  
17.9        organization under contract with the Department of Human Services. The person is  
17.10        considered at risk under this clause if the person currently lives alone or will live alone or  
17.11        be homeless without the person's current housing and also meets one of the following criteria:

17.12        (i) the person has experienced a fall resulting in a fracture;

17.13        (ii) the person has been determined to be at risk of maltreatment or neglect, including  
17.14        self-neglect; or

17.15        (iii) the person has a sensory impairment that substantially impacts functional ability  
17.16        and maintenance of a community residence.

17.17        (b) The assessment used to establish medical assistance payment for nursing facility  
17.18        services must be the most recent assessment performed under subdivision 4, paragraphs (b)  
17.19        and (c), that occurred no more than 90 calendar days before the effective date of medical  
17.20        assistance eligibility for payment of long-term care services. In no case shall medical  
17.21        assistance payment for long-term care services occur prior to the date of the determination  
17.22        of nursing facility level of care.

17.23        (c) The assessment used to establish medical assistance payment for long-term care  
17.24        services provided under chapter 256S and section 256B.49 and alternative care payment  
17.25        for services provided under section 256B.0913 must be the most recent face-to-face  
17.26        assessment performed under section 256B.0911, subdivisions 17 to 21, 23, 24, 27, or 28,  
17.27        that occurred no more than 60 calendar days before the effective date of medical assistance  
17.28        eligibility for payment of long-term care services.

17.29        **EFFECTIVE DATE.** This section is effective January 1, 2026, or upon federal approval,  
17.30        whichever is later. The commissioner of human services shall notify the revisor of statutes  
17.31        when federal approval is obtained.

18.1 Sec. 3. Minnesota Statutes 2024, section 144.0724, is amended by adding a subdivision  
18.2 to read:

18.3 Subd. 11a. Determination of nursing facility level of care for the brain injury and  
18.4 community access for disability inclusion waivers. (a) Effective January 1, 2026, or upon  
18.5 federal approval, whichever is later, a person must be determined to meet one of the following  
18.6 nursing facility level of care criteria for the brain injury and community access for disability  
18.7 inclusion waivers under section 256B.49:

18.8 (1) the person requires formal clinical monitoring at least once per day;

18.9 (2) the person needs the assistance of another person or constant supervision to begin  
18.10 and complete at least four of the following activities of daily living: bathing, bed mobility,  
18.11 dressing, eating, grooming, toileting, transferring, and walking;

18.12 (3) the person needs the assistance of another person or constant supervision to begin  
18.13 and complete toileting, transferring, or positioning and the assistance cannot be scheduled;  
18.14 or

18.15 (4) the person has significant difficulty with memory, using information, daily decision  
18.16 making, or behavioral needs that require intervention.

18.17 (b) Nursing facility level of care determinations for purposes of initial and ongoing  
18.18 access to the brain injury and community access for disability inclusion waiver programs  
18.19 must be conducted by a MnCHOICES certified assessor under section 256B.0911.

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

18.21 Sec. 4. Minnesota Statutes 2024, section 179A.54, is amended by adding a subdivision to  
18.22 read:

18.23 Subd. 12. Minnesota Caregiver Retirement Fund Trust. (a) The state and an exclusive  
18.24 representative certified pursuant to this section may establish a joint labor and management  
18.25 trust, referred to as the Minnesota Caregiver Retirement Fund Trust, for the exclusive  
18.26 purpose of creating, implementing, and administering a retirement program for individual  
18.27 providers of direct support services who are represented by the exclusive representative.

18.28 (b) The state must make financial contributions to the Minnesota Caregiver Retirement  
18.29 Fund Trust pursuant to a collective bargaining agreement negotiated under this section. The  
18.30 financial contributions by the state must be held in trust for the purpose of paying, from  
18.31 principal, income, or both, the costs associated with creating, implementing, and  
18.32 administering a defined contribution or other individual account retirement program for

19.1 individual providers of direct support services working under a collective bargaining  
19.2 agreement and providing services through a covered program under section 256B.0711. A  
19.3 board of trustees composed of an equal number of trustees appointed by the governor and  
19.4 trustees appointed by the exclusive representative under this section must administer, manage,  
19.5 and otherwise jointly control the Minnesota Caregiver Retirement Fund Trust. The trust  
19.6 must not be an agent of either the state or the exclusive representative.

19.7 (c) A third-party administrator, financial management institution, other appropriate  
19.8 entity, or any combination thereof may provide trust administrative, management, legal,  
19.9 and financial services to the board of trustees as designated by the board of trustees from  
19.10 time to time. The services must be paid from the money held in trust and created by the  
19.11 state's financial contributions to the Minnesota Caregiver Retirement Fund Trust.

19.12 (d) The state is authorized to purchase liability insurance for members of the board of  
19.13 trustees appointed by the governor.

19.14 (e) Financial contributions to or participation in the management or administration of  
19.15 the Minnesota Caregiver Retirement Fund Trust must not be considered an unfair labor  
19.16 practice under section 179A.13, or a violation of Minnesota law.

19.17 (f) Nothing in this section shall be construed to authorize the creation of a defined benefit  
19.18 retirement plan or program.

19.19 **EFFECTIVE DATE.** This section is effective July 1, 2025.

19.20 **Sec. 5. [245A.142] EARLY INTENSIVE DEVELOPMENTAL AND BEHAVIORAL**  
19.21 **INTERVENTION PROVISIONAL LICENSURE.**

19.22 **Subdivision 1. Regulatory powers.** The commissioner shall regulate early intensive  
19.23 developmental and behavioral intervention (EIDBI) agencies pursuant to this section.

19.24 **Subd. 2. Provisional license.** (a) Beginning on January 1, 2026, the commissioner shall  
19.25 begin issuing provisional licenses to enrolled EIDBI agencies while permanent licensing  
19.26 standards are developed and shall not enroll new EIDBI agencies to provide EIDBI services.  
19.27 EIDBI agencies enrolled by December 31, 2025, have until June 1, 2026, to submit an  
19.28 application for provisional licensure on the forms and in the manner prescribed by the  
19.29 commissioner.

19.30 **(b) Beginning June 2, 2026, an EIDBI agency shall not operate if it has not submitted**  
19.31 an application for provisional licensure under this section. Failure to submit an application  
19.32 for provisional licensure by June 2, 2026, will result in disenrollment from providing EIDBI  
19.33 services.

20.1 (c) A provisional license is effective until comprehensive EIDBI agency licensure  
20.2 standards are in effect unless the provisional license is revoked.

20.3 **Subd. 3. Provisional license regulatory functions.** The commissioner may:

20.4 (1) access the program without advance notice in accordance with section 245A.04,  
20.5 subdivision 5;

20.6 (2) investigate reports of maltreatment;

20.7 (3) investigate complaints against EIDBI agencies limited to the provisions of this  
20.8 section;

20.9 (4) take action on a license pursuant to sections 245A.06 and 245A.07;

20.10 (5) deny an application for provisional licensure pursuant to section 245A.05; and

20.11 (6) take other action reasonably required to accomplish the purposes of this section.

20.12 **Subd. 4. Provisional license requirements.** A provisional license holder must:

20.13 (1) identify all controlling individuals, as defined in section 245A.02, subdivision 5a,  
20.14 for the agency;

20.15 (2) provide documented disclosures surrounding the use of billing agencies or other  
20.16 consultants, available to the department upon request;

20.17 (3) establish provider policies and procedures related to staff training, staff qualifications,  
20.18 quality assurance, and service activities;

20.19 (4) document contracts with independent contractors for qualified supervising  
20.20 professionals, including the number of hours contracted and responsibilities, available to  
20.21 the department upon request; and

20.22 (5) comply with section 256B.0949, subdivisions 2, 3a, 6, 7, 14, 15, 16, and 16a, and  
20.23 exceptions to qualifications, standards, and requirements granted by the commissioner under  
20.24 section 256B.0949, subdivision 17.

20.25 **Subd. 5. Reporting of maltreatment.** An EIDBI agency must comply with the  
20.26 requirements of reporting maltreatment of vulnerable adults and minors under sections  
20.27 245A.65, 245A.66, and 626.557 and chapter 260E.

20.28 **Subd. 6. Background studies.** An EIDBI agency must initiate a background study  
20.29 through the commissioner's NETStudy 2.0 system as provided under chapter 245C.

20.30 **Subd. 7. Reconsideration requests and appeals.** An applicant or provisional license  
20.31 holder has reconsideration and appeal rights under sections 245A.05, 245A.06, and 245A.07.

21.1        Subd. 8. **Disenrollment.** The commissioner shall disenroll an agency from providing  
21.2        EIDBI services under chapter 256B if:

21.3        (1) the agency's application has been suspended or denied under subdivision 2 or the  
21.4        agency's provisional license has been revoked; and  
21.5        (2) when the agency appealed the application suspension or denial or the provisional  
21.6        license revocation, the commissioner has issued a final order on the appeal.

21.7        Subd. 9. **Transition to nonprovisional EIDBI license; future licensure standards.** (a)  
21.8        The commissioner must develop a process and transition plan for comprehensive EIDBI  
21.9        agency licensure by July 1, 2027.

21.10        (b) By January 1, 2028, the commissioner shall establish standards for nonprovisional  
21.11        EIDBI agency licensure and submit proposed legislation to the chairs and ranking minority  
21.12        members of the legislative committees with jurisdiction over human services licensing.

21.13        **EFFECTIVE DATE.** This section is effective July 1, 2025.

21.14        Sec. 6. Minnesota Statutes 2024, section 245C.16, subdivision 1, is amended to read:

21.15        **Subdivision 1. Determining immediate risk of harm.** (a) If the commissioner determines  
21.16        that the individual studied has a disqualifying characteristic, the commissioner shall review  
21.17        the information immediately available and make a determination as to the subject's immediate  
21.18        risk of harm to persons served by the program where the individual studied will have direct  
21.19        contact with, or access to, people receiving services.

21.20        (b) The commissioner shall consider all relevant information available, including the  
21.21        following factors in determining the immediate risk of harm:

21.22        (1) the recency of the disqualifying characteristic;  
21.23        (2) the recency of discharge from probation for the crimes;  
21.24        (3) the number of disqualifying characteristics;  
21.25        (4) the intrusiveness or violence of the disqualifying characteristic;  
21.26        (5) the vulnerability of the victim involved in the disqualifying characteristic;  
21.27        (6) the similarity of the victim to the persons served by the program where the individual  
21.28        studied will have direct contact;  
21.29        (7) whether the individual has a disqualification from a previous background study that  
21.30        has not been set aside;

22.1       (8) if the individual has a disqualification which may not be set aside because it is a  
22.2 permanent bar under section 245C.24, subdivision 1, or the individual is a child care  
22.3 background study subject who has a felony-level conviction for a drug-related offense in  
22.4 the last five years, the commissioner may order the immediate removal of the individual  
22.5 from any position allowing direct contact with, or access to, persons receiving services from  
22.6 the program and from working in a children's residential facility or foster residence setting;  
22.7 and

22.8       (9) if the individual has a disqualification which may not be set aside because it is a  
22.9 permanent bar under section 245C.24, subdivision 2, or the individual is a child care  
22.10 background study subject who has a felony-level conviction for a drug-related offense during  
22.11 the last five years, the commissioner may order the immediate removal of the individual  
22.12 from any position allowing direct contact with or access to persons receiving services from  
22.13 the center and from working in a licensed child care center or certified license-exempt child  
22.14 care center.

22.15       (c) This section does not apply when the subject of a background study is regulated by  
22.16 a health-related licensing board as defined in chapter 214, and the subject is determined to  
22.17 be responsible for substantiated maltreatment under section 626.557 or chapter 260E.

22.18       (d) This section does not apply to a background study related to an initial application  
22.19 for a child foster family setting license.

22.20       (e) Except for paragraph (f), this section does not apply to a background study that is  
22.21 also subject to the requirements under section 256B.0659, subdivisions 11 and 13, for a  
22.22 personal care assistant or a qualified professional as defined in section 256B.0659,  
22.23 subdivision 1, or to a background study for an individual providing early intensive  
22.24 developmental and behavioral intervention services under section 245A.142 or 256B.0949.

22.25       (f) If the commissioner has reason to believe, based on arrest information or an active  
22.26 maltreatment investigation, that an individual poses an imminent risk of harm to persons  
22.27 receiving services, the commissioner may order that the person be continuously supervised  
22.28 or immediately removed pending the conclusion of the maltreatment investigation or criminal  
22.29 proceedings.

22.30       **EFFECTIVE DATE.** This section is effective January 1, 2026.

22.31       Sec. 7. Minnesota Statutes 2024, section 245D.091, subdivision 2, is amended to read:

22.32       **Subd. 2. Positive support professional qualifications.** A positive support professional  
22.33 providing positive support services as identified in section 245D.03, subdivision 1, paragraph

23.1 (c), clause (1), item (i), must have competencies in the following areas as required under  
23.2 the brain injury, community access for disability inclusion, community alternative care, and  
23.3 developmental disabilities waiver plans or successor plans:

23.4 (1) ethical considerations;

23.5 (2) functional assessment;

23.6 (3) functional analysis;

23.7 (4) measurement of behavior and interpretation of data;

23.8 (5) selecting intervention outcomes and strategies;

23.9 (6) behavior reduction and elimination strategies that promote least restrictive approved  
23.10 alternatives;

23.11 (7) data collection;

23.12 (8) staff and caregiver training;

23.13 (9) support plan monitoring;

23.14 (10) co-occurring mental disorders or neurocognitive disorder;

23.15 (11) demonstrated expertise with populations being served; and

23.16 (12) must be a:

23.17 (i) psychologist licensed under sections 148.88 to 148.98, who has stated to the Board  
23.18 of Psychology competencies in the above identified areas;

23.19 (ii) clinical social worker licensed as an independent clinical social worker under chapter  
23.20 148D, or a person with a master's degree in social work from an accredited college or  
23.21 university, with at least 4,000 hours of post-master's supervised experience in the delivery  
23.22 of clinical services in the areas identified in clauses (1) to (11);

23.23 (iii) physician licensed under chapter 147 and certified by the American Board of  
23.24 Psychiatry and Neurology or eligible for board certification in psychiatry with competencies  
23.25 in the areas identified in clauses (1) to (11);

23.26 (iv) licensed professional clinical counselor licensed under sections 148B.29 to 148B.39  
23.27 with at least 4,000 hours of post-master's supervised experience in the delivery of clinical  
23.28 services who has demonstrated competencies in the areas identified in clauses (1) to (11);

23.29 (v) person with a master's degree from an accredited college or university in one of the  
23.30 behavioral sciences or related fields, with at least 4,000 hours of post-master's supervised

24.1       experience in the delivery of clinical services with demonstrated competencies in the areas  
24.2       identified in clauses (1) to (11);

24.3       (vi) person with a master's degree or PhD in one of the behavioral sciences or related  
24.4       fields with demonstrated expertise in positive support services, as determined by the person's  
24.5       needs as outlined in the person's assessment summary; **or**

24.6       (vii) registered nurse who is licensed under sections 148.171 to 148.285, and who is  
24.7       certified as a clinical specialist or as a nurse practitioner in adult or family psychiatric and  
24.8       mental health nursing by a national nurse certification organization, or who has a master's  
24.9       degree in nursing or one of the behavioral sciences or related fields from an accredited  
24.10      college or university or its equivalent, with at least 4,000 hours of post-master's supervised  
24.11      experience in the delivery of clinical services; or

24.12       (viii) person who has completed a competency-based training program as determined  
24.13       by the commissioner.

24.14      Sec. 8. Minnesota Statutes 2024, section 245D.091, subdivision 3, is amended to read:

24.15       **Subd. 3. Positive support analyst qualifications.** (a) A positive support analyst providing  
24.16       positive support services as identified in section 245D.03, subdivision 1, paragraph (c),  
24.17       clause (1), item (i), must ~~have competencies in one of the following areas~~ satisfy one of the  
24.18       following requirements as required under the brain injury, community access for disability  
24.19       inclusion, community alternative care, and developmental disabilities waiver plans or  
24.20       successor plans:

24.21       (1) have obtained a baccalaureate degree, master's degree, or PhD in either a social  
24.22       services discipline or nursing;

24.23       (2) meet the qualifications of a mental health practitioner as defined in section 245.462,  
24.24       subdivision 17; **or**

24.25       (3) be a board-certified behavior analyst or board-certified assistant behavior analyst by  
24.26       the Behavior Analyst Certification Board, Incorporated; or

24.27       (4) have completed a competency-based training program as determined by the  
24.28       commissioner.

24.29       (b) In addition, a positive support analyst must:

24.30       (1) have two years of supervised experience conducting functional behavior assessments  
24.31       and designing, implementing, and evaluating effectiveness of positive practices behavior

25.1 support strategies for people who exhibit challenging behaviors as well as co-occurring  
25.2 mental disorders and neurocognitive disorder;

25.3 (2) have received training prior to hire or within 90 calendar days of hire that includes:

25.4 (i) ten hours of instruction in functional assessment and functional analysis;

25.5 (ii) 20 hours of instruction in the understanding of the function of behavior;

25.6 (iii) ten hours of instruction on design of positive practices behavior support strategies;

25.7 (iv) 20 hours of instruction preparing written intervention strategies, designing data  
25.8 collection protocols, training other staff to implement positive practice strategies,  
25.9 summarizing and reporting program evaluation data, analyzing program evaluation data to  
25.10 identify design flaws in behavioral interventions or failures in implementation fidelity, and  
25.11 recommending enhancements based on evaluation data; and

25.12 (v) eight hours of instruction on principles of person-centered thinking;

25.13 (3) be determined by a positive support professional to have the training and prerequisite  
25.14 skills required to provide positive practice strategies as well as behavior reduction approved  
25.15 and permitted intervention to the person who receives positive support; and

25.16 (4) be under the direct supervision of a positive support professional.

25.17 (c) Meeting the qualifications for a positive support professional under subdivision 2  
25.18 shall substitute for meeting the qualifications listed in paragraph (b).

25.19 Sec. 9. **[245D.13] OUT-OF-HOME RESPITE CARE SERVICES FOR CHILDREN.**

25.20 **Subdivision 1. Licensed setting required.** A license holder with a home and  
25.21 community-based services license providing out-of-home respite care services for children  
25.22 may do so only in a licensed setting, unless exempt under subdivision 2. For purposes of  
25.23 this section, "respite care services" has the meaning given in section 245A.02, subdivision  
25.24 15.

25.25 **Subd. 2. Exemption from licensed setting requirement.** (a) The exemption under this  
25.26 subdivision does not apply to the provision of respite care services to a child in foster care  
25.27 under chapter 260C or 260D.

25.28 (b) A license holder with a home and community-based services license may provide  
25.29 out-of-home respite care services for children in an unlicensed residential setting if:

25.30 (1) all background studies are completed according to the requirements in chapter 245C;

26.1       (2) a child's case manager conducts and documents an assessment of the residential  
26.2       setting and the setting's environment before services are provided and at least once each  
26.3       calendar year thereafter if services continue to be provided at that residence. The assessment  
26.4       must ensure that the setting is suitable for the child receiving respite care services. The  
26.5       assessment must be conducted and documented in the manner prescribed by the  
26.6       commissioner;

26.7       (3) the child's legal representative visits the residence and signs and dates a statement  
26.8       authorizing services in the residence before services are provided and at least once each  
26.9       calendar year thereafter if services continue to be provided at that residence;

26.10       (4) the services are provided in a residential setting that is not licensed to provide any  
26.11       other licensed services;

26.12       (5) the services are provided to no more than four children at any one time. Each child  
26.13       must have an individual bedroom, except two siblings may share a bedroom;

26.14       (6) the services are not provided to children and adults over the age of 21 in the same  
26.15       residence at the same time;

26.16       (7) the services are not provided to a single family for more than 46 calendar days in a  
26.17       calendar year and no more than ten consecutive days;

26.18       (8) the license holder's license was not made conditional, suspended, or revoked during  
26.19       the previous 24 months; and

26.20       (9) each individual in the residence at the time services are provided, other than  
26.21       individuals receiving services, is an employee, as defined under section 245C.02, of the  
26.22       license holder and has had a background study completed under chapter 245C. No other  
26.23       household members or other individuals may be present in the residence while services are  
26.24       provided.

26.25       (c) A child may not receive out-of-home respite care services in more than two unlicensed  
26.26       residential settings in a calendar year.

26.27       (d) The license holder must ensure the requirements in this section are met.

26.28       **Subd. 3. Documentation requirements.** The license holder must maintain documentation  
26.29       of the following:

26.30       (1) background studies completed under chapter 245C;

26.31       (2) service recipient records indicating the calendar dates and times when services were  
26.32       provided;

27.1        (3) the case manager's initial residential setting assessment and each residential assessment

27.2        completed thereafter; and

27.3        (4) the legal representative's approval of the residential setting before services are

27.4        provided and each year thereafter.

27.5        **EFFECTIVE DATE.** This section is effective January 1, 2026, or upon federal approval,

27.6        whichever is later. The commissioner of human services shall inform the revisor of statutes

27.7        when federal approval is obtained.

27.8        **Sec. 10. [256.4768] DISABILITY SERVICES TECHNOLOGY AND ADVOCACY**

27.9        **EXPANSION GRANT.**

27.10        Subdivision 1. **Establishment.** (a) A disability services technology and advocacy

27.11        expansion grant is established to:

27.12        (1) support the expansion of assistive technology and remote support services for people

27.13        with disabilities; and

27.14        (2) strengthen advocacy efforts for individuals with disabilities and the providers who

27.15        serve individuals with disabilities.

27.16        (b) The commissioner of human services must award the grant to an eligible grantee.

27.17        Subd. 2. **Eligible grantee.** An eligible grantee must:

27.18        (1) be a nonprofit organization with a statewide reach;

27.19        (2) have demonstrated knowledge of various forms of assistive technology and remote

27.20        support for people with disabilities; and

27.21        (3) have proven capacity to provide education and training to multiple constituencies.

27.22        Subd. 3. **Allowable uses of grant money.** Grant money must be used to:

27.23        (1) develop and deliver comprehensive training programs for lead agencies, disability

27.24        service providers, schools, employment support agencies, and individuals with disabilities

27.25        and their families to ensure effective use of assistive technology and remote support tools.

27.26        Training must address specific challenges faced by individuals with disabilities, such as  
27.27        accessibility, independence, and health monitoring;

27.28        (2) provide resources and support to advocacy organizations that work with individuals

27.29        with disabilities and service providers. Resources and support must be used to promote the

27.30        use of assistive technology to increase self-determination and community participation;

28.1        (3) maintain, distribute, and create accessible resources related to assistive technology  
28.2        and remote support. Materials must be tailored to address the unique needs of individuals  
28.3        with disabilities and the people and organizations who support individuals with disabilities;

28.4        (4) conduct research to explore new and emerging assistive technology solutions that  
28.5        address the evolving needs of individuals with disabilities. The research must emphasize  
28.6        the role of technology in promoting independence, improving quality of life, and ensuring  
28.7        safety; and

28.8        (5) conduct outreach initiatives to engage disability communities, service providers, and  
28.9        advocacy groups across Minnesota to promote awareness of assistive technology and remote  
28.10       support services. Outreach initiatives must focus on reaching underserved and rural  
28.11       populations.

28.12       Subd. 4. **Grant period.** The grant period under this section is from July 1, 2025, to June  
28.13       30, 2030.

28.14       Subd. 5. **Evaluation and reporting requirements.** (a) The grant recipient must submit  
28.15       an annual report by June 30 each year to the legislative committees with jurisdiction over  
28.16       disability services. The annual report must include:

28.17       (1) the number of individuals with disabilities and service providers who received training  
28.18       during the reporting year;

28.19       (2) data on the impact of assistive technology and remote support in improving quality  
28.20       of life, safety, and independence for individuals with disabilities; and

28.21       (3) recommendations for further advancing technology-driven disability advocacy efforts  
28.22       based on feedback and research findings.

28.23       (b) No later than three months after the grant period has ended, a final evaluation must  
28.24       be submitted to the legislative committees with jurisdiction over disability services to assess  
28.25       the overall impact on expanding access to assistive technology and remote support, with a  
28.26       focus on lessons learned and future opportunities for Minnesota's disability communities  
28.27       and service providers.

28.28       Sec. 11. Minnesota Statutes 2024, section 256B.0659, subdivision 17a, is amended to  
28.29       read:

28.30       Subd. 17a. **Enhanced rate.** (a) An enhanced rate of 107.5 percent of the rate paid for  
28.31       personal care assistance services shall be paid for services provided to persons who qualify  
28.32       for ten or more hours of personal care assistance services per day when provided by a

29.1 personal care assistant who meets the requirements of subdivision 11, paragraph (d). This  
29.2 paragraph expires upon the effective date of paragraph (b).

29.3 (b) Effective January 1, 2026, or upon federal approval, whichever is later, an enhanced  
29.4 rate of 112.5 percent of the rate paid for personal care assistance services shall be paid for  
29.5 services provided to persons who qualify for ten or more hours of personal care assistance  
29.6 services per day when provided by a personal care assistant who meets the requirements of  
29.7 subdivision 11, paragraph (d).

29.8 ~~(b)~~ (c) A personal care assistance provider must use all additional revenue attributable  
29.9 to the rate enhancements under this subdivision for the wages and wage-related costs of the  
29.10 personal care assistants, including any corresponding increase in the employer's share of  
29.11 FICA taxes, Medicare taxes, state and federal unemployment taxes, and workers'  
29.12 compensation premiums. The agency must not use the additional revenue attributable to  
29.13 any enhanced rate under this subdivision to pay for mileage reimbursement, health and  
29.14 dental insurance, life insurance, disability insurance, long-term care insurance, uniform  
29.15 allowance, contributions to employee retirement accounts, or any other employee benefits.

29.16 ~~(e)~~ (d) Any change in the eligibility criteria for the enhanced rate for personal care  
29.17 assistance services as described in this subdivision and referenced in subdivision 11,  
29.18 paragraph (d), does not constitute a change in a term or condition for individual providers  
29.19 as defined in section 256B.0711, and is not subject to the state's obligation to meet and  
29.20 negotiate under chapter 179A.

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

29.22 Sec. 12. Minnesota Statutes 2024, section 256B.0911, subdivision 24, is amended to read:

29.23 **Subd. 24. Remote reassessments.** (a) Assessments performed according to subdivisions  
29.24 17 to 20 and 23 must be in person unless the assessment is a reassessment meeting the  
29.25 requirements of this subdivision. Remote reassessments conducted by interactive video or  
29.26 telephone may substitute for in-person reassessments.

29.27 (b) For services provided by the developmental disabilities waiver under section  
29.28 256B.092, and the community access for disability inclusion, community alternative care,  
29.29 and brain injury waiver programs under section 256B.49, remote reassessments may be  
29.30 substituted for ~~two~~ four consecutive reassessments if followed by an in-person reassessment.

29.31 (c) For services provided by alternative care under section 256B.0913, essential  
29.32 community supports under section 256B.0922, and the elderly waiver under chapter 256S,

30.1     remote reassessments may be substituted for one reassessment if followed by an in-person  
30.2     reassessment.

30.3         (d) For personal care assistance provided under section 256B.0659 and community first  
30.4     services and supports provided under section 256B.85, remote reassessments may be  
30.5     substituted for two consecutive reassessments if followed by an in-person reassessment.

30.6         (e) A remote reassessment is permitted only if the lead agency provides informed choice  
30.7     and the person being reassessed or the person's legal representative provides informed  
30.8     consent for a remote assessment. Lead agencies must document that informed choice was  
30.9     offered.

30.10         (f) The person being reassessed, or the person's legal representative, may refuse a remote  
30.11     reassessment at any time.

30.12         (g) During a remote reassessment, if the certified assessor determines an in-person  
30.13     reassessment is necessary in order to complete the assessment, the lead agency shall schedule  
30.14     an in-person reassessment.

30.15         (h) All other requirements of an in-person reassessment apply to a remote reassessment,  
30.16     including updates to a person's support plan.

30.17         **EFFECTIVE DATE.** This section is effective January 1, 2026, or upon federal approval,  
30.18         whichever is later. The commissioner of human services shall notify the revisor of statutes  
30.19         when federal approval is obtained.

30.20     Sec. 13. Minnesota Statutes 2024, section 256B.0911, is amended by adding a subdivision  
30.21     to read:

30.22         **Subd. 24a. Verbal attestation to replace required reassessment signatures.** Effective  
30.23         January 1, 2026, or upon federal approval, whichever is later, the commissioner shall allow  
30.24         for verbal attestation to replace required reassessment signatures.

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

30.26     Sec. 14. Minnesota Statutes 2024, section 256B.0911, is amended by adding a subdivision  
30.27     to read:

30.28         **Subd. 25a. Attesting to no changes in needs or services.** (a) A person who is 22 to 64  
30.29         years of age and receiving home and community-based waiver services under the  
30.30         developmental disabilities waiver program under section 256B.092; community access for  
30.31         disability inclusion, community alternative care, and brain injury waiver programs under

31.1 section 256B.49; and community first services and supports under section 256B.85 may  
31.2 attest that the person has unchanged needs from the most recent prior assessment or  
31.3 reassessment for up to two consecutive reassessments, if the lead agency provides informed  
31.4 choice and the person being reassessed or the person's legal representative provides informed  
31.5 consent. Lead agencies must document that informed choice was offered.

31.6 (b) The person or person's legal representative must attest, verbally or through alternative  
31.7 communications, that the information provided in the previous assessment or reassessment  
31.8 is still accurate and applicable and that no changes in the person's circumstances have  
31.9 occurred that would require changes from the most recent prior assessment or reassessment.

31.10 The person or the person's legal representative may request a full reassessment at any time.

31.11 (c) The assessor must review the most recent prior assessment or reassessment as required  
31.12 in subdivision 22, paragraphs (a) and (b), clause (1), before conducting the interview. The  
31.13 certified assessor must confirm that the information from the previous assessment or  
31.14 reassessment is current.

31.15 (d) The assessment conducted under this section must:

31.16 (1) verify current assessed support needs;  
31.17 (2) confirm continued need for the currently assessed level of care;  
31.18 (3) inform the person of alternative long-term services and supports available;  
31.19 (4) provide informed choice of institutional or home and community-based services;  
31.20 and

31.21 (5) identify changes in need that may require a full reassessment.

31.22 (e) The assessor must ensure that any new assessment items or requirements mandated  
31.23 by federal or state authority are addressed and the person must provide required information.

31.24 **EFFECTIVE DATE.** This section is effective January 1, 2026, or upon federal approval,  
31.25 whichever is later. The commissioner of human services shall notify the revisor of statutes  
31.26 when federal approval is obtained.

31.27 Sec. 15. Minnesota Statutes 2024, section 256B.0911, subdivision 26, is amended to read:

31.28 **Subd. 26. Determination of institutional level of care.** (a) The determination of need  
31.29 for hospital and intermediate care facility levels of care must be made according to criteria  
31.30 developed by the commissioner, and in section 256B.092, using forms developed by the  
31.31 commissioner.

32.1       (b) The determination of need for nursing facility level of care must be made based on  
32.2 criteria in section 144.0724, subdivision 11. This paragraph expires upon the effective date  
32.3 of paragraph (c).

32.4       (c) Effective January 1, 2026, or upon federal approval, whichever is later, the  
32.5 determination of need for nursing facility level of care must be made based on criteria in  
32.6 section 144.0724, subdivision 11, except for determinations of need for purposes of the  
32.7 brain injury and community access for disability inclusion waivers under section 256B.49.  
32.8 Determinations of need for the brain injury and community access for disability inclusion  
32.9 waivers must be made based on criteria in section 144.0724, subdivision 11a.

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

32.11       Sec. 16. Minnesota Statutes 2024, section 256B.0924, subdivision 6, is amended to read:

32.12       **Subd. 6. Payment for targeted case management.** (a) Medical assistance and  
32.13 MinnesotaCare payment for targeted case management shall be made on a monthly basis.  
32.14 In order to receive payment for an eligible adult, the provider must document at least one  
32.15 contact per month and not more than two consecutive months without a face-to-face contact  
32.16 either in person or by interactive video that meets the requirements in section 256B.0625,  
32.17 subdivision 20b, with the adult or the adult's legal representative, family, primary caregiver,  
32.18 or other relevant persons identified as necessary to the development or implementation of  
32.19 the goals of the personal service plan.

32.20       (b) Except as provided under paragraph (m), payment for targeted case management  
32.21 provided by county staff under this subdivision shall be based on the monthly rate  
32.22 methodology under section 256B.094, subdivision 6, paragraph (b), calculated as one  
32.23 combined average rate together with adult mental health case management under section  
32.24 256B.0625, subdivision 20, except for calendar year 2002. In calendar year 2002, the rate  
32.25 for case management under this section shall be the same as the rate for adult mental health  
32.26 case management in effect as of December 31, 2001. Billing and payment must identify the  
32.27 recipient's primary population group to allow tracking of revenues.

32.28       (c) Payment for targeted case management provided by county-contracted vendors shall  
32.29 be based on a monthly rate calculated in accordance with section 256B.076, subdivision 2.  
32.30 The rate must not exceed the rate charged by the vendor for the same service to other payers.  
32.31 If the service is provided by a team of contracted vendors, the team shall determine how to  
32.32 distribute the rate among its members. No reimbursement received by contracted vendors  
32.33 shall be returned to the county, except to reimburse the county for advance funding provided  
32.34 by the county to the vendor.

33.1       (d) If the service is provided by a team that includes contracted vendors and county staff,  
33.2       the costs for county staff participation on the team shall be included in the rate for  
33.3       county-provided services. In this case, the contracted vendor and the county may each  
33.4       receive separate payment for services provided by each entity in the same month. In order  
33.5       to prevent duplication of services, the county must document, in the recipient's file, the need  
33.6       for team targeted case management and a description of the different roles of the team  
33.7       members.

33.8       (e) Notwithstanding section 256B.19, subdivision 1, the nonfederal share of costs for  
33.9       targeted case management shall be provided by the recipient's county of responsibility, as  
33.10       defined in sections 256G.01 to 256G.12, from sources other than federal funds or funds  
33.11       used to match other federal funds.

33.12       (f) The commissioner may suspend, reduce, or terminate reimbursement to a provider  
33.13       that does not meet the reporting or other requirements of this section. The county of  
33.14       responsibility, as defined in sections 256G.01 to 256G.12, is responsible for any federal  
33.15       disallowances. The county may share this responsibility with its contracted vendors.

33.16       (g) The commissioner shall set aside five percent of the federal funds received under  
33.17       this section for use in reimbursing the state for costs of developing and implementing this  
33.18       section.

33.19       (h) Payments to counties for targeted case management expenditures under this section  
33.20       shall only be made from federal earnings from services provided under this section. Payments  
33.21       to contracted vendors shall include both the federal earnings and the county share.

33.22       (i) Notwithstanding section 256B.041, county payments for the cost of case management  
33.23       services provided by county staff shall not be made to the commissioner of management  
33.24       and budget. For the purposes of targeted case management services provided by county  
33.25       staff under this section, the centralized disbursement of payments to counties under section  
33.26       256B.041 consists only of federal earnings from services provided under this section.

33.27       (j) If the recipient is a resident of a nursing facility, intermediate care facility, or hospital,  
33.28       and the recipient's institutional care is paid by medical assistance, payment for targeted case  
33.29       management services under this subdivision is limited to the lesser of:

33.30       (1) the last 180 days of the recipient's residency in that facility; or  
33.31       (2) the limits and conditions which apply to federal Medicaid funding for this service.

33.32       (k) Payment for targeted case management services under this subdivision shall not  
33.33       duplicate payments made under other program authorities for the same purpose.

34.1 (l) Any growth in targeted case management services and cost increases under this

34.2 section shall be the responsibility of the counties.

34.3 (m) The commissioner may make payments for Tribes according to section 256B.0625,

34.4 subdivision 34, or other relevant federally approved rate setting methodologies for vulnerable

34.5 adult and developmental disability targeted case management provided by Indian health

34.6 services and facilities operated by a Tribe or Tribal organization.

34.7 **EFFECTIVE DATE.** This section is effective July 1, 2025.

34.8 Sec. 17. Minnesota Statutes 2024, section 256B.0949, subdivision 15, is amended to read:

34.9 **Subd. 15. EIDBI provider qualifications.** (a) A QSP must be employed by an employee

34.10 of an agency and be:

34.11 (1) a licensed mental health professional who has at least 2,000 hours of supervised

34.12 clinical experience or training in examining or treating people with ASD or a related condition

34.13 or equivalent documented coursework at the graduate level by an accredited university in

34.14 ASD diagnostics, ASD developmental and behavioral treatment strategies, and typical child

34.15 development; or

34.16 (2) a developmental or behavioral pediatrician who has at least 2,000 hours of supervised

34.17 clinical experience or training in examining or treating people with ASD or a related condition

34.18 or equivalent documented coursework at the graduate level by an accredited university in

34.19 the areas of ASD diagnostics, ASD developmental and behavioral treatment strategies, and

34.20 typical child development.

34.21 (b) A level I treatment provider must be employed by an employee of an agency and:

34.22 (1) have at least 2,000 hours of supervised clinical experience or training in examining

34.23 or treating people with ASD or a related condition or equivalent documented coursework

34.24 at the graduate level by an accredited university in ASD diagnostics, ASD developmental

34.25 and behavioral treatment strategies, and typical child development or an equivalent

34.26 combination of documented coursework or hours of experience; and

34.27 (2) have or be at least one of the following:

34.28 (i) a master's degree in behavioral health or child development or related fields including,

34.29 but not limited to, mental health, special education, social work, psychology, speech

34.30 pathology, or occupational therapy from an accredited college or university;

34.31 (ii) a bachelor's degree in a behavioral health, child development, or related field

34.32 including, but not limited to, mental health, special education, social work, psychology,

35.1 speech pathology, or occupational therapy, from an accredited college or university, and  
35.2 advanced certification in a treatment modality recognized by the department;

35.3 (iii) a board-certified behavior analyst as defined by the Behavior Analyst Certification  
35.4 Board or a qualified behavior analyst as defined by the Qualified Applied Behavior Analysis  
35.5 Credentialing Board; or

35.6 (iv) a board-certified assistant behavior analyst with 4,000 hours of supervised clinical  
35.7 experience that meets all registration, supervision, and continuing education requirements  
35.8 of the certification.

35.9 (c) A level II treatment provider must be ~~employed by~~ an employee of an agency and  
35.10 must be:

35.11 (1) a person who has a bachelor's degree from an accredited college or university in a  
35.12 behavioral or child development science or related field including, but not limited to, mental  
35.13 health, special education, social work, psychology, speech pathology, or occupational  
35.14 therapy; and meets at least one of the following:

35.15 (i) has at least 1,000 hours of supervised clinical experience or training in examining or  
35.16 treating people with ASD or a related condition or equivalent documented coursework at  
35.17 the graduate level by an accredited university in ASD diagnostics, ASD developmental and  
35.18 behavioral treatment strategies, and typical child development or a combination of  
35.19 coursework or hours of experience;

35.20 (ii) has certification as a board-certified assistant behavior analyst from the Behavior  
35.21 Analyst Certification Board or a qualified autism service practitioner from the Qualified  
35.22 Applied Behavior Analysis Credentialing Board;

35.23 (iii) is a registered behavior technician as defined by the Behavior Analyst Certification  
35.24 Board or an applied behavior analysis technician as defined by the Qualified Applied  
35.25 Behavior Analysis Credentialing Board; or

35.26 (iv) is certified in one of the other treatment modalities recognized by the department;

35.27 or

35.28 (2) a person who has:

35.29 (i) an associate's degree in a behavioral or child development science or related field  
35.30 including, but not limited to, mental health, special education, social work, psychology,  
35.31 speech pathology, or occupational therapy from an accredited college or university; and

36.1       (ii) at least 2,000 hours of supervised clinical experience in delivering treatment to people  
36.2       with ASD or a related condition. Hours worked as a mental health behavioral aide or level  
36.3       III treatment provider may be included in the required hours of experience; or

36.4       (3) a person who has at least 4,000 hours of supervised clinical experience in delivering  
36.5       treatment to people with ASD or a related condition. Hours worked as a mental health  
36.6       behavioral aide or level III treatment provider may be included in the required hours of  
36.7       experience; or

36.8       (4) a person who is a graduate student in a behavioral science, child development science,  
36.9       or related field and is receiving clinical supervision by a QSP affiliated with an agency to  
36.10      meet the clinical training requirements for experience and training with people with ASD  
36.11      or a related condition; or

36.12      (5) a person who is at least 18 years of age and who:

36.13       (i) is fluent in a non-English language or is an individual certified by a Tribal Nation;

36.14       (ii) completed the level III EIDBI training requirements; and

36.15       (iii) receives observation and direction from a QSP or level I treatment provider at least  
36.16      once a week until the person meets 1,000 hours of supervised clinical experience.

36.17      (d) A level III treatment provider must be employed by an employee of an agency, have  
36.18      completed the level III training requirement, be at least 18 years of age, and have at least  
36.19      one of the following:

36.20       (1) a high school diploma or commissioner of education-selected high school equivalency  
36.21      certification;

36.22       (2) fluency in a non-English language or Tribal Nation certification;

36.23       (3) one year of experience as a primary personal care assistant, community health worker,  
36.24      waiver service provider, or special education assistant to a person with ASD or a related  
36.25      condition within the previous five years; or

36.26       (4) completion of all required EIDBI training within six months of employment.

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

36.28      Sec. 18. Minnesota Statutes 2024, section 256B.0949, subdivision 16, is amended to read:

36.29      Subd. 16. **Agency duties.** (a) An agency delivering an EIDBI service under this section  
36.30      must:

37.1       (1) enroll as a medical assistance Minnesota health care program provider according to  
37.2       Minnesota Rules, part 9505.0195, and section 256B.04, subdivision 21, and meet all  
37.3       applicable provider standards and requirements;

37.4       (2) demonstrate compliance with federal and state laws for EIDBI service;

37.5       (3) verify and maintain records of a service provided to the person or the person's legal  
37.6       representative as required under Minnesota Rules, parts 9505.2175 and 9505.2197;

37.7       (4) demonstrate that while enrolled or seeking enrollment as a Minnesota health care  
37.8       program provider the agency did not have a lead agency contract or provider agreement  
37.9       discontinued because of a conviction of fraud; or did not have an owner, board member, or  
37.10       manager fail a state or federal criminal background check or appear on the list of excluded  
37.11       individuals or entities maintained by the federal Department of Human Services Office of  
37.12       Inspector General;

37.13       (5) have established business practices including written policies and procedures, internal  
37.14       controls, and a system that demonstrates the organization's ability to deliver quality EIDBI  
37.15       services;

37.16       (6) have an office located in Minnesota or a border state;

37.17       (7) conduct a criminal background check on an individual who has direct contact with  
37.18       the person or the person's legal representative;

37.19       (8) report maltreatment according to section 626.557 and chapter 260E;

37.20       (9) comply with any data requests consistent with the Minnesota Government Data  
37.21       Practices Act, sections 256B.064 and 256B.27;

37.22       (10) provide training for all agency staff on the requirements and responsibilities listed  
37.23       in the Maltreatment of Minors Act, chapter 260E, and the Vulnerable Adult Protection Act,  
37.24       section 626.557, including mandated and voluntary reporting, nonretaliation, and the agency's  
37.25       policy for all staff on how to report suspected abuse and neglect;

37.26       (11) have a written policy to resolve issues collaboratively with the person and the  
37.27       person's legal representative when possible. The policy must include a timeline for when  
37.28       the person and the person's legal representative will be notified about issues that arise in  
37.29       the provision of services;

37.30       (12) provide the person's legal representative with prompt notification if the person is  
37.31       injured while being served by the agency. An incident report must be completed by the

38.1 agency staff member in charge of the person. A copy of all incident and injury reports must  
38.2 remain on file at the agency for at least five years from the report of the incident; and

38.3 (13) before starting a service, provide the person or the person's legal representative a  
38.4 description of the treatment modality that the person shall receive, including the staffing  
38.5 certification levels and training of the staff who shall provide a treatment;;

38.6 (14) provide clinical supervision by a qualified supervising professional for a minimum  
38.7 of one hour of supervision for every ten hours of direct treatment per person that meets  
38.8 clinical licensure requirements for quality supervision and effective intervention; and

38.9 (15) provide clinical, in-person supervision sessions by a qualified supervising  
38.10 professional at least once per month for intervention, observation, and direction.

38.11 (b) When delivering the ITP, and annually thereafter, an agency must provide the person  
38.12 or the person's legal representative with:

38.13 (1) a written copy and a verbal explanation of the person's or person's legal  
38.14 representative's rights and the agency's responsibilities;

38.15 (2) documentation in the person's file the date that the person or the person's legal  
38.16 representative received a copy and explanation of the person's or person's legal  
38.17 representative's rights and the agency's responsibilities; and

38.18 (3) reasonable accommodations to provide the information in another format or language  
38.19 as needed to facilitate understanding of the person's or person's legal representative's rights  
38.20 and the agency's responsibilities.

38.21 Sec. 19. Minnesota Statutes 2024, section 256B.0949, is amended by adding a subdivision  
38.22 to read:

38.23 Subd. 18. **Provisional licensure.** Beginning on January 1, 2026, the commissioner shall  
38.24 begin issuing provisional licenses to enrolled EIDBI agencies pursuant to section 245A.142.

38.25 Sec. 20. Minnesota Statutes 2024, section 256B.19, subdivision 1, is amended to read:

38.26 Subdivision 1. **Division of cost.** (a) The state and county share of medical assistance  
38.27 costs not paid by federal funds shall be as follows:

38.28 (1) beginning January 1, 1992, 50 percent state funds and 50 percent county funds for  
38.29 the cost of placement of severely emotionally disturbed children in regional treatment  
38.30 centers;

39.1       (2) beginning January 1, 2003, 80 percent state funds and 20 percent county funds for  
39.2 the costs of nursing facility placements of persons with disabilities under the age of 65 that  
39.3 have exceeded 90 days. This clause shall be subject to chapter 256G and shall not apply to  
39.4 placements in facilities not certified to participate in medical assistance;

39.5       (3) beginning July 1, 2004, 90 percent state funds and ten percent county funds for the  
39.6 costs of placements that have exceeded 90 days in intermediate care facilities for persons  
39.7 with developmental disabilities that have seven or more beds. This provision includes  
39.8 pass-through payments made under section 256B.5015; and

39.9       (4) beginning July 1, 2004, when state funds are used to pay for a nursing facility  
39.10 placement due to the facility's status as an institution for mental diseases (IMD), the county  
39.11 shall pay 20 percent of the nonfederal share of costs that have exceeded 90 days. This clause  
39.12 is subject to chapter 256G.; and

39.13       (5) beginning July 1, 2026, or upon federal approval, whichever is later, 67 percent state  
39.14 funds and 33 percent county funds for the costs of services for all individual waiver recipients  
39.15 who receive rates determined under section 256B.4914, subdivision 14.

39.16       (b) For counties that participate in a Medicaid demonstration project under sections  
39.17 256B.69 and 256B.71, the division of the nonfederal share of medical assistance expenses  
39.18 for payments made to prepaid health plans or for payments made to health maintenance  
39.19 organizations in the form of prepaid capitation payments, this division of medical assistance  
39.20 expenses shall be 95 percent by the state and five percent by the county of financial  
39.21 responsibility.

39.22       (c) In counties where prepaid health plans are under contract to the commissioner to  
39.23 provide services to medical assistance recipients, the cost of court ordered treatment ordered  
39.24 without consulting the prepaid health plan that does not include diagnostic evaluation,  
39.25 recommendation, and referral for treatment by the prepaid health plan is the responsibility  
39.26 of the county of financial responsibility.

39.27       Sec. 21. Minnesota Statutes 2024, section 256B.4914, subdivision 3, is amended to read:

39.28       **Subd. 3. Applicable services.** (a) Applicable services are those authorized under the  
39.29 state's home and community-based services waivers under sections 256B.092 and 256B.49,  
39.30 including the following, as defined in the federally approved home and community-based  
39.31 services plan:

39.32       (1) 24-hour customized living;

39.33       (2) adult day services;

- 40.1 (3) adult day services bath;
- 40.2 (4) community residential services;
- 40.3 (5) customized living;
- 40.4 (6) day support services;
- 40.5 (7) employment development services;
- 40.6 (8) employment exploration services;
- 40.7 (9) employment support services;
- 40.8 (10) family residential services;
- 40.9 (11) individualized home supports;
- 40.10 (12) individualized home supports with family training;
- 40.11 (13) individualized home supports with training;
- 40.12 (14) integrated community supports;
- 40.13 (15) life sharing;
- 40.14 (16) effective until the effective date of clauses (17) and (18), night supervision;
- 40.15 (17) effective January 1, 2026, or upon federal approval, whichever is later, awake night
- 40.16 supervision;
- 40.17 (18) effective January 1, 2026, or upon federal approval, whichever is later, asleep night
- 40.18 supervision;
- 40.19 (17) (19) positive support services;
- 40.20 (18) (20) prevocational services;
- 40.21 (19) (21) residential support services;
- 40.22 (20) (22) respite services;
- 40.23 (21) (23) transportation services; and
- 40.24 (22) (24) other services as approved by the federal government in the state home and
- 40.25 community-based services waiver plan.

40.26 (b) Effective January 1, 2024, or upon federal approval, whichever is later, respite services under paragraph (a), clause (20) (22), are not an applicable service under this section.

41.1        **EFFECTIVE DATE.** This section is effective the day following final enactment, except  
41.2        that the amendments to paragraph (b) are effective January 1, 2026, or upon federal approval,  
41.3        whichever is later. The commissioner of human services shall notify the revisor of statutes  
41.4        when federal approval is obtained.

41.5        Sec. 22. Minnesota Statutes 2024, section 256B.4914, subdivision 5, is amended to read:

41.6        **Subd. 5. Base wage index; establishment and updates.** (a) The base wage index is  
41.7        established to determine staffing costs associated with providing services to individuals  
41.8        receiving home and community-based services. For purposes of calculating the base wage,  
41.9        Minnesota-specific wages taken from job descriptions and standard occupational  
41.10        classification (SOC) codes from the Bureau of Labor Statistics as defined in the Occupational  
41.11        Handbook must be used.

41.12        (b) The commissioner shall ~~update~~ establish the base wage index in subdivision 5a,  
41.13        publish these updated values, and load them into the rate management system ~~as follows:~~

41.14        ~~(1) on January 1, 2022, based on wage data by SOC from the Bureau of Labor Statistics~~  
41.15        ~~available as of December 31, 2019;~~

41.16        ~~(2) on January 1, 2024, based on wage data by SOC from the Bureau of Labor Statistics~~  
41.17        ~~published in March 2022; and~~

41.18        ~~(3) on January 1, 2026, and every two years thereafter, based on wage data by SOC from~~  
41.19        ~~the Bureau of Labor Statistics published in the spring approximately 21 months prior to the~~  
41.20        ~~scheduled update.~~

41.21        **EFFECTIVE DATE.** This section is effective January 1, 2026, or upon federal approval,  
41.22        whichever is later. The commissioner of human services shall notify the revisor of statutes  
41.23        when federal approval is obtained.

41.24        Sec. 23. Minnesota Statutes 2024, section 256B.4914, subdivision 5a, is amended to read:

41.25        **Subd. 5a. Base wage index; calculations.** The base wage index must be calculated as  
41.26        follows:

41.27        (1) for supervisory staff, 100 percent of the median wage for community and social  
41.28        services specialist (SOC code 21-1099), with the exception of the supervisor of positive  
41.29        supports professional, positive supports analyst, and positive supports specialist, which is  
41.30        100 percent of the median wage for clinical counseling and school psychologist (SOC code  
41.31        19-3031);

42.1 (2) for registered nurse staff, 100 percent of the median wage for registered nurses (SOC  
42.2 code 29-1141);

42.3 (3) for licensed practical nurse staff, 100 percent of the median wage for licensed practical  
42.4 nurses (SOC code 29-2061);

42.5 (4) for residential asleep-overnight staff, the minimum wage in Minnesota for large  
42.6 employers;

42.7 (5) for residential direct care staff, the sum of:

42.8 (i) 15 percent of the subtotal of 50 percent of the median wage for home health and  
42.9 personal care aide (SOC code 31-1120); 30 percent of the median wage for nursing assistant  
42.10 (SOC code 31-1131); and 20 percent of the median wage for social and human services  
42.11 aide (SOC code 21-1093); and

42.12 (ii) 85 percent of the subtotal of 40 percent of the median wage for home health and  
42.13 personal care aide (SOC code 31-1120); 20 percent of the median wage for nursing assistant  
42.14 (SOC code 31-1131); 20 percent of the median wage for psychiatric technician (SOC code  
42.15 29-2053); and 20 percent of the median wage for social and human services aide (SOC code  
42.16 21-1093);

42.17 (6) for adult day services staff, 70 percent of the median wage for nursing assistant (SOC  
42.18 code 31-1131); and 30 percent of the median wage for home health and personal care aide  
42.19 (SOC code 31-1120);

42.20 (7) for day support services staff and prevocational services staff, 20 percent of the  
42.21 median wage for nursing assistant (SOC code 31-1131); 20 percent of the median wage for  
42.22 psychiatric technician (SOC code 29-2053); and 60 percent of the median wage for social  
42.23 and human services aide (SOC code 21-1093);

42.24 (8) for positive supports analyst staff, 100 percent of the median wage for substance  
42.25 abuse, behavioral disorder, and mental health counselor (SOC code 21-1018);

42.26 (9) for positive supports professional staff, 100 percent of the median wage for clinical  
42.27 counseling and school psychologist (SOC code 19-3031);

42.28 (10) for positive supports specialist staff, 100 percent of the median wage for psychiatric  
42.29 technicians (SOC code 29-2053);

42.30 (11) for individualized home supports with family training staff, 20 percent of the median  
42.31 wage for nursing aide (SOC code 31-1131); 30 percent of the median wage for community  
42.32 social service specialist (SOC code 21-1099); 40 percent of the median wage for social and

43.1 human services aide (SOC code 21-1093); and ten percent of the median wage for psychiatric  
43.2 technician (SOC code 29-2053);

43.3 (12) for individualized home supports with training services staff, 40 percent of the  
43.4 median wage for community social service specialist (SOC code 21-1099); 50 percent of  
43.5 the median wage for social and human services aide (SOC code 21-1093); and ten percent  
43.6 of the median wage for psychiatric technician (SOC code 29-2053);

43.7 (13) for employment support services staff, 50 percent of the median wage for  
43.8 rehabilitation counselor (SOC code 21-1015); and 50 percent of the median wage for  
43.9 community and social services specialist (SOC code 21-1099);

43.10 (14) for employment exploration services staff, 50 percent of the median wage for  
43.11 education, guidance, school, and vocational counselor (SOC code 21-1012); and 50 percent  
43.12 of the median wage for community and social services specialist (SOC code 21-1099);

43.13 (15) for employment development services staff, 50 percent of the median wage for  
43.14 education, guidance, school, and vocational counselors (SOC code 21-1012); and 50 percent  
43.15 of the median wage for community and social services specialist (SOC code 21-1099);

43.16 (16) for individualized home support without training staff, 50 percent of the median  
43.17 wage for home health and personal care aide (SOC code 31-1120); and 50 percent of the  
43.18 median wage for nursing assistant (SOC code 31-1131); and

43.19 (17) effective until the effective date of clauses (18) and (19), for night supervision staff,  
43.20 40 percent of the median wage for home health and personal care aide (SOC code 31-1120);  
43.21 20 percent of the median wage for nursing assistant (SOC code 31-1131); 20 percent of the  
43.22 median wage for psychiatric technician (SOC code 29-2053); and 20 percent of the median  
43.23 wage for social and human services aide (SOC code 21-1093);

43.24 (18) effective January 1, 2026, or upon federal approval, whichever is later, for awake  
43.25 night supervision staff, 40 percent of the median wage for home health and personal care  
43.26 aide (SOC code 31-1120); 20 percent of the median wage for nursing assistant (SOC code  
43.27 31-1131); 20 percent the median wage for psychiatric technician (SOC code 29-2053); and  
43.28 20 percent of the median wage for social and human services aid (SOC code 21-1093); and

43.29 (19) effective January 1, 2026, or upon federal approval, whichever is later, for asleep  
43.30 night supervision staff, the minimum wage in Minnesota for large employers.

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

44.1 Sec. 24. Minnesota Statutes 2024, section 256B.4914, subdivision 5b, is amended to read:

44.2       **Subd. 5b. Standard component value adjustments.** The commissioner shall update  
44.3 the base wage index under subdivision 5a; client and programming support, transportation,  
44.4 and program facility cost component values as required in subdivisions 6 to 9; and the rates  
44.5 identified in subdivision 19 for changes in the Consumer Price Index. If the result of this  
44.6 update exceeds eight percent, the commissioner shall implement a change to the base wage  
44.7 index, component values, and rates under subdivision 19 of eight percent. If the result of  
44.8 this update is less than eight percent, the commissioner shall implement the full value of  
44.9 the change. The commissioner shall adjust these values higher or lower, publish these  
44.10 updated values, and load them into the rate management system as follows:

44.11       (1) on January 1, 2022, by the percentage change in the CPI-U from the date of the  
44.12 previous update to the data available on December 31, 2019;

44.13       (2) on January 1, 2024, by the percentage change in the CPI-U from the date of the  
44.14 previous update to the data available as of December 31, 2022; and

44.15       (3) on January 1, 2026, and every two years thereafter, by the percentage change in the  
44.16 CPI-U from the date of the previous update to the data available 24 months and one day  
44.17 prior to the scheduled update.

44.18       **EFFECTIVE DATE.** This section is effective January 1, 2026, or upon federal approval,  
44.19 whichever is later. The commissioner of human services shall notify the revisor of statutes  
44.20 when federal approval is obtained.

44.21 Sec. 25. Minnesota Statutes 2024, section 256B.4914, subdivision 6a, is amended to read:

44.22       **Subd. 6a. Community residential services; component values and calculation of**  
44.23 **payment rates.** (a) Component values for community residential services are:

44.24       (1) competitive workforce factor: 6.7 percent;

44.25       (2) supervisory span of control ratio: 11 percent;

44.26       (3) employee vacation, sick, and training allowance ratio: 8.71 percent;

44.27       (4) employee-related cost ratio: 23.6 percent;

44.28       (5) general administrative support ratio: 13.25 percent; and

44.29       (6) program-related expense ratio: 1.3 percent; and

44.30       (7) absence and utilization factor ratio: 3.9 percent.

44.31       (b) Payments for community residential services must be calculated as follows:

45.1 (1) determine the number of shared direct staffing and individual direct staffing hours  
45.2 to meet a recipient's needs provided on site or through monitoring technology;

45.3 (2) determine the appropriate hourly staff wage rates derived by the commissioner as  
45.4 provided in subdivisions 5 and 5a;

45.5 (3) except for subdivision 5a, clauses (1) to (4), multiply the result of clause (2) by the  
45.6 product of one plus the competitive workforce factor;

45.7 (4) for a recipient requiring customization for deaf and hard-of-hearing language  
45.8 accessibility under subdivision 12, add the customization rate provided in subdivision 12  
45.9 to the result of clause (3);

45.10 (5) multiply the number of shared direct staffing and individual direct staffing hours  
45.11 provided on site or through monitoring technology and nursing hours by the appropriate  
45.12 staff wages;

45.13 (6) multiply the number of shared direct staffing and individual direct staffing hours  
45.14 provided on site or through monitoring technology and nursing hours by the product of the  
45.15 supervision span of control ratio and the appropriate supervisory staff wage in subdivision  
45.16 5a, clause (1);

45.17 (7) combine the results of clauses (5) and (6), excluding any shared direct staffing and  
45.18 individual direct staffing hours provided through monitoring technology, and multiply the  
45.19 result by one plus the employee vacation, sick, and training allowance ratio. This is defined  
45.20 as the direct staffing cost;

45.21 (8) for employee-related expenses, multiply the direct staffing cost, excluding any shared  
45.22 direct staffing and individual hours provided through monitoring technology, by one plus  
45.23 the employee-related cost ratio;

45.24 (9) for client programming and supports, add \$2,260.21 divided by 365. The  
45.25 commissioner shall update the amount in this clause as specified in subdivision 5b;

45.26 (10) for transportation, if provided, add \$1,742.62 divided by 365, or \$3,111.81 divided  
45.27 by 365 if customized for adapted transport, based on the resident with the highest assessed  
45.28 need. The commissioner shall update the amounts in this clause as specified in subdivision  
45.29 5b;

45.30 (11) subtotal clauses (8) to (10) and the direct staffing cost of any shared direct staffing  
45.31 and individual direct staffing hours provided through monitoring technology that was  
45.32 excluded in clause (8);

46.1       (12) sum the standard general administrative support ratio, and the program-related  
46.2       expense ratio, ~~and the absentee and utilization factor ratio~~;

46.3       (13) divide the result of clause (11) by one minus the result of clause (12). This is the  
46.4       total payment amount; and

46.5       (14) adjust the result of clause (13) by a factor to be determined by the commissioner  
46.6       to adjust for regional differences in the cost of providing services.

46.7       **EFFECTIVE DATE.** This section is effective January 1, 2026, or upon federal approval,  
46.8       whichever is later. The commissioner of human services shall notify the revisor of statutes  
46.9       when federal approval is obtained.

46.10      Sec. 26. Minnesota Statutes 2024, section 256B.4914, subdivision 6b, is amended to read:

46.11      Subd. 6b. **Family residential services; component values and calculation of payment**  
46.12      **rates.** (a) Component values for family residential services are:

46.13      (1) competitive workforce factor: 6.7 percent;

46.14      (2) supervisory span of control ratio: 11 percent;

46.15      (3) employee vacation, sick, and training allowance ratio: 8.71 percent;

46.16      (4) employee-related cost ratio: 23.6 percent;

46.17      (5) general administrative support ratio: 3.3 percent; and

46.18      (6) program-related expense ratio: 1.3 percent; and

46.19      (7) ~~absentee factor: 1.7 percent.~~

46.20      (b) Payments for family residential services must be calculated as follows:

46.21      (1) determine the number of shared direct staffing and individual direct staffing hours  
46.22      to meet a recipient's needs provided on site or through monitoring technology;

46.23      (2) determine the appropriate hourly staff wage rates derived by the commissioner as  
46.24      provided in subdivisions 5 and 5a;

46.25      (3) except for subdivision 5a, clauses (1) to (4), multiply the result of clause (2) by the  
46.26      product of one plus the competitive workforce factor;

46.27      (4) for a recipient requiring customization for deaf and hard-of-hearing language  
46.28      accessibility under subdivision 12, add the customization rate provided in subdivision 12  
46.29      to the result of clause (3);

47.1       (5) multiply the number of shared direct staffing and individual direct staffing hours  
47.2       provided on site or through monitoring technology and nursing hours by the appropriate  
47.3       staff wages;

47.4       (6) multiply the number of shared direct staffing and individual direct staffing hours  
47.5       provided on site or through monitoring technology and nursing hours by the product of the  
47.6       supervisory span of control ratio and the appropriate supervisory staff wage in subdivision  
47.7       5a, clause (1);

47.8       (7) combine the results of clauses (5) and (6), excluding any shared direct staffing and  
47.9       individual direct staffing hours provided through monitoring technology, and multiply the  
47.10       result by one plus the employee vacation, sick, and training allowance ratio. This is defined  
47.11       as the direct staffing cost;

47.12       (8) for employee-related expenses, multiply the direct staffing cost, excluding any shared  
47.13       and individual direct staffing hours provided through monitoring technology, by one plus  
47.14       the employee-related cost ratio;

47.15       (9) for client programming and supports, add \$2,260.21 divided by 365. The  
47.16       commissioner shall update the amount in this clause as specified in subdivision 5b;

47.17       (10) for transportation, if provided, add \$1,742.62 divided by 365, or \$3,111.81 divided  
47.18       by 365 if customized for adapted transport, based on the resident with the highest assessed  
47.19       need. The commissioner shall update the amounts in this clause as specified in subdivision  
47.20       5b;

47.21       (11) subtotal clauses (8) to (10) and the direct staffing cost of any shared direct staffing  
47.22       and individual direct staffing hours provided through monitoring technology that was  
47.23       excluded in clause (8);

47.24       (12) sum the standard general administrative support ratio, and the program-related  
47.25       expense ratio, and the absence and utilization factor ratio;

47.26       (13) divide the result of clause (11) by one minus the result of clause (12). This is the  
47.27       total payment rate; and

47.28       (14) adjust the result of clause (13) by a factor to be determined by the commissioner  
47.29       to adjust for regional differences in the cost of providing services.

47.30       **EFFECTIVE DATE.** This section is effective January 1, 2026, or upon federal approval,  
47.31       whichever is later. The commissioner of human services shall notify the revisor of statutes  
47.32       when federal approval is obtained.

48.1 Sec. 27. Minnesota Statutes 2024, section 256B.4914, subdivision 6c, is amended to read:

48.2 **Subd. 6c. Integrated community supports; component values and calculation of  
48.3 payment rates.** (a) Component values for integrated community supports are:

- 48.4 (1) competitive workforce factor: 6.7 percent;
- 48.5 (2) supervisory span of control ratio: 11 percent;
- 48.6 (3) employee vacation, sick, and training allowance ratio: 8.71 percent;
- 48.7 (4) employee-related cost ratio: 23.6 percent;
- 48.8 (5) general administrative support ratio: 13.25 percent; and
- 48.9 (6) program-related expense ratio: 1.3 percent; and
- 48.10 (7) ~~absence and utilization factor ratio: 3.9 percent.~~

48.11 (b) Payments for integrated community supports must be calculated as follows:

48.12 (1) determine the number of shared direct staffing and individual direct staffing hours  
48.13 to meet a recipient's needs. The base shared direct staffing hours must be eight hours divided  
48.14 by the number of people receiving support in the integrated community support setting, and  
48.15 the individual direct staffing hours must be the average number of direct support hours  
48.16 provided directly to the service recipient;

48.17 (2) determine the appropriate hourly staff wage rates derived by the commissioner as  
48.18 provided in subdivisions 5 and 5a;

48.19 (3) except for subdivision 5a, clauses (1) to (4), multiply the result of clause (2) by the  
48.20 product of one plus the competitive workforce factor;

48.21 (4) for a recipient requiring customization for deaf and hard-of-hearing language  
48.22 accessibility under subdivision 12, add the customization rate provided in subdivision 12  
48.23 to the result of clause (3);

48.24 (5) multiply the number of shared direct staffing and individual direct staffing hours in  
48.25 clause (1) by the appropriate staff wages;

48.26 (6) multiply the number of shared direct staffing and individual direct staffing hours in  
48.27 clause (1) by the product of the supervisory span of control ratio and the appropriate  
48.28 supervisory staff wage in subdivision 5a, clause (1);

48.29 (7) combine the results of clauses (5) and (6) and multiply the result by one plus the  
48.30 employee vacation, sick, and training allowance ratio. This is defined as the direct staffing  
48.31 cost;

49.1 (8) for employee-related expenses, multiply the direct staffing cost by one plus the  
49.2 employee-related cost ratio;

49.3 (9) for client programming and supports, add \$2,260.21 divided by 365. The  
49.4 commissioner shall update the amount in this clause as specified in subdivision 5b;

49.5 (10) add the results of clauses (8) and (9);

49.6 (11) add the standard general administrative support ratio; and the program-related  
49.7 expense ratio, ~~and the absentee and utilization factor ratio~~;

49.8 (12) divide the result of clause (10) by one minus the result of clause (11). This is the  
49.9 total payment amount; and

49.10 (13) adjust the result of clause (12) by a factor to be determined by the commissioner  
49.11 to adjust for regional differences in the cost of providing services.

49.12 **EFFECTIVE DATE.** This section is effective January 1, 2026, or upon federal approval,  
49.13 whichever is later. The commissioner of human services shall notify the revisor of statutes  
49.14 when federal approval is obtained.

49.15 Sec. 28. Minnesota Statutes 2024, section 256B.4914, subdivision 8, is amended to read:

49.16 **Subd. 8. Unit-based services with programming; component values and calculation  
of payment rates.** (a) For the purpose of this section, unit-based services with programming  
49.17 include employment exploration services, employment development services, employment  
49.18 support services, individualized home supports with family training, individualized home  
49.19 supports with training, and positive support services provided to an individual outside of  
49.20 any service plan for a day program or residential support service.

49.22 (b) Component values for unit-based services with programming are:

49.23 (1) competitive workforce factor: 6.7 percent;

49.24 (2) supervisory span of control ratio: 11 percent;

49.25 (3) employee vacation, sick, and training allowance ratio: 8.71 percent;

49.26 (4) employee-related cost ratio: 23.6 percent;

49.27 (5) program plan support ratio: 15.5 percent;

49.28 (6) client programming and support ratio: 4.7 percent, updated as specified in subdivision  
49.29 5b;

49.30 (7) general administrative support ratio: 13.25 percent;

50.1 (8) program-related expense ratio: 6.1 percent; and

50.2 (9) absence and utilization factor ratio: 3.9 percent.

50.3 (c) A unit of service for unit-based services with programming is 15 minutes.

50.4 (d) Payments for unit-based services with programming must be calculated as follows,

50.5 unless the services are reimbursed separately as part of a residential support services or day

50.6 program payment rate:

50.7 (1) determine the number of units of service to meet a recipient's needs;

50.8 (2) determine the appropriate hourly staff wage rates derived by the commissioner as

50.9 provided in subdivisions 5 and 5a;

50.10 (3) except for subdivision 5a, clauses (1) to (4), multiply the result of clause (2) by the

50.11 product of one plus the competitive workforce factor;

50.12 (4) for a recipient requiring customization for deaf and hard-of-hearing language

50.13 accessibility under subdivision 12, add the customization rate provided in subdivision 12

50.14 to the result of clause (3);

50.15 (5) multiply the number of direct staffing hours by the appropriate staff wage;

50.16 (6) multiply the number of direct staffing hours by the product of the supervisory span

50.17 of control ratio and the appropriate supervisory staff wage in subdivision 5a, clause (1);

50.18 (7) combine the results of clauses (5) and (6), and multiply the result by one plus the

50.19 employee vacation, sick, and training allowance ratio. This is defined as the direct staffing

50.20 rate;

50.21 (8) for program plan support, multiply the result of clause (7) by one plus the program

50.22 plan support ratio;

50.23 (9) for employee-related expenses, multiply the result of clause (8) by one plus the

50.24 employee-related cost ratio;

50.25 (10) for client programming and supports, multiply the result of clause (9) by one plus

50.26 the client programming and support ratio;

50.27 (11) this is the subtotal rate;

50.28 (12) sum the standard general administrative support ratio, the program-related expense

50.29 ratio, and the absence and utilization factor ratio;

50.30 (13) divide the result of clause (11) by one minus the result of clause (12). This is the

50.31 total payment amount;

51.1 (14) for services provided in a shared manner, divide the total payment in clause (13)  
51.2 as follows:

51.3 (i) for employment exploration services, divide by the number of service recipients, not  
51.4 to exceed five;

51.5 (ii) for employment support services, divide by the number of service recipients, not to  
51.6 exceed six;

51.7 (iii) for individualized home supports with training and individualized home supports  
51.8 with family training, divide by the number of service recipients, not to exceed three; and

51.9 (iv) for night supervision, divide by the number of service recipients, not to exceed two;  
51.10 and

51.11 (15) adjust the result of clause (14) by a factor to be determined by the commissioner  
51.12 to adjust for regional differences in the cost of providing services.

51.13 (e) Effective January 1, 2027, or upon federal approval, whichever is later, providers  
51.14 may not bill more than eight hours per day for individualized home supports with training  
51.15 and individualized home supports with family training. This maximum does not limit a  
51.16 person's use of other disability waiver services.

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

51.18 Sec. 29. Minnesota Statutes 2024, section 256B.4914, subdivision 9, is amended to read:

51.19 **Subd. 9. Unit-based services without programming; component values and**  
51.20 **calculation of payment rates.** (a) For the purposes of this section, unit-based services  
51.21 without programming include individualized home supports without training and night  
51.22 supervision provided to an individual outside of any service plan for a day program or  
51.23 residential support service. Unit-based services without programming do not include respite.  
51.24 This paragraph expires upon the effective date of paragraph (b).

51.25 (b) Effective January 1, 2026, or upon federal approval, whichever is later, for the  
51.26 purposes of this section, unit-based services without programming include individualized  
51.27 home supports without training, awake night supervision, and asleep night supervision  
51.28 provided to an individual outside of any service plan for a day program or residential support  
51.29 service.

51.30 (b) (c) Component values for unit-based services without programming are:

51.31 (1) competitive workforce factor: 6.7 percent;

52.1 (2) supervisory span of control ratio: 11 percent;

52.2 (3) employee vacation, sick, and training allowance ratio: 8.71 percent;

52.3 (4) employee-related cost ratio: 23.6 percent;

52.4 (5) program plan support ratio: 7.0 percent;

52.5 (6) client programming and support ratio: 2.3 percent, updated as specified in subdivision

52.6 5b;

52.7 (7) general administrative support ratio: 13.25 percent;

52.8 (8) program-related expense ratio: 2.9 percent; and

52.9 (9) absence and utilization factor ratio: 3.9 percent.

52.10 (e) (d) A unit of service for unit-based services without programming is 15 minutes.

52.11 (d) (e) Payments for unit-based services without programming must be calculated as

52.12 follows unless the services are reimbursed separately as part of a residential support services

52.13 or day program payment rate:

52.14 (1) determine the number of units of service to meet a recipient's needs;

52.15 (2) determine the appropriate hourly staff wage rates derived by the commissioner as

52.16 provided in subdivisions 5 to 5a;

52.17 (3) except for subdivision 5a, clauses (1) to (4), multiply the result of clause (2) by the

52.18 product of one plus the competitive workforce factor;

52.19 (4) for a recipient requiring customization for deaf and hard-of-hearing language

52.20 accessibility under subdivision 12, add the customization rate provided in subdivision 12

52.21 to the result of clause (3);

52.22 (5) multiply the number of direct staffing hours by the appropriate staff wage;

52.23 (6) multiply the number of direct staffing hours by the product of the supervisory span

52.24 of control ratio and the appropriate supervisory staff wage in subdivision 5a, clause (1);

52.25 (7) combine the results of clauses (5) and (6), and multiply the result by one plus the

52.26 employee vacation, sick, and training allowance ratio. This is defined as the direct staffing

52.27 rate;

52.28 (8) for program plan support, multiply the result of clause (7) by one plus the program

52.29 plan support ratio;

53.1        (9) for employee-related expenses, multiply the result of clause (8) by one plus the  
53.2        employee-related cost ratio;

53.3        (10) for client programming and supports, multiply the result of clause (9) by one plus  
53.4        the client programming and support ratio;

53.5        (11) this is the subtotal rate;

53.6        (12) sum the standard general administrative support ratio, the program-related expense  
53.7        ratio, and the absence and utilization factor ratio;

53.8        (13) divide the result of clause (11) by one minus the result of clause (12). This is the  
53.9        total payment amount;

53.10       (14) for individualized home supports without training provided in a shared manner,  
53.11       divide the total payment amount in clause (13) by the number of service recipients, not to  
53.12       exceed three; and

53.13       (15) adjust the result of clause (14) by a factor to be determined by the commissioner  
53.14       to adjust for regional differences in the cost of providing services.

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

53.16       Sec. 30. Minnesota Statutes 2024, section 256B.4914, is amended by adding a subdivision  
53.17       to read:

53.18       Subd. 14a. Limitations on rate exceptions for residential services. (a) Effective July  
53.19       1, 2026, the commissioner must implement limitations on the rate exceptions for community  
53.20       residential services, customized living services, family residential services, and integrated  
53.21       community supports.

53.22       (b) For rate exceptions related to behavioral needs, the lead agency must include:

53.23       (1) a documented behavioral diagnosis; or

53.24       (2) determined assessed needs for behavioral supports as identified in the person's most  
53.25       recent assessment or reassessment under section 256B.0911.

53.26       (c) Community residential services rate exceptions must not include positive supports  
53.27       costs.

53.28       (d) The commissioner must not approve rate exception requests related to increased  
53.29       community time or transportation.

53.30       (e) For the commissioner to approve a rate exception annual renewal, the person's most  
53.31       recent assessment must indicate continued extraordinary needs in the areas cited in the

54.1 exception request. If a person's assessment continues to identify these extraordinary needs,  
54.2 lead agencies requesting an annual renewal of rate exceptions must submit documentation  
54.3 supporting the continuation of the exception. At a minimum, documentation must include:

54.4 (1) payroll records for direct care wages cited in the request;  
54.5 (2) payment records or receipts for other costs cited in the request; and  
54.6 (3) documentation of expenses paid that were identified as necessary for the initial rate  
54.7 exception.

54.8 (f) The commissioner must not increase rate exception annual renewals that request an  
54.9 exception to direct care or supervision wages more than the most recently implemented  
54.10 base wage index determined under subdivision 5.

54.11 (g) The commissioner must publish online an annual report detailing the impact of the  
54.12 limitations under this subdivision on home and community-based services spending, including  
54.13 but not limited to:

54.14 (1) the number and percentage of rate exceptions granted and denied;  
54.15 (2) total spending on community residential setting services and rate exceptions;  
54.16 (3) trends in the percentage of spending attributable to rate exceptions; and  
54.17 (4) an evaluation of the effectiveness of the limitations in controlling spending growth.

54.18 **EFFECTIVE DATE.** This section is effective January 1, 2026.

54.19 Sec. 31. Minnesota Statutes 2024, section 256B.4914, is amended by adding a subdivision  
54.20 to read:

54.21 **Subd. 20. Sanctions and monetary recovery.** Payments under this section are subject  
54.22 to the sanctions and monetary recovery requirements under section 256B.064.

54.23 Sec. 32. Minnesota Statutes 2024, section 256B.85, subdivision 7a, is amended to read:

54.24 **Subd. 7a. Enhanced rate.** (a) An enhanced rate of 107.5 percent of the rate paid for  
54.25 CFSS must be paid for services provided to persons who qualify for ten or more hours of  
54.26 CFSS per day when provided by a support worker who meets the requirements of subdivision  
54.27 16, paragraph (e). This paragraph expires upon the effective date of paragraph (b).

54.28 (b) Effective January 1, 2026, or upon federal approval, whichever is later, an enhanced  
54.29 rate of 112.5 percent of the rate paid for CFSS must be paid for services provided to persons

55.1 who qualify for ten or more hours of CFSS per day when provided by a support worker  
55.2 who meets the requirements of subdivision 16, paragraph (e).

55.3 ~~(b)~~ (c) An agency provider must use all additional revenue attributable to the rate  
55.4 enhancements under this subdivision for the wages and wage-related costs of the support  
55.5 workers, including any corresponding increase in the employer's share of FICA taxes,  
55.6 Medicare taxes, state and federal unemployment taxes, and workers' compensation premiums.  
55.7 The agency provider must not use the additional revenue attributable to any enhanced rate  
55.8 under this subdivision to pay for mileage reimbursement, health and dental insurance, life  
55.9 insurance, disability insurance, long-term care insurance, uniform allowance, contributions  
55.10 to employee retirement accounts, or any other employee benefits.

55.11 ~~(e)~~ (d) Any change in the eligibility criteria for the enhanced rate for CFSS as described  
55.12 in this subdivision and referenced in subdivision 16, paragraph (e), does not constitute a  
55.13 change in a term or condition for individual providers as defined in section 256B.0711, and  
55.14 is not subject to the state's obligation to meet and negotiate under chapter 179A.

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

55.16 Sec. 33. Minnesota Statutes 2024, section 256B.85, subdivision 8, is amended to read:

55.17 **Subd. 8. Determination of CFSS service authorization amount.** (a) All community  
55.18 first services and supports must be authorized by the commissioner or the commissioner's  
55.19 designee before services begin. The authorization for CFSS must be completed as soon as  
55.20 possible following an assessment but no later than 40 calendar days from the date of the  
55.21 assessment.

55.22 (b) The amount of CFSS authorized must be based on the participant's home care rating  
55.23 described in paragraphs (d) and (e) and any additional service units for which the participant  
55.24 qualifies as described in paragraph (f).

55.25 (c) The home care rating shall be determined by the commissioner or the commissioner's  
55.26 designee based on information submitted to the commissioner identifying the following for  
55.27 a participant:

55.28 (1) the total number of dependencies of activities of daily living;  
55.29 (2) the presence of complex health-related needs; and  
55.30 (3) the presence of Level I behavior.

56.1       (d) The methodology to determine the total service units for CFSS for each home care  
56.2       rating is based on the median paid units per day for each home care rating from fiscal year  
56.3       2007 data for the PCA program.

56.4       (e) Each home care rating is designated by the letters P through Z and EN and has the  
56.5       following base number of service units assigned:

56.6       (1) P home care rating requires Level I behavior or one to three dependencies in ADLs  
56.7       and qualifies the person for five service units;

56.8       (2) Q home care rating requires Level I behavior and one to three dependencies in ADLs  
56.9       and qualifies the person for six service units;

56.10       (3) R home care rating requires a complex health-related need and one to three  
56.11       dependencies in ADLs and qualifies the person for seven service units;

56.12       (4) S home care rating requires four to six dependencies in ADLs and qualifies the person  
56.13       for ten service units;

56.14       (5) T home care rating requires four to six dependencies in ADLs and Level I behavior  
56.15       and qualifies the person for 11 service units;

56.16       (6) U home care rating requires four to six dependencies in ADLs and a complex  
56.17       health-related need and qualifies the person for 14 service units;

56.18       (7) V home care rating requires seven to eight dependencies in ADLs and qualifies the  
56.19       person for 17 service units;

56.20       (8) W home care rating requires seven to eight dependencies in ADLs and Level I  
56.21       behavior and qualifies the person for 20 service units;

56.22       (9) Z home care rating requires seven to eight dependencies in ADLs and a complex  
56.23       health-related need and qualifies the person for 30 service units; and

56.24       (10) EN home care rating includes ventilator dependency as defined in section 256B.0651,  
56.25       subdivision 1, paragraph (g). A person who meets the definition of ventilator-dependent  
56.26       and the EN home care rating and utilize a combination of CFSS and home care nursing  
56.27       services is limited to a total of 96 service units per day for those services in combination.  
56.28       Additional units may be authorized when a person's assessment indicates a need for two  
56.29       staff to perform activities. Additional time is limited to 16 service units per day.

56.30       (f) Additional service units are provided through the assessment and identification of  
56.31       the following:

57.1       (1) 30 additional minutes per day for a dependency in each critical activity of daily  
57.2       living;

57.3       (2) 30 additional minutes per day for each complex health-related need; and

57.4       (3) 30 additional minutes per day for each behavior under this clause that requires  
57.5       assistance at least four times per week:

57.6       (i) level I behavior that requires the immediate response of another person;

57.7       (ii) increased vulnerability due to cognitive deficits or socially inappropriate behavior;

57.8       or

57.9       (iii) increased need for assistance for participants who are verbally aggressive or resistive  
57.10      to care so that the time needed to perform activities of daily living is increased.

57.11      (g) The service budget for budget model participants shall be based on:

57.12      (1) assessed units as determined by the home care rating; and

57.13      (2) an adjustment needed for administrative expenses. This paragraph expires upon the  
57.14 effective date of paragraph (h).

57.15      (h) Effective January 1, 2026, or upon federal approval, whichever is later, the service  
57.16 budget for budget model participants shall be based on:

57.17      (1) assessed units as determined by the home care rating and the payment methodologies  
57.18 under section 256B.851; and

57.19      (2) an adjustment needed for administrative expenses.

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

57.21      Sec. 34. Minnesota Statutes 2024, section 256B.85, subdivision 16, is amended to read:

57.22      Subd. 16. **Support workers requirements.** (a) Support workers shall:

57.23      (1) enroll with the department as a support worker after a background study under chapter  
57.24 245C has been completed and the support worker has received a notice from the  
57.25 commissioner that the support worker:

57.26      (i) is not disqualified under section 245C.14; or

57.27      (ii) is disqualified, but has received a set-aside of the disqualification under section  
57.28 245C.22;

57.29      (2) have the ability to effectively communicate with the participant or the participant's  
57.30 representative;

58.1       (3) have the skills and ability to provide the services and supports according to the  
58.2       participant's CFSS service delivery plan and respond appropriately to the participant's needs;

58.3       (4) complete the basic standardized CFSS training as determined by the commissioner  
58.4       before completing enrollment. The training must be available in languages other than English  
58.5       and to those who need accommodations due to disabilities. CFSS support worker training  
58.6       must include successful completion of the following training components: basic first aid,  
58.7       vulnerable adult, child maltreatment, OSHA universal precautions, basic roles and  
58.8       responsibilities of support workers including information about basic body mechanics,  
58.9       emergency preparedness, orientation to positive behavioral practices, orientation to  
58.10      responding to a mental health crisis, fraud issues, time cards and documentation, and an  
58.11      overview of person-centered planning and self-direction. Upon completion of the training  
58.12      components, the support worker must pass the certification test to provide assistance to  
58.13      participants;

58.14      (5) complete employer-directed training and orientation on the participant's individual  
58.15      needs;

58.16      (6) maintain the privacy and confidentiality of the participant; and

58.17      (7) not independently determine the medication dose or time for medications for the  
58.18      participant.

58.19      (b) The commissioner may deny or terminate a support worker's provider enrollment  
58.20      and provider number if the support worker:

58.21      (1) does not meet the requirements in paragraph (a);

58.22      (2) fails to provide the authorized services required by the employer;

58.23      (3) has been intoxicated by alcohol or drugs while providing authorized services to the  
58.24      participant or while in the participant's home;

58.25      (4) has manufactured or distributed drugs while providing authorized services to the  
58.26      participant or while in the participant's home; or

58.27      (5) has been excluded as a provider by the commissioner of human services, or by the  
58.28      United States Department of Health and Human Services, Office of Inspector General, from  
58.29      participation in Medicaid, Medicare, or any other federal health care program.

58.30      (c) A support worker may appeal in writing to the commissioner to contest the decision  
58.31      to terminate the support worker's provider enrollment and provider number.

59.1       (d) A support worker must not provide or be paid for more than 310 hours of CFSS per  
59.2 month, regardless of the number of participants the support worker serves or the number  
59.3 of agency-providers or participant employers by which the support worker is employed.  
59.4 The department shall not disallow the number of hours per day a support worker works  
59.5 unless it violates other law.

59.6       (e) CFSS qualify for an enhanced rate if the support worker providing the services:

59.7           (1) provides services, within the scope of CFSS described in subdivision 7, to a participant  
59.8 who qualifies for ten or more hours per day of CFSS; and

59.9           (2) satisfies the current requirements of Medicare for training and competency or  
59.10 competency evaluation of home health aides or nursing assistants, as provided in the Code  
59.11 of Federal Regulations, title 42, section 483.151 or 484.36, or alternative state-approved  
59.12 training or competency requirements. This paragraph expires upon the effective date of  
59.13 paragraph (f).

59.14       (f) Effective January 1, 2026, or upon federal approval, whichever is later, CFSS qualify  
59.15 for an enhanced rate or budget if the support worker providing the services:

59.16           (1) provides services, within the scope of CFSS described in subdivision 7, to a participant  
59.17 who qualifies for ten or more hours per day of CFSS; and

59.18           (2) satisfies the current requirements of Medicare for training and competency or  
59.19 competency evaluation of home health aides or nursing assistants, as provided in the Code  
59.20 of Federal Regulations, title 42, section 483.151 or 484.36, or alternative state-approved  
59.21 training or competency requirements.

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

59.23       Sec. 35. Minnesota Statutes 2024, section 256B.851, subdivision 5, is amended to read:

59.24       **Subd. 5. Payment rates; component values.** (a) The commissioner must use the  
59.25 following component values:

59.26           (1) employee vacation, sick, and training factor, 8.71 percent;

59.27           (2) employer taxes and workers' compensation factor, 11.56 percent;

59.28           (3) employee benefits factor, 12.04 percent;

59.29           (4) client programming and supports factor, 2.30 percent;

59.30           (5) program plan support factor, 7.00 percent;

59.31           (6) general business and administrative expenses factor, 13.25 percent;

60.1 (7) program administration expenses factor, 2.90 percent; and

60.2 (8) absence and utilization factor, 3.90 percent.

60.3 ~~(b) For purposes of implementation, the commissioner shall use the following implementation components:~~

60.5 ~~(1) personal care assistance services and CFSS: 88.19 percent;~~

60.6 ~~(2) enhanced rate personal care assistance services and enhanced rate CFSS: 88.19 percent; and~~

60.8 ~~(3) qualified professional services and CFSS worker training and development: 88.19 percent.~~

60.10 ~~(e) (b) Effective January 1, 2025, for purposes of implementation, the commissioner shall use the following implementation components:~~

60.12 (1) personal care assistance services and CFSS: 92.08 percent;

60.13 (2) enhanced rate personal care assistance services and enhanced rate CFSS: 92.08 percent; and

60.15 (3) qualified professional services and CFSS worker training and development: 92.08 percent. This paragraph expires upon the effective date of subdivision 5a.

60.17 ~~(d) (c) The commissioner shall use the following worker retention components:~~

60.18 (1) for workers who have provided fewer than 1,001 cumulative hours in personal care assistance services or CFSS, the worker retention component is zero percent;

60.20 (2) for workers who have provided between 1,001 and 2,000 cumulative hours in personal care assistance services or CFSS, the worker retention component is 2.17 percent;

60.22 (3) for workers who have provided between 2,001 and 6,000 cumulative hours in personal care assistance services or CFSS, the worker retention component is 4.36 percent;

60.24 (4) for workers who have provided between 6,001 and 10,000 cumulative hours in personal care assistance services or CFSS, the worker retention component is 7.35 percent; and

60.27 (5) for workers who have provided more than 10,000 cumulative hours in personal care assistance services or CFSS, the worker retention component is 10.81 percent. This paragraph expires upon the effective date of subdivision 5b.

60.30 ~~(e) (d) The commissioner shall define the appropriate worker retention component based on the total number of units billed for services rendered by the individual provider since~~

61.1 July 1, 2017. The worker retention component must be determined by the commissioner  
61.2 for each individual provider and is not subject to appeal.

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

61.4 Sec. 36. Minnesota Statutes 2024, section 256B.851, is amended by adding a subdivision  
61.5 to read:

61.6 Subd. 5a. **Payment rates; implementation components.** Effective January 1, 2026, or  
61.7 upon federal approval, whichever is later, for purposes of implementation, the commissioner  
61.8 shall use the following implementation components:

61.9 (1) personal care assistance services and CFSS: 92.20 percent;

61.10 (2) enhanced rate personal care assistance services and enhanced rate CFSS: 92.20  
61.11 percent; and

61.12 (3) qualified professional services and CFSS worker training and development: 92.20  
61.13 percent.

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

61.15 Sec. 37. Minnesota Statutes 2024, section 256B.851, is amended by adding a subdivision  
61.16 to read:

61.17 Subd. 5b. **Payment rates; worker retention components.** Effective January 1, 2026,  
61.18 or upon federal approval, whichever is later, the commissioner shall use the following  
61.19 worker retention components:

61.20 (1) for workers who have provided fewer than 1,001 cumulative hours in personal care  
61.21 assistance services or CFSS, the worker retention component is zero percent;

61.22 (2) for workers who have provided between 1,001 and 2,000 cumulative hours in personal  
61.23 care assistance services or CFSS, the worker retention component is 4.05 percent;

61.24 (3) for workers who have provided between 2,001 and 6,000 cumulative hours in personal  
61.25 care assistance services or CFSS, the worker retention component is 6.24 percent;

61.26 (4) for workers who have provided between 6,001 and 10,000 cumulative hours in  
61.27 personal care assistance services or CFSS, the worker retention component is 9.23 percent;  
61.28 and

61.29 (5) for workers who have provided more than 10,000 cumulative hours in personal care  
61.30 assistance services or CFSS, the worker retention component is 12.69 percent.

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

62.2 Sec. 38. Minnesota Statutes 2024, section 256B.851, is amended by adding a subdivision  
62.3 to read:

62.4 **Subd. 5c. Payment rates; enhanced worker retention components.** Effective January  
62.5 1, 2027, or upon federal approval, whichever is later, for purposes of implementation, the  
62.6 commissioner shall use the following implementation components if a worker has completed  
62.7 either the orientation for individual providers offered through the Home Care Orientation  
62.8 Trust or an orientation defined and offered by the commissioner:

62.9 **(1) for workers who have provided fewer than 1,001 cumulative hours in personal care**  
62.10 **assistance services or CFSS, the worker retention component is 1.88 percent;**

62.11 **(2) for workers who have provided between 1,001 and 2,000 cumulative hours in personal**  
62.12 **care assistance services or CFSS, the worker retention component is 5.92 percent;**

62.13 **(3) for workers who have provided between 2,001 and 6,000 cumulative hours in personal**  
62.14 **care assistance services or CFSS, the worker retention component is 8.11 percent;**

62.15 **(4) for workers who have provided between 6,001 and 10,000 cumulative hours in**  
62.16 **personal care assistance services or CFSS, the worker retention component is 11.10 percent;**  
62.17 **and**

62.18 **(5) for workers who have provided more than 10,000 cumulative hours in personal care**  
62.19 **assistance services or CFSS, the worker retention component is 14.56 percent.**

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

62.21 Sec. 39. Minnesota Statutes 2024, section 256B.851, subdivision 6, is amended to read:

62.22 **Subd. 6. Payment rates; rate determination.** (a) The commissioner must determine  
62.23 the rate for personal care assistance services, CFSS, extended personal care assistance  
62.24 services, extended CFSS, enhanced rate personal care assistance services, enhanced rate  
62.25 CFSS, qualified professional services, and CFSS worker training and development as  
62.26 follows:

62.27 **(1) multiply the appropriate total wage component value calculated in subdivision 4 by**  
62.28 **one plus the employee vacation, sick, and training factor in subdivision 5;**

62.29 **(2) for program plan support, multiply the result of clause (1) by one plus the program**  
62.30 **plan support factor in subdivision 5;**

63.1       (3) for employee-related expenses, add the employer taxes and workers' compensation  
63.2       factor in subdivision 5 and the employee benefits factor in subdivision 5. The sum is  
63.3       employee-related expenses. Multiply the product of clause (2) by one plus the value for  
63.4       employee-related expenses;

63.5       (4) for client programming and supports, multiply the product of clause (3) by one plus  
63.6       the client programming and supports factor in subdivision 5;

63.7       (5) for administrative expenses, add the general business and administrative expenses  
63.8       factor in subdivision 5, the program administration expenses factor in subdivision 5, and  
63.9       the absence and utilization factor in subdivision 5;

63.10      (6) divide the result of clause (4) by one minus the result of clause (5). The quotient is  
63.11      the hourly rate;

63.12      (7) multiply the hourly rate by the appropriate implementation component under  
63.13      subdivision 5 or 5a. This is the adjusted hourly rate; and

63.14      (8) divide the adjusted hourly rate by four. The quotient is the total adjusted payment  
63.15      rate.

63.16      (b) In processing personal care assistance provider agency and CFSS provider agency  
63.17      claims, the commissioner shall incorporate the worker retention component components  
63.18      specified in subdivision 5, 5b, or 5c, by multiplying one plus the total adjusted payment  
63.19      rate by the appropriate worker retention component under subdivision 5, paragraph (d) 5b,  
63.20      or 5c.

63.21      (c) The commissioner must publish the total final payment rates.

63.22      **EFFECTIVE DATE.** This section is effective January 1, 2026, or upon federal approval,  
63.23      whichever is later. The commissioner shall notify the revisor of statutes when federal  
63.24      approval is obtained.

63.25      Sec. 40. Minnesota Statutes 2024, section 256B.851, subdivision 7, is amended to read:

63.26      **Subd. 7. Treatment of rate adjustments provided outside of cost components.** Any  
63.27      rate adjustments applied to the service rates calculated under this section outside of the cost  
63.28      components and rate methodology specified in this section, including but not limited to  
63.29      those implemented to enable participant-employers and provider agencies to meet the terms  
63.30      and conditions of any collective bargaining agreement negotiated under chapter 179A, shall  
63.31      be applied as changes to the value of component values or, implementation components,  
63.32      or worker retention components in subdivision subdivisions 5 to 5c.

64.1        **EFFECTIVE DATE.** This section is effective January 1, 2026, or upon federal approval,  
64.2        whichever is later. The commissioner of human services shall notify the revisor of statutes  
64.3        when federal approval is obtained.

64.4        Sec. 41. Minnesota Statutes 2024, section 256B.851, is amended by adding a subdivision  
64.5        to read:

64.6        **Subd. 7a. Budget determinations.** The commissioner shall increase the authorized  
64.7        amount for the CFSS budget model of those CFSS participant-employers employing  
64.8        individual providers who have provided more than 1,000 hours of services as well as  
64.9        individual providers who have completed the orientation offered by the Home Care  
64.10        Orientation Trust or an orientation defined and offered by the commissioner. The  
64.11        commissioner shall determine the amount and method of the authorized amount increase.

64.12        **EFFECTIVE DATE.** This section is effective January 1, 2026, or upon federal approval,  
64.13        whichever is later. The commissioner of human services shall notify the revisor of statutes  
64.14        when federal approval is obtained.

64.15        Sec. 42. Minnesota Statutes 2024, section 260E.14, subdivision 1, is amended to read:

64.16        **Subdivision 1. Facilities and schools.** (a) The local welfare agency is the agency  
64.17        responsible for investigating allegations of maltreatment in child foster care, family child  
64.18        care, legally nonlicensed child care, and reports involving children served by an unlicensed  
64.19        personal care provider organization under section 256B.0659. Copies of findings related to  
64.20        personal care provider organizations under section 256B.0659 must be forwarded to the  
64.21        Department of Human Services provider enrollment.

64.22        (b) The Department of Children, Youth, and Families is the agency responsible for  
64.23        screening and investigating allegations of maltreatment in juvenile correctional facilities  
64.24        listed under section 241.021 located in the local welfare agency's county and in facilities  
64.25        licensed or certified under chapters 245A and 245D.

64.26        (c) The Department of Health is the agency responsible for screening and investigating  
64.27        allegations of maltreatment in facilities licensed under sections 144.50 to 144.58 and 144A.43  
64.28        to 144A.482 or chapter 144H.

64.29        (d) The Department of Education is the agency responsible for screening and investigating  
64.30        allegations of maltreatment in a school as defined in section 120A.05, subdivisions 9, 11,  
64.31        and 13, and chapter 124E. The Department of Education's responsibility to screen and  
64.32        investigate includes allegations of maltreatment involving students 18 through 21 years of

65.1 age, including students receiving special education services, up to and including graduation  
65.2 and the issuance of a secondary or high school diploma.

65.3 (e) The Department of Human Services is the agency responsible for screening and  
65.4 investigating allegations of maltreatment of minors in an EIDBI agency operating under  
65.5 sections 245A.142 and 256B.0949.

65.6 ~~(e)~~ (f) A health or corrections agency receiving a report may request the local welfare  
65.7 agency to provide assistance pursuant to this section and sections 260E.20 and 260E.22.

65.8 ~~(f)~~ (g) The Department of Children, Youth, and Families is the agency responsible for  
65.9 screening and investigating allegations of maltreatment in facilities or programs not listed  
65.10 in paragraph (a) that are licensed or certified under chapters 142B and 142C.

65.11 **EFFECTIVE DATE.** This section is effective January 1, 2026.

65.12 Sec. 43. Minnesota Statutes 2024, section 626.5572, subdivision 13, is amended to read:

65.13 **Subd. 13. Lead investigative agency.** "Lead investigative agency" is the primary  
65.14 administrative agency responsible for investigating reports made under section 626.557.

65.15 (a) The Department of Health is the lead investigative agency for facilities or services  
65.16 licensed or required to be licensed as hospitals, home care providers, nursing homes, boarding  
65.17 care homes, hospice providers, residential facilities that are also federally certified as  
65.18 intermediate care facilities that serve people with developmental disabilities, or any other  
65.19 facility or service not listed in this subdivision that is licensed or required to be licensed by  
65.20 the Department of Health for the care of vulnerable adults. "Home care provider" has the  
65.21 meaning provided in section 144A.43, subdivision 4, and applies when care or services are  
65.22 delivered in the vulnerable adult's home.

65.23 (b) The Department of Human Services is the lead investigative agency for facilities or  
65.24 services licensed or required to be licensed as adult day care, adult foster care, community  
65.25 residential settings, programs for people with disabilities, family adult day services, mental  
65.26 health programs, mental health clinics, substance use disorder programs, the Minnesota Sex  
65.27 Offender Program, or any other facility or service not listed in this subdivision that is licensed  
65.28 or required to be licensed by the Department of Human Services, including EIDBI agencies  
65.29 under sections 245A.142 and 256B.0949.

65.30 (c) The county social service agency or its designee is the lead investigative agency for  
65.31 all other reports, including, but not limited to, reports involving vulnerable adults receiving  
65.32 services from a personal care provider organization under section 256B.0659.

66.1 **EFFECTIVE DATE.** This section is effective January 1, 2026.

66.2 Sec. 44. Laws 2021, First Special Session chapter 7, article 13, section 73, is amended to  
66.3 read:

66.4 **Sec. 73. WAIVER REIMAGINE PHASE II.**

66.5 (a) Effective January 1, 2028, or upon federal approval, whichever is later, the  
66.6 commissioner of human services must implement a two-home and community-based services  
66.7 waiver program structure, as authorized under section 1915(c) of the federal Social Security  
66.8 Act, that serves persons who are determined by a certified assessor to require the levels of  
66.9 care provided in a nursing home, a hospital, a neurobehavioral hospital, or an intermediate  
66.10 care facility for persons with developmental disabilities.

66.11 (b) Effective January 1, 2028, or upon federal approval, whichever is later, the  
66.12 commissioner of human services must implement an individualized budget methodology,  
66.13 as authorized under section 1915(c) of the federal Social Security Act, that serves persons  
66.14 who are determined by a certified assessor to require the levels of care provided in a nursing  
66.15 home, a hospital, a neurobehavioral hospital, or an intermediate care facility for persons  
66.16 with developmental disabilities.

66.17 (c) The commissioner must develop an individualized budget methodology exception  
66.18 to support access to self-directed home care nursing services. Lead agencies must submit  
66.19 budget exception requests to the commissioner in a manner identified by the commissioner.  
66.20 Eligibility for the budget exception in this paragraph is limited to persons meeting all of the  
66.21 following criteria in the person's most recent assessment:

66.22 (1) the person is assessed to need the level of care delivered in a hospital setting as  
66.23 evidenced by the submission of the Department of Human Services form 7096, primary  
66.24 medical provider's documentation of medical monitoring and treatment needs;

66.25 (2) the person is assessed to receive a support range budget of E or H; and  
66.26 (3) the person does not receive community residential services, family residential services,  
66.27 integrated community supports services, or customized living services.

66.28 (d) Home care nursing services funded through the budget exception developed under  
66.29 paragraph (c) must be ordered by a physician, physician assistant, or advanced practice  
66.30 registered nurse. If the participant chooses home care nursing, the home care nursing services  
66.31 must be performed by a registered nurse or licensed practical nurse practicing within the  
66.32 registered nurse's or licensed practical nurse's scope of practice as defined under Minnesota

67.1 Statutes, sections 148.171 to 148.285. If after a person's annual reassessment under Minnesota  
67.2 Statutes, section 256B.0911, any requirements of this paragraph or paragraph (c) are no  
67.3 longer met, the commissioner must terminate the budget exception.

67.4 (e) (e) The commissioner of human services may seek all federal authority necessary to  
67.5 implement this section.

67.6 (d) (f) The commissioner must ensure that the new waiver service menu and individual  
67.7 budgets allow people to live in their own home, family home, or any home and  
67.8 community-based setting of their choice. The commissioner must ensure, within available  
67.9 resources and subject to state and federal regulations and law, that waiver reimagine does  
67.10 not result in unintended service disruptions.

67.11 (g) No later than January 1, 2027, the commissioner must:

67.12 (1) develop and implement an online support planning and tracking tool to provide  
67.13 information in an accessible format to support informed choice for people using disability  
67.14 waiver services that allows access to the total budget available to a person, the services for  
67.15 which they are eligible, and the services they have chosen and used;

67.16 (2) explore operability options that facilitate real-time tracking of a person's remaining  
67.17 available budget throughout the service year; and

67.18 (3) seek input from people with disabilities about the online support planning tool prior  
67.19 to the tool's implementation.

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

67.21 Sec. 45. Laws 2021, First Special Session chapter 7, article 13, section 75, subdivision 4,  
67.22 as amended by Laws 2024, chapter 108, article 1, section 28, is amended to read:

67.23 **Subd. 4. Required report.** Prior to seeking federal approval for any aspect of waiver  
67.24 reimagine phase II and ~~in collaboration with the Waiver Reimagine Advisory Committee~~  
67.25 no later than December 15, 2026, the commissioner must submit to the chairs and ranking  
67.26 minority members of the legislative committees and divisions with jurisdiction over health  
67.27 and human services a report on plans for waiver reimagine phase II, as well as the actual  
67.28 Waiver Reimagine plan intended to be submitted for federal approval. The report must also  
67.29 include any plans to adjust or modify the streamlined menu of services, the existing rate or  
67.30 budget exemption criteria or process; the proposed individual budget ranges, based on need  
67.31 and not location of services, including additional budget resources beyond the resources  
67.32 required to meet assessed need that may be necessary for the individual to live in the least

68.1       restrictive environment; and the role of MnCHOICES 2.0 assessment tool in determining  
68.2       service needs and individual ~~budget ranges~~ budgets.

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

68.4       Sec. 46. Laws 2023, chapter 61, article 1, section 5, the effective date, is amended to read:

68.5       **EFFECTIVE DATE.** This section is effective January 1, ~~2026~~ 2028, or upon federal  
68.6       approval, whichever is later. The commissioner of human services shall notify the revisor  
68.7       of statutes when federal approval is obtained.

68.8       Sec. 47. Laws 2023, chapter 61, article 1, section 27, the effective date, is amended to  
68.9       read:

68.10       **EFFECTIVE DATE.** This section is effective January 1, ~~2026~~ 2028, or upon federal  
68.11       approval, whichever is later, except that paragraph (b) is effective the day following final  
68.12       enactment. The commissioner of human services shall notify the revisor of statutes when  
68.13       federal approval is obtained.

68.14       Sec. 48. Laws 2023, chapter 61, article 1, section 30, the effective date, is amended to  
68.15       read:

68.16       **EFFECTIVE DATE.** The amendment to clause (5), item (ii), the amendment to clause  
68.17       (14), and the amendment striking clause (18) are effective January 1, 2024, or upon federal  
68.18       approval, whichever is later. The amendment to clause (4) is effective January 1, ~~2026~~ 2028,  
68.19       or upon federal approval, whichever is later. The commissioner of human services shall  
68.20       notify the revisor of statutes when federal approval is obtained.

68.21       Sec. 49. Laws 2023, chapter 61, article 1, section 32, the effective date, is amended to  
68.22       read:

68.23       **EFFECTIVE DATE.** This section is effective January 1, ~~2026~~ 2028, or upon federal  
68.24       approval, whichever is later. The commissioner of human services shall notify the revisor  
68.25       of statutes when federal approval is obtained.

68.26       Sec. 50. Laws 2023, chapter 61, article 1, section 47, the effective date, is amended to  
68.27       read:

68.28       **EFFECTIVE DATE.** This section is effective January 1, ~~2026~~ 2028, or upon federal  
68.29       approval, whichever is later. The commissioner of human services shall notify the revisor  
68.30       of statutes when federal approval is obtained.

69.1 Sec. 51. Laws 2023, chapter 61, article 1, section 61, subdivision 4, is amended to read:

69.2 Subd. 4. **Evaluation and report.** By December 1, 2024, the commissioner must submit  
69.3 to the chairs and ranking minority members of the legislative committees with jurisdiction  
69.4 over human services finance and policy an interim report on the impact and outcomes of  
69.5 the grants, including the number of grants awarded and the organizations receiving the  
69.6 grants. The interim report must include any available evidence of how grantees were able  
69.7 to increase utilization of supported decision making and reduce or avoid more restrictive  
69.8 forms of decision making such as guardianship and conservatorship. By December 1, ~~2025~~  
69.9 2027, the commissioner must submit to the chairs and ranking minority members of the  
69.10 legislative committees with jurisdiction over human services finance and policy a final  
69.11 report on the impact and outcomes of the grants, including any updated information from  
69.12 the interim report and the total number of people served by the grants. The final report must  
69.13 also detail how the money was used to achieve the requirements in subdivision 3, paragraph  
69.14 (b).

69.15 Sec. 52. Laws 2023, chapter 61, article 1, section 85, the effective date, is amended to  
69.16 read:

69.17 **EFFECTIVE DATE.** Paragraph (a) is effective January 1, 2024, or upon federal  
69.18 approval, whichever is later, and paragraph (b) is effective January 1, ~~2026~~ 2028, or upon  
69.19 federal approval, whichever is later. The commissioner of human services shall notify the  
69.20 revisor of statutes when federal approval is obtained.

69.21 Sec. 53. **POSITIVE SUPPORTS COMPETENCY PROGRAM.**

69.22 (a) The commissioner shall establish a positive supports competency program with the  
69.23 money appropriated for this purpose.

69.24 (b) When establishing the positive supports competency program, the commissioner  
69.25 must use a community partner driven process to:

69.26 (1) define the core activities associated with effective intervention services at the positive  
69.27 support specialist, positive support analyst, and positive support professional level;

69.28 (2) create tools providers may use to track whether the provider's positive support  
69.29 specialists, positive support analysts, and positive support professionals are competently  
69.30 performing the core activities associated with effective intervention services;

69.31 (3) align existing training systems funded through the Department of Human Services  
69.32 and develop free online modules for competency-based training to prepare positive support

70.1 specialists, positive support analysts, and positive support professionals to provide effective  
70.2 intervention services;

70.3 (4) assist providers interested in utilizing a competency-based training model to create  
70.4 a career pathway for the positive support analysts and positive support specialists within  
70.5 the provider's organizations by using experienced professionals;

70.6 (5) create written guidelines, stories, and examples for providers that will be placed on  
70.7 Department of Human Services websites promoting capacity building; and

70.8 (6) disseminate resources and guidance to providers interested in meeting  
70.9 competency-based qualifications for positive supports via preexisting regional networks of  
70.10 experts, including communities of practice, and develop new avenues for disseminating  
70.11 these resources and guidance, including through implementation of ECHO models.

70.12 Sec. 54. **ADVISORY TASK FORCE ON WAIVER REIMAGINE.**

70.13 Subdivision 1. Membership; co-chairs. (a) The Advisory Task Force on Waiver  
70.14 Reimagine consists of the following members:

70.15 (1) one member of the house of representatives, appointed by the speaker of the house;

70.16 (2) one member of the house of representatives, appointed by the leader of the house of  
70.17 representatives Democratic-Farmer-Labor caucus;

70.18 (3) one member of the senate, appointed by the senate majority leader;

70.19 (4) one member of the senate, appointed by the senate minority leader;

70.20 (5) four individuals currently receiving disability waiver services who are under the age  
70.21 of 65, appointed by the governor;

70.22 (6) one county employee who conducts long-term care consultation services assessments  
70.23 for persons under the age of 65, appointed by the Minnesota Association of County Social  
70.24 Services Administrators;

70.25 (7) one representative of the Department of Human Services with knowledge of the  
70.26 requirements for a provider to participate in disability waiver service programs and of the  
70.27 administration of benefits, appointed by the commissioner of human services;

70.28 (8) one employee of the Minnesota Council on Disability, appointed by the Minnesota  
70.29 Council on Disability;

70.30 (9) two representatives of disability advocacy organizations, appointed by the governor;

71.1        (10) two family members of individuals who are receiving disability waiver services,  
71.2        appointed by the governor;

71.3        (11) two providers of disability waiver services for persons who are under the age of  
71.4        65, appointed by the governor;

71.5        (12) one employee from the Office of Ombudsman for Mental Health and Developmental  
71.6        Disabilities, appointed by the ombudsman;

71.7        (13) one employee from the Olmstead Implementation Office, appointed by the director  
71.8        of the office;

71.9        (14) the assistant commissioner of the Department of Human Services administration  
71.10        that oversees disability services; and

71.11        (15) a member of the Minnesota Disability Law Center, appointed by the executive  
71.12        director of Mid-Minnesota Legal Aid.

71.13        (b) Each appointing authority must make appointments by September 30, 2025.

71.14        Appointments made by an agency or commissioner may also be made by a designee.

71.15        (c) In making task force appointments, the governor must ensure representation from  
71.16        greater Minnesota.

71.17        (d) The Office of Collaboration and Dispute Resolution must convene the task force.

71.18        (e) The task force members must elect co-chairs from the membership of the task force  
71.19        at the first task force meeting.

71.20        **Subd. 2. Meetings; administrative support.** (a) The first meeting of the task force must  
71.21        be convened no later than November 30, 2025. The task force must meet at least quarterly.  
71.22        Meetings are subject to Minnesota Statutes, chapter 13D. The task force may meet by  
71.23        telephone or interactive technology consistent with Minnesota Statutes, section 13D.015.

71.24        (b) The Department of Human Services shall provide meeting space and administrative  
71.25        and research support to the task force.

71.26        **Subd. 3. Duties.** (a) The task force must make findings and recommendations related  
71.27        to Waiver Reimagine in Minnesota, including but not limited to the following:

71.28        (1) consolidation of the existing four disability home and community-based waiver  
71.29        service programs into two waiver programs;

72.1        (2) budgets based on the needs of the individual that are not tied to location of services,  
72.2        including additional resources beyond the resources required to meet assessed needs that  
72.3        may be necessary for the individual to live in the least restrictive environment;

72.4        (3) criteria and processes for provider rate exceptions and individualized budget  
72.5        exceptions;

72.6        (4) appropriate assessments, including the MnCHOICES 2.0 assessment tool, in  
72.7        determining service needs and individualized budgets;

72.8        (5) covered services under each disability waiver program, including any proposed  
72.9        adjustments to the menu of services;

72.10        (6) service planning and authorization processes for disability waiver services;

72.11        (7) a plan of support, financial and otherwise, to live in the person's own home and in  
72.12        the most integrated setting as defined under Title 2 of the Americans with Disability Act  
72.13        (ADA) Integration Mandate and in Minnesota's Olmstead Plan;

72.14        (8) intended and unintended outcomes of Waiver Reimagine; and

72.15        (9) other items related to Waiver Reimagine as necessary.

72.16        (b) The task force must seek input from the public, counties, persons receiving disability  
72.17        waiver services, families of persons receiving disability waiver services, providers, state  
72.18        agencies, and advocacy groups.

72.19        (c) The task force must hold public meetings to gather information to fulfill the purpose  
72.20        of the task force. The meetings must be accessible by remote participants.

72.21        (d) The Department of Human Services shall provide relevant data and research to the  
72.22        task force to facilitate the task force's work.

72.23        Subd. 4. Compensation; expenses. Members of the task force may receive compensation  
72.24        and expense reimbursement as provided in Minnesota Statutes, section 15.059, subdivision  
72.25        3.

72.26        Subd. 5. Report. (a) The task force shall submit a report to the chairs and ranking  
72.27        minority members of the legislative committees with jurisdiction over disability waiver  
72.28        services no later than January 15, 2027, that describes any concerns or recommendations  
72.29        related to Waiver Reimagine as identified by the task force.

72.30        (b) The report required under Laws 2021, First Special Session chapter 7, article 13,  
72.31        section 75, subdivision 4, as amended by Laws 2024, chapter 108, article 1, section 28,  
72.32        must be presented to the task force prior to December 15, 2026.

73.1      Subd. 6. **Expiration.** The task force expires upon submission of the task force's report.

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

73.3      **Sec. 55. BUDGET INCREASE FOR CONSUMER-DIRECTED COMMUNITY SUPPORTS.**

73.5      Effective January 1, 2026, or upon federal approval, whichever is later, the commissioner  
73.6      must increase the consumer-directed community support budgets identified in the waiver  
73.7      plans under Minnesota Statutes, sections 256B.092 and 256B.49, and chapter 256S; and  
73.8      the alternative care program under Minnesota Statutes, section 256B.0913, by 0.13 percent.

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

73.10      **Sec. 56. ENHANCED BUDGET INCREASE FOR CONSUMER-DIRECTED COMMUNITY SUPPORTS.**

73.12      Effective January 1, 2026, or upon federal approval, whichever is later, the commissioner  
73.13      must increase the consumer-directed community supports budget enhancement percentage  
73.14      identified in the waiver plans under Minnesota Statutes, sections 256B.092 and 256B.49,  
73.15      and chapter 256S; and the alternative care program under Minnesota Statutes, section  
73.16      256B.0913, from 7.5 to 12.5.

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

73.18      **Sec. 57. REPEALER.**

73.19      (a) Laws 2021, First Special Session chapter 7, article 13, section 75, subdivision 3, as  
73.20      amended by Laws 2024, chapter 108, article 1, section 28, is repealed effective the day  
73.21      following final enactment.

73.22      (b) Laws 2021, First Special Session chapter 7, article 13, section 75, subdivision 6, as  
73.23      amended by Laws 2024, chapter 108, article 1, section 28, is repealed effective the day  
73.24      following final enactment.

73.25      **ARTICLE 3**

73.26      **HEALTH CARE**

73.27      Section 1. Minnesota Statutes 2024, section 252.27, is amended by adding a subdivision  
73.28      to read:

73.29      Subd. 1b. **Definitions.** (a) For purposes of this section, the following terms have the  
73.30      meanings given.

74.1        (b) "Income" means the adjusted gross income of the natural or adoptive parents  
74.2        determined according to the previous year's federal tax form, except that taxable capital  
74.3        gains, to the extent the money has been used to purchase a home, shall not be counted as  
74.4        income.

74.5        (c) "Insurance" means health and accident insurance coverage or enrollment in a nonprofit  
74.6        health service plan, health maintenance organization, self-insured plan, or preferred provider  
74.7        organization.

74.8        **EFFECTIVE DATE.** This section is effective January 1, 2026.

74.9        Sec. 2. Minnesota Statutes 2024, section 252.27, is amended by adding a subdivision to  
74.10      read:

74.11        Subd. 7. Parental responsibility. Parents with household adjusted gross income equal  
74.12        to or greater than 675 percent of the federal poverty guidelines are responsible for a portion  
74.13        of the cost of services, according to subdivision 8, when:

74.14        (1) insurance or other health care benefits pay some but not all of the cost of services;  
74.15        and  
74.16        (2) no insurance or other health care benefits are available.

74.17        **EFFECTIVE DATE.** This section is effective January 1, 2026.

74.18        Sec. 3. Minnesota Statutes 2024, section 252.27, is amended by adding a subdivision to  
74.19      read:

74.20        Subd. 8. Contribution amount. (a) The natural or adoptive parents of a minor child,  
74.21        not including a child determined eligible for medical assistance without consideration of  
74.22        parental income under the Tax Equity and Fiscal Responsibility Act (TEFRA) option or a  
74.23        child accessing home and community-based waiver services, must contribute to the cost of  
74.24        services used by making monthly payments on a sliding scale based on income, unless the  
74.25        child is married or has been married, parental rights have been terminated, or the child's  
74.26        adoption is subsidized according to chapter 259A or through Title IV-E of the Social Security  
74.27        Act. The parental contribution is a partial or full payment for provided medical services  
74.28        needed by a child with a chronic illness or disability, including diagnosis, therapy, cures,  
74.29        treatment, mitigation, rehabilitation, maintenance, and personal care services.

74.30        (b) For households with adjusted gross income equal to or greater than 675 percent of  
74.31        federal poverty guidelines, the commissioner shall compute the parental contribution by

75.1 applying the following schedule of rates to the adjusted gross income of the natural or  
75.2 adoptive parents:

75.3 (1) if the adjusted gross income is equal to or greater than 675 percent of federal poverty  
75.4 guidelines and less than 975 percent of federal poverty guidelines, the commissioner shall  
75.5 determine the parental contribution using a sliding fee scale established by the commissioner  
75.6 that begins at 4.5 percent of adjusted gross income at 675 percent of federal poverty  
75.7 guidelines and increases to 5.99 percent of adjusted gross income for households with  
75.8 adjusted gross income up to 975 percent of federal poverty guidelines; and

75.9 (2) if the adjusted gross income is equal to or greater than 975 percent of federal poverty  
75.10 guidelines, the parental contribution is 7.49 percent of adjusted gross income.

75.11 (c) If the child lives with the parent, the commissioner shall reduce the annual adjusted  
75.12 gross income by \$2,400 prior to calculating the parental contribution. If the child resides  
75.13 in an institution specified in section 256B.35, the parent is responsible for the personal needs  
75.14 allowance specified under that section in addition to the parental contribution determined  
75.15 under this section. The parental contribution is reduced by any amount required to be paid  
75.16 directly to the child pursuant to a court order, but only if actually paid.

75.17 **EFFECTIVE DATE.** This section is effective January 1, 2026.

75.18 Sec. 4. Minnesota Statutes 2024, section 252.27, is amended by adding a subdivision to  
75.19 read:

75.20 **Subd. 9. Household size; contribution adjustments.** (a) The household size used in  
75.21 determining the amount of contribution under subdivision 8 includes natural and adoptive  
75.22 parents and their dependents, including the child receiving services.

75.23 (b) The commissioner shall implement adjustments in the contribution amount due to  
75.24 annual changes in the federal poverty guidelines on the first day of July following publication  
75.25 of the changes.

75.26 **EFFECTIVE DATE.** This section is effective January 1, 2026.

75.27 Sec. 5. Minnesota Statutes 2024, section 252.27, is amended by adding a subdivision to  
75.28 read:

75.29 **Subd. 10. Contribution explained in writing.** (a) The commissioner shall explain the  
75.30 contribution in writing to the parents at the time eligibility for services is determined. The  
75.31 parents shall make the contribution on a monthly basis starting with the first month in which  
75.32 the child receives services.

76.1        (b) Annually upon redetermination or at termination of eligibility, if the contribution  
76.2        exceeded the cost of services provided, the local agency or the state shall reimburse the  
76.3        excess amount to the parents, either by direct reimbursement if the parent is no longer  
76.4        required to pay a contribution, or by a reduction in or waiver of parental fees until the excess  
76.5        amount is exhausted. All reimbursements must include a notice that the amount reimbursed  
76.6        may be taxable income if the parent paid for the parent's fees through an employer's health  
76.7        care flexible spending account under the Internal Revenue Code, section 125, and that the  
76.8        parent is responsible for paying the taxes owed on the amount reimbursed.

76.9        **EFFECTIVE DATE.** This section is effective January 1, 2026.

76.10      Sec. 6. Minnesota Statutes 2024, section 252.27, is amended by adding a subdivision to  
76.11      read:

76.12        **Subd. 11. Annual review; written notice.** (a) The commissioner must review the monthly  
76.13        contribution amount at least once every 12 months, when there is a change in household  
76.14        size, and when there is a loss of or gain in income from one month to another in excess of  
76.15        ten percent.

76.16        (b) The local agency shall mail a written notice 30 days in advance of the effective date  
76.17        of a change in the contribution amount. A decrease in the contribution amount is effective  
76.18        in the month that the parent verifies a reduction in income or change in household size.

76.19        **EFFECTIVE DATE.** This section is effective January 1, 2026.

76.20      Sec. 7. Minnesota Statutes 2024, section 252.27, is amended by adding a subdivision to  
76.21      read:

76.22        **Subd. 12. Parents who do not live with each other; contribution.** Parents of a minor  
76.23        child who do not live with each other shall each pay the contribution required under  
76.24        subdivision 8. The commissioner shall deduct an amount equal to the annual court-ordered  
76.25        child support payment actually paid on behalf of the child receiving services from the  
76.26        adjusted gross income of the parent making the payment prior to calculating the parental  
76.27        contribution under subdivision 8.

76.28        **EFFECTIVE DATE.** This section is effective January 1, 2026.

77.1 Sec. 8. Minnesota Statutes 2024, section 252.27, is amended by adding a subdivision to  
77.2 read:

77.3 **Subd. 13. Parents with more than one child receiving services; contribution.** The  
77.4 commissioner shall not require parents who have more than one child receiving services to  
77.5 pay more than the amount for the child with the highest expenditures. The commissioner  
77.6 shall not require the parent to pay a contribution in excess of the cost of the services provided  
77.7 to the child, not counting payments made to school districts for education-related services.

77.8 **EFFECTIVE DATE.** This section is effective January 1, 2026.

77.9 Sec. 9. Minnesota Statutes 2024, section 252.27, is amended by adding a subdivision to  
77.10 read:

77.11 **Subd. 14. Insurance coverage.** (a) The commissioner shall increase the contribution  
77.12 under subdivision 8 by an additional five percent if the local agency determines that insurance  
77.13 coverage is available but not obtained for the child.

77.14 (b) For purposes of this subdivision, "available" means insurance that is a benefit of  
77.15 employment for a family member at an annual cost of no more than five percent of the  
77.16 family's annual income.

77.17 **EFFECTIVE DATE.** This section is effective January 1, 2026.

77.18 Sec. 10. Minnesota Statutes 2024, section 252.27, is amended by adding a subdivision to  
77.19 read:

77.20 **Subd. 15. Contribution reduction.** (a) The commissioner shall reduce the contribution  
77.21 under subdivision 8 by \$300 per fiscal year if, in the 12 months prior to July 1:

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

77.23 (2) the insurer denied insurance;

77.24 (3) the parents submitted a complaint or appeal in writing to the insurer, submitted a  
77.25 complaint or appeal in writing to the commissioner of health or the commissioner of  
77.26 commerce, or litigated the complaint or appeal; and

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

77.28 (b) A parent who has requested a reduction in the contribution amount under this  
77.29 subdivision must submit proof in the form and manner prescribed by the commissioner or  
77.30 local agency, including but not limited to the insurer's denial of insurance, the written letter  
77.31 or complaint of the parents, court documents, and the written response of the insurer

78.1 approving insurance. The determinations of the commissioner or local agency under this  
78.2 subdivision are not rules subject to chapter 14.

78.3 **EFFECTIVE DATE.** This section is effective January 1, 2026.

78.4 Sec. 11. Minnesota Statutes 2024, section 252.27, is amended by adding a subdivision to  
78.5 read:

78.6 Subd. 16. **Civil actions.** If the parent fails to make appropriate reimbursement as required  
78.7 in subdivisions 7 and 8, the attorney general, at the request of the commissioner, may institute  
78.8 or direct the appropriate county attorney to institute civil action to recover the required  
78.9 reimbursement.

78.10 **EFFECTIVE DATE.** This section is effective January 1, 2026.

78.11 Sec. 12. Minnesota Statutes 2024, section 252.27, is amended by adding a subdivision to  
78.12 read:

78.13 Subd. 17. **Order of payment.** If the parental contribution is for reimbursement for the  
78.14 cost of services to both the local agency and the medical assistance program, the local agency  
78.15 must be reimbursed for the agency's expenses first and the remainder must be deposited in  
78.16 the medical assistance account.

78.17 **EFFECTIVE DATE.** This section is effective January 1, 2026.

78.18 Sec. 13. Minnesota Statutes 2024, section 252.27, is amended by adding a subdivision to  
78.19 read:

78.20 Subd. 18. **Determination; redetermination; notice.** The commissioner shall mail a  
78.21 determination order and written notice of parental fee to the parent at least annually, or more  
78.22 frequently as provided in Minnesota Rules, parts 9550.6220 to 9550.6229. The determination  
78.23 order and notice must contain the following information:

78.24 (1) the amount the parent is required to contribute;

78.25 (2) the notice of the right to a redetermination and appeal; and

78.26 (3) the telephone number of the division at the Department of Human Services that is  
78.27 responsible for redeterminations.

78.28 **EFFECTIVE DATE.** This section is effective January 1, 2026.

79.1 Sec. 14. Minnesota Statutes 2024, section 252.27, is amended by adding a subdivision to  
79.2 read:

79.3 Subd. 19. Appeals. (a) A parent may appeal the determination or redetermination of an  
79.4 obligation to make a contribution under this section according to section 256.045. The parent  
79.5 must make a request for a hearing in writing within 30 days of the date the commissioner  
79.6 mails the determination or redetermination order, or within 90 days of the written notice if  
79.7 the parent shows good cause why the request was not submitted within the 30-day time  
79.8 limit. The commissioner must provide the parent with a written notice that acknowledges  
79.9 receipt of the request and notifies the parent of the date of the hearing. While the appeal is  
79.10 pending, the parent has the rights regarding making payment that are provided in Minnesota  
79.11 Rules, part 9550.6235.

79.12 (b) If the commissioner's determination or redetermination is affirmed, the parent shall,  
79.13 within 90 calendar days after the date an order is issued under section 256.045, subdivision  
79.14 5, pay the total amount due from the effective date of the notice of determination or  
79.15 redetermination that was appealed by the parent. If the commissioner's order under this  
79.16 subdivision results in a decrease in the parental fee amount, the commissioner shall credit  
79.17 any payments made by the parent that result in an overpayment to the parent as provided  
79.18 in Minnesota Rules, part 9550.6235, subpart 3.

79.19 **EFFECTIVE DATE.** This section is effective January 1, 2026.

79.20 Sec. 15. Minnesota Statutes 2024, section 256.01, subdivision 29, is amended to read:

79.21 Subd. 29. **State medical review team.** (a) To ensure the timely processing of  
79.22 determinations of disability by the commissioner's state medical review team under sections  
79.23 256B.055, subdivisions 7, paragraph (b), and 12, and 256B.057, subdivision 9, the  
79.24 commissioner shall review all medical evidence and seek information from providers,  
79.25 applicants, and enrollees to support the determination of disability where necessary. Disability  
79.26 shall be determined according to the rules of title XVI and title XIX of the Social Security  
79.27 Act and pertinent rules and policies of the Social Security Administration.

79.28 (b) Medical assistance providers must grant the state medical review team access to  
79.29 electronic health records held by the medical assistance providers, when available, to support  
79.30 efficient and accurate disability determinations.

79.31 (c) Medicaid providers shall accept electronically signed authorizations to release medical  
79.32 records provided by the state medical review team.

80.1       ~~(b)~~ (d) Prior to a denial or withdrawal of a requested determination of disability due to  
80.2 insufficient evidence, the commissioner shall (1) ensure that the missing evidence is necessary  
80.3 and appropriate to a determination of disability, and (2) assist applicants and enrollees to  
80.4 obtain the evidence, including, but not limited to, medical examinations and electronic  
80.5 medical records.

80.6       ~~(e)~~ (e) Any appeal made under section 256.045, subdivision 3, of a disability  
80.7 determination made by the state medical review team must be decided according to the  
80.8 timelines under section 256.0451, subdivision 22, paragraph (a). If a written decision is not  
80.9 issued within the timelines under section 256.0451, subdivision 22, paragraph (a), the appeal  
80.10 must be immediately reviewed by the chief human services judge.

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

80.12       Sec. 16. Minnesota Statutes 2024, section 256B.14, subdivision 2, is amended to read:

80.13       Subd. 2. **Actions to obtain payment.** (a) The state agency shall promulgate rules to  
80.14 determine the ability of responsible relatives to contribute partial or complete payment or  
80.15 repayment of medical assistance furnished to recipients for whom they are responsible. All  
80.16 medical assistance exclusions shall be allowed, and a resource limit of \$10,000 for  
80.17 nonexcluded resources shall be implemented. Above these limits, a contribution of one-third  
80.18 of the excess resources shall be required. These rules shall not require payment or repayment  
80.19 when payment would cause undue hardship to the responsible relative or that relative's  
80.20 immediate family. These rules ~~do not apply to~~ must be consistent with the requirements of  
80.21 section 252.27 for parents of children with household adjusted gross income equal to or  
80.22 greater than 675 percent of the federal poverty guidelines whose eligibility for medical  
80.23 assistance was determined without deeming of the parents' resources and income under the  
80.24 Tax Equity and Fiscal Responsibility Act (TEFRA) option or ~~to parents of children accessing~~  
80.25 access home and community-based waiver services. The county agency shall give the  
80.26 responsible relative notice of the amount of the payment or repayment. If the state agency  
80.27 or county agency finds that notice of the payment obligation was given to the responsible  
80.28 relative, but that the relative failed or refused to pay, a cause of action exists against the  
80.29 responsible relative for that portion of medical assistance granted after notice was given to  
80.30 the responsible relative, which the relative was determined to be able to pay.

80.31       (b) The action may be brought by the state agency or the county agency in the county  
80.32 where assistance was granted, for the assistance, together with the costs of disbursements  
80.33 incurred due to the action.

81.1        (c) In addition to granting the county or state agency a money judgment, the court may,  
81.2        upon a motion or order to show cause, order continuing contributions by a responsible  
81.3        relative found able to repay the county or state agency. The order shall be effective only  
81.4        for the period of time during which the recipient receives medical assistance from the county  
81.5        or state agency.

81.6        **EFFECTIVE DATE.** This section is effective January 1, 2026.

81.7        Sec. 17. Minnesota Statutes 2024, section 256B.766, is amended to read:

81.8        **256B.766 REIMBURSEMENT FOR BASIC CARE SERVICES.**

81.9        **Subdivision 1. Payment reductions for base care services effective July 1, 2009. (a)**  
81.10        Effective for services provided on or after July 1, 2009, total payments for basic care services,  
81.11        shall be reduced by three percent, except that for the period July 1, 2009, through June 30,  
81.12        2011, total payments shall be reduced by 4.5 percent for the medical assistance and general  
81.13        assistance medical care programs, prior to third-party liability and spenddown calculation.

81.14        **Subd. 2. Classification of therapies as basic care services. Effective July 1, 2010,** The  
81.15        commissioner shall classify physical therapy services, occupational therapy services, and  
81.16        speech-language pathology and related services as basic care services. The reduction in ~~this~~  
81.17        ~~paragraph~~ subdivision 1 shall apply to physical therapy services, occupational therapy  
81.18        services, and speech-language pathology and related services provided on or after July 1,  
81.19        2010.

81.20        **Subd. 3. Payment reductions to managed care plans effective October 1, 2009. (b)**  
81.21        Payments made to managed care plans and county-based purchasing plans shall be reduced  
81.22        for services provided on or after October 1, 2009, to reflect the reduction in subdivision 1  
81.23        effective July 1, 2009, and payments made to the plans shall be reduced effective October  
81.24        1, 2010, to reflect the reduction in subdivision 1 effective July 1, 2010.

81.25        **Subd. 4. Temporary payment reductions effective September 1, 2011. (e)(a)** Effective  
81.26        for services provided on or after September 1, 2011, through June 30, 2013, total payments  
81.27        for outpatient hospital facility fees shall be reduced by five percent from the rates in effect  
81.28        on August 31, 2011.

81.29        **(d)(b)** Effective for services provided on or after September 1, 2011, through June 30,  
81.30        2013, total payments for ambulatory surgery centers facility fees, medical supplies and  
81.31        durable medical equipment not subject to a volume purchase contract, prosthetics and  
81.32        orthotics, renal dialysis services, laboratory services, public health nursing services, physical  
81.33        therapy services, occupational therapy services, speech therapy services, eyeglasses not

82.1 subject to a volume purchase contract, hearing aids not subject to a volume purchase contract,  
82.2 and anesthesia services shall be reduced by three percent from the rates in effect on August  
82.3 31, 2011.

82.4       **Subd. 5. Payment increases effective September 1, 2014.** (e) (a) Effective for services  
82.5 provided on or after September 1, 2014, payments for ambulatory surgery centers facility  
82.6 fees, hospice services, renal dialysis services, laboratory services, public health nursing  
82.7 services, eyeglasses not subject to a volume purchase contract, and hearing aids not subject  
82.8 to a volume purchase contract shall be increased by three percent and payments for outpatient  
82.9 hospital facility fees shall be increased by three percent.

82.10       (b) Payments made to managed care plans and county-based purchasing plans shall not  
82.11 be adjusted to reflect payments under this paragraph subdivision.

82.12       **Subd. 6. Temporary payment reductions effective July 1, 2014.** (f) Payments for  
82.13 medical supplies and durable medical equipment not subject to a volume purchase contract,  
82.14 and prosthetics and orthotics, provided on or after July 1, 2014, through June 30, 2015, shall  
82.15 be decreased by .33 percent.

82.16       **Subd. 7. Payment increases effective July 1, 2015.** (a) Payments for medical supplies  
82.17 and durable medical equipment not subject to a volume purchase contract, and prosthetics  
82.18 and orthotics, provided on or after July 1, 2015, shall be increased by three percent from  
82.19 the rates as determined under paragraphs (i) and (j) subdivisions 9 and 10.

82.20       (g) (b) Effective for services provided on or after July 1, 2015, payments for outpatient  
82.21 hospital facility fees, medical supplies and durable medical equipment not subject to a  
82.22 volume purchase contract, prosthetics, and orthotics to a hospital meeting the criteria specified  
82.23 in section 62Q.19, subdivision 1, paragraph (a), clause (4), shall be increased by 90 percent  
82.24 from the rates in effect on June 30, 2015.

82.25       (c) Payments made to managed care plans and county-based purchasing plans shall not  
82.26 be adjusted to reflect payments under this paragraph (b).

82.27       **Subd. 8. Exempt services.** (h) This section does not apply to physician and professional  
82.28 services, inpatient hospital services, family planning services, mental health services, dental  
82.29 services, prescription drugs, medical transportation, federally qualified health centers, rural  
82.30 health centers, Indian health services, and Medicare cost-sharing.

82.31       **Subd. 9. Individually priced items.** (i) (a) Effective for services provided on or after  
82.32 July 1, 2015, the following categories of medical supplies and durable medical equipment

83.1 shall be individually priced items: customized and other specialized tracheostomy tubes  
83.2 and supplies, electric patient lifts, and durable medical equipment repair and service.

83.3 (b) This paragraph subdivision does not apply to medical supplies and durable medical  
83.4 equipment subject to a volume purchase contract, products subject to the preferred diabetic  
83.5 testing supply program, and items provided to dually eligible recipients when Medicare is  
83.6 the primary payer for the item.

83.7 (c) The commissioner shall not apply any medical assistance rate reductions to durable  
83.8 medical equipment as a result of Medicare competitive bidding.

83.9 **Subd. 10. Rate increases effective July 1, 2015.** (f) (a) Effective for services provided  
83.10 on or after July 1, 2015, medical assistance payment rates for durable medical equipment,  
83.11 prosthetics, orthotics, or supplies shall be increased as follows:

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

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

83.19 ~~This~~ (b) Paragraph (a) does not apply to medical supplies and durable medical equipment  
83.20 subject to a volume purchase contract, products subject to the preferred diabetic testing  
83.21 supply program, items provided to dually eligible recipients when Medicare is the primary  
83.22 payer for the item, and individually priced items identified in paragraph (i) subdivision 9.

83.23 (c) Payments made to managed care plans and county-based purchasing plans shall not  
83.24 be adjusted to reflect the rate increases in this paragraph subdivision.

83.25 **Subd. 11. Rates for ventilators.** (k) (a) Effective for nonpressure support ventilators  
83.26 provided on or after January 1, 2016, the rate shall be the lower of the submitted charge or  
83.27 the Medicare fee schedule rate.

83.28 (b) Effective for pressure support ventilators provided on or after January 1, 2016, the  
83.29 rate shall be the lower of the submitted charge or 47 percent above the Medicare fee schedule  
83.30 rate.

83.31 (c) For payments made in accordance with this paragraph subdivision, if, and to the  
83.32 extent that, the commissioner identifies that the state has received federal financial  
83.33 participation for ventilators in excess of the amount allowed effective January 1, 2018,

84.1 under United States Code, title 42, section 1396b(i)(27), the state shall repay the excess  
84.2 amount to the Centers for Medicare and Medicaid Services with state funds and maintain  
84.3 the full payment rate under this ~~paragraph subdivision~~.

84.4 **Subd. 12. Rates subject to the upper payment limit.** (1) Payment rates for durable  
84.5 medical equipment, prosthetics, orthotics or supplies, that are subject to the upper payment  
84.6 limit in accordance with section 1903(i)(27) of the Social Security Act, shall be paid the  
84.7 Medicare rate. Rate increases provided in this chapter shall not be applied to the items listed  
84.8 in this ~~paragraph subdivision~~.

84.9 **Subd. 13. Temporary rates for enteral nutrition and supplies.** (m) (a) For dates of  
84.10 service on or after July 1, 2023, through June 30, ~~2025~~ 2027, enteral nutrition and supplies  
84.11 must be paid according to this ~~paragraph subdivision~~. If sufficient data exists for a product  
84.12 or supply, payment must be based upon the 50th percentile of the usual and customary  
84.13 charges per product code submitted to the commissioner, using only charges submitted per  
84.14 unit. Increases in rates resulting from the 50th percentile payment method must not exceed  
84.15 150 percent of the previous fiscal year's rate per code and product combination. Data are  
84.16 sufficient if: (1) the commissioner has at least 100 paid claim lines by at least ten different  
84.17 providers for a given product or supply; or (2) in the absence of the data in clause (1), the  
84.18 commissioner has at least 20 claim lines by at least five different providers for a product or  
84.19 supply that does not meet the requirements of clause (1). If sufficient data are not available  
84.20 to calculate the 50th percentile for enteral products or supplies, the payment rate must be  
84.21 the payment rate in effect on June 30, 2023.

84.22 (b) This subdivision expires June 30, 2027.

84.23 **Subd. 14. Rates for enteral nutrition and supplies.** (n) For dates of service on or after  
84.24 July 1, ~~2025~~ 2027, enteral nutrition and supplies must be paid according to this ~~paragraph~~  
84.25 subdivision and updated annually each January 1. If sufficient data exists for a product or  
84.26 supply, payment must be based upon the 50th percentile of the usual and customary charges  
84.27 per product code submitted to the commissioner for the previous calendar year, using only  
84.28 charges submitted per unit. Increases in rates resulting from the 50th percentile payment  
84.29 method must not exceed 150 percent of the previous year's rate per code and product  
84.30 combination. Data are sufficient if: (1) the commissioner has at least 100 paid claim lines  
84.31 by at least ten different providers for a given product or supply; or (2) in the absence of the  
84.32 data in clause (1), the commissioner has at least 20 claim lines by at least five different  
84.33 providers for a product or supply that does not meet the requirements of clause (1). If  
84.34 sufficient data are not available to calculate the 50th percentile for enteral products or  
84.35 supplies, the payment must be the manufacturer's suggested retail price of that product or

85.1 supply minus 20 percent. If the manufacturer's suggested retail price is not available, payment  
85.2 must be the actual acquisition cost of that product or supply plus 20 percent.

## ARTICLE 4

### BEHAVIORAL HEALTH

85.5 Section 1. Minnesota Statutes 2024, section 245.462, subdivision 20, is amended to read:

85.6 **Subd. 20. Mental illness.** (a) "Mental illness" means an organic disorder of the brain or  
85.7 a clinically significant disorder of thought, mood, perception, orientation, memory, or  
85.8 behavior that is detailed in a diagnostic codes list published by the commissioner, and that  
85.9 seriously limits a person's capacity to function in primary aspects of daily living such as  
85.10 personal relations, living arrangements, work, and recreation.

85.11 (b) An "adult with acute mental illness" means an adult who has a mental illness that is  
85.12 serious enough to require prompt intervention.

85.13 (c) For purposes of enrolling in case management and community support services, a  
85.14 "person with serious and persistent mental illness" means an adult who has a mental illness  
85.15 and meets at least one of the following criteria:

85.16 (1) the adult has undergone two one or more episodes of inpatient, residential, or crisis  
85.17 residential care for a mental illness within the preceding 24 12 months;

85.18 (2) the adult has experienced a continuous psychiatric hospitalization or residential  
85.19 treatment exceeding six months' duration within the preceding 12 months;

85.20 (3) the adult has been treated by a crisis team two or more times within the preceding  
85.21 24 months;

85.22 (4) the adult:

85.23 (i) has a diagnosis of schizophrenia, bipolar disorder, major depression, schizoaffective  
85.24 disorder, post-traumatic stress disorder, or borderline personality disorder;

85.25 (ii) indicates a significant impairment in functioning; and

85.26 (iii) has a written opinion from a mental health professional, in the last three years,  
85.27 stating that the adult is reasonably likely to have future episodes requiring inpatient or  
85.28 residential treatment, of a frequency described in clause (1) or (2), or the need for in-home  
85.29 services to remain in one's home, unless ongoing case management or community support  
85.30 services are provided;

86.1       (5) the adult has, in the last three five years, been committed by a court as a person ~~who~~  
86.2 ~~is mentally ill with a mental illness~~ under chapter 253B, or the adult's commitment has been  
86.3 stayed or continued; or

86.4       (6) the adult ~~(i) was eligible under clauses (1) to (5), but the specified time period has~~  
86.5 ~~expired or the adult was eligible as a child under section 245.4871, subdivision 6; and (ii)~~  
86.6 ~~has a written opinion from a mental health professional, in the last three years, stating that~~  
86.7 ~~the adult is reasonably likely to have future episodes requiring inpatient or residential~~  
86.8 ~~treatment, of a frequency described in clause (1) or (2), unless ongoing case management~~  
86.9 ~~or community support services are provided; or~~

86.10       (7) (6) the adult was eligible as a child under section 245.4871, subdivision 6, and is  
86.11 age 21 or younger.

86.12       (d) For purposes of enrolling in case management and community support services, a  
86.13 "person with a complex post-traumatic stress disorder" or "person with a C-PTSD" means  
86.14 an adult who has a mental illness and meets the following criteria:

86.15       (1) the adult has post-traumatic stress disorder (PTSD) symptoms that significantly  
86.16 interfere with daily functioning related to intergenerational trauma, racial trauma, or  
86.17 unresolved historical grief; and

86.18       (2) the adult has a written opinion from a mental health professional that includes  
86.19 documentation of:

86.20       (i) culturally sensitive assessments or screenings and identification of intergenerational  
86.21 trauma, racial trauma, or unresolved historical grief;

86.22       (ii) significant impairment in functioning due to the PTSD symptoms that meet C-PTSD  
86.23 condition eligibility; and

86.24       (iii) increasing concerns within the last three years that indicate there is a reasonable  
86.25 likelihood the adult will experience significant episodes of PTSD with increased frequency,  
86.26 impacting daily functioning, unless mitigated by targeted case management or community  
86.27 support services.

86.28       (e) Adults may continue to receive case management or community support services if,  
86.29 in the written opinion of a mental health professional, the person needs case management  
86.30 or community support services to maintain the person's recovery.

86.31       **EFFECTIVE DATE.** Paragraph (d) is effective upon federal approval. The commissioner  
86.32 of human services shall notify the revisor of statutes when federal approval is obtained.

87.1 Sec. 2. Minnesota Statutes 2024, section 245.4661, subdivision 2, is amended to read:

87.2       **Subd. 2. Program design and implementation.** Adult mental health initiatives shall

87.3       be responsible for designing, planning, improving, and maintaining a mental health service

87.4       delivery system for adults with serious and persistent mental illness that would:

87.5       (1) provide an expanded array of services from which clients can choose services

87.6       appropriate to their needs;

87.7       (2) be based on purchasing strategies that improve access and coordinate services without

87.8       cost shifting;

87.9       (3) prioritize evidence-based services and implement services that are promising practices

87.10      or theory-based practices so that the service can be evaluated according to subdivision 5a;

87.11      (4) incorporate existing state facilities and resources into the community mental health

87.12      infrastructure through creative partnerships with local vendors; and

87.13      (5) utilize ~~existing categorical funding streams and reimbursement sources in combined~~

87.14      ~~and creative ways, except adult mental health initiative funding only after all other eligible~~

87.15      ~~funding sources have been applied.~~ Appropriations and all funds that are attributable to the

87.16      operation of state-operated services under the control of the Direct Care and Treatment

87.17      executive board are excluded unless appropriated specifically by the legislature for a purpose

87.18      consistent with this section.

87.19 Sec. 3. Minnesota Statutes 2024, section 245.4661, subdivision 6, is amended to read:

87.20       **Subd. 6. Duties of commissioner.** (a) For purposes of adult mental health initiatives,

87.21       the commissioner shall facilitate integration of funds or other resources as needed and

87.22       requested by each adult mental health initiative. These resources may include:

87.23       (1) community support services funds administered under Minnesota Rules, parts

87.24       9535.1700 to 9535.1760;

87.25       (2) other mental health special project funds;

87.26       (3) medical assistance, MinnesotaCare, and housing support under chapter 256I if

87.27       requested by the adult mental health initiative's managing entity and if the commissioner

87.28       determines this would be consistent with the state's overall health care reform efforts; and

87.29       (4) regional treatment center resources, with consent from the Direct Care and Treatment

87.30       executive board.

88.1        ~~(b) The commissioner shall consider the following criteria in awarding grants for adult~~

88.2        ~~mental health initiatives:~~

88.3        ~~(1) the ability of the initiatives to accomplish the objectives described in subdivision 2;~~

88.4        ~~(2) the size of the target population to be served; and~~

88.5        ~~(3) geographical distribution.~~

88.6        ~~(e) (b) The commissioner shall review overall status of the initiatives at least every two~~

88.7        ~~years and recommend any legislative changes needed by January 15 of each odd-numbered~~

88.8        ~~year.~~

88.9        ~~(d) (c) The commissioner may waive administrative rule requirements that are~~

88.10        ~~incompatible with the implementation of the adult mental health initiative.~~

88.11        ~~(e) (d) The commissioner may exempt the participating counties from fiscal sanctions~~

88.12        ~~for noncompliance with requirements in laws and rules that are incompatible with the~~

88.13        ~~implementation of the adult mental health initiative.~~

88.14        ~~(f) (e) The commissioner may award grants to an entity designated by a county board~~

88.15        ~~or group of county boards to pay for start-up and implementation costs of the adult mental~~

88.16        ~~health initiative.~~

88.17        Sec. 4. Minnesota Statutes 2024, section 245.4661, subdivision 7, is amended to read:

88.18        **Subd. 7. Duties of adult mental health initiative board.** The adult mental health

88.19        initiative board, or other entity which is approved to administer an adult mental health

88.20        initiative, shall:

88.21        (1) administer the initiative in a manner that is consistent with the objectives described

88.22        in subdivision 2 and the planning process described in subdivision 5;

88.23        (2) assure that no one is denied services that they would otherwise be eligible for; and

88.24        (3) provide the commissioner of human services with timely and pertinent information

88.25        ~~through the following methods:~~

88.26        ~~(i) submission of mental health plans and plan amendments which are based on a format~~

88.27        ~~and timetable determined by the commissioner;~~

88.28        ~~(ii) submission of social services expenditure and grant reconciliation reports, based on~~

88.29        ~~a coding format to be determined by mutual agreement between the initiative's managing~~

88.30        ~~entity and the commissioner; and~~

89.1        (iii) submission of data and participation in an evaluation of the adult mental health  
89.2        initiatives, to be designed cooperatively by the commissioner and the initiatives. For services  
89.3        provided to American Indians in Tribal nations or urban Indian communities, oral reports  
89.4        using a system designed in partnership between the commissioner and the reporting  
89.5        community satisfy the requirements of this clause.

89.6        Sec. 5. Minnesota Statutes 2024, section 245.467, subdivision 4, is amended to read:

89.7        **Subd. 4. Referral for case management.** Each provider of emergency services, day  
89.8        treatment services, outpatient treatment, community support services, residential treatment,  
89.9        acute care hospital inpatient treatment, or regional treatment center inpatient treatment must  
89.10       inform each of its clients with serious and persistent mental illness or a complex  
89.11       post-traumatic stress disorder of the availability and potential benefits to the client of case  
89.12       management. If the client consents, the provider must refer the client by notifying the county  
89.13       employee designated by the county board to coordinate case management activities of the  
89.14       client's name and address and by informing the client of whom to contact to request case  
89.15       management. The provider must document compliance with this subdivision in the client's  
89.16       record.

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

89.19       Sec. 6. Minnesota Statutes 2024, section 245.4711, subdivision 1, is amended to read:

89.20       **Subdivision 1. Availability of case management services.** (a) By January 1, 1989, The  
89.21       county board shall provide case management services for all adults with serious and persistent  
89.22       mental illness or a complex post-traumatic stress disorder who are residents of the county  
89.23       and who request or consent to the services and to each adult for whom the court appoints a  
89.24       case manager. Staffing ratios must be sufficient to serve the needs of the clients. The case  
89.25       manager must meet the requirements in section 245.462, subdivision 4.

89.26       (b) Case management services provided to adults with serious and persistent mental  
89.27       illness or a complex post-traumatic stress disorder eligible for medical assistance must be  
89.28       billed to the medical assistance program under sections 256B.02, subdivision 8, and  
89.29       256B.0625.

89.30       (c) Case management services are eligible for reimbursement under the medical assistance  
89.31       program. Costs associated with mentoring, supervision, and continuing education may be  
89.32       included in the reimbursement rate methodology used for case management services under  
89.33       the medical assistance program.

90.1        **EFFECTIVE DATE.** This section is effective upon federal approval. The commissioner

90.2        of human services shall notify the revisor of statutes when federal approval is obtained.

90.3        Sec. 7. Minnesota Statutes 2024, section 245.4711, subdivision 4, is amended to read:

90.4        **Subd. 4. Individual community support plan.** (a) The case manager must develop an

90.5        individual community support plan for each adult that incorporates the client's individual

90.6        treatment plan. The individual treatment plan may not be a substitute for the development

90.7        of an individual community support plan. The individual community support plan must be

90.8        developed within 30 days of client intake and reviewed at least every 180 days after it is

90.9        developed, unless the case manager receives a written request from the client or the client's

90.10        family for a review of the plan every 90 days after it is developed. The case manager is

90.11        responsible for developing the individual community support plan based on a diagnostic

90.12        assessment and a functional assessment and for implementing and monitoring the delivery

90.13        of services according to the individual community support plan. To the extent possible, the

90.14        adult with serious and persistent mental illness or a complex post-traumatic stress disorder,

90.15        the person's family, advocates, service providers, and significant others must be involved

90.16        in all phases of development and implementation of the individual community support plan.

90.17        (b) The client's individual community support plan must state:

90.18        (1) the goals of each service;

90.19        (2) the activities for accomplishing each goal;

90.20        (3) a schedule for each activity; and

90.21        (4) the frequency of face-to-face contacts by the case manager, as appropriate to client

90.22        need and the implementation of the individual community support plan.

90.23        **EFFECTIVE DATE.** This section is effective upon federal approval. The commissioner

90.24        of human services shall notify the revisor of statutes when federal approval is obtained.

90.25        Sec. 8. Minnesota Statutes 2024, section 245.4712, subdivision 1, is amended to read:

90.26        **Subdivision 1. Availability of community support services.** (a) County boards must

90.27        provide or contract for sufficient community support services within the county to meet the

90.28        needs of adults with serious and persistent mental illness or a complex post-traumatic stress

90.29        disorder who are residents of the county. Adults may be required to pay a fee according to

90.30        section 245.481. The community support services program must be designed to improve

90.31        the ability of adults with serious and persistent mental illness or a complex post-traumatic

90.32        stress disorder to:

91.1 (1) find and maintain competitive employment;

91.2 (2) handle basic activities of daily living;

91.3 (3) participate in leisure time activities;

91.4 (4) set goals and plans; and

91.5 (5) obtain and maintain appropriate living arrangements.

91.6 The community support services program must also be designed to reduce the need for  
91.7 and use of more intensive, costly, or restrictive placements both in number of admissions  
91.8 and length of stay.

91.9 (b) Community support services are those services that are supportive in nature and not  
91.10 necessarily treatment oriented, and include:

91.11 (1) conducting outreach activities such as home visits, health and wellness checks, and  
91.12 problem solving;

91.13 (2) connecting people to resources to meet their basic needs;

91.14 (3) finding, securing, and supporting people in their housing;

91.15 (4) attaining and maintaining health insurance benefits;

91.16 (5) assisting with job applications, finding and maintaining employment, and securing  
91.17 a stable financial situation;

91.18 (6) fostering social support, including support groups, mentoring, peer support, and other  
91.19 efforts to prevent isolation and promote recovery; and

91.20 (7) educating about mental illness, treatment, and recovery.

91.21 (c) Community support services shall use all available funding streams. The county shall  
91.22 maintain the level of expenditures for this program, as required under section 245.4835.  
91.23 County boards must continue to provide funds for those services not covered by other  
91.24 funding streams and to maintain an infrastructure to carry out these services. The county is  
91.25 encouraged to fund evidence-based practices such as Individual Placement and Supported  
91.26 Employment and Illness Management and Recovery.

91.27 (d) The commissioner shall collect data on community support services programs,  
91.28 including, but not limited to, demographic information such as age, sex, race, the number  
91.29 of people served, and information related to housing, employment, hospitalization, symptoms,  
91.30 and satisfaction with services.

92.1 **EFFECTIVE DATE.** This section is effective upon federal approval. The commissioner

92.2 of human services shall notify the revisor of statutes when federal approval is obtained.

92.3 Sec. 9. Minnesota Statutes 2024, section 245.4712, subdivision 3, is amended to read:

92.4 **Subd. 3. Benefits assistance.** The county board must offer to help adults with serious  
92.5 and persistent mental illness or a complex post-traumatic stress disorder in applying for  
92.6 state and federal benefits, including Supplemental Security Income, medical assistance,  
92.7 Medicare, general assistance, and Minnesota supplemental aid. The help must be offered  
92.8 as part of the community support program available to adults with serious and persistent  
92.9 mental illness or a complex post-traumatic stress disorder for whom the county is financially  
92.10 responsible and who may qualify for these benefits.

92.11 Sec. 10. Minnesota Statutes 2024, section 245.4871, subdivision 5, is amended to read:

92.12 **Subd. 5. Child.** "Child" means a person under 18 years of age, or a person 18 years of  
92.13 age or older and under 21 years of age receiving continuous children's mental health targeted  
92.14 case management services under section 245.4881.

92.15 Sec. 11. Minnesota Statutes 2024, section 245.91, subdivision 4, is amended to read:

92.16 **Subd. 4. Facility or program.** "Facility" or "program" means a nonresidential or  
92.17 residential program as defined in section 245A.02, subdivisions 10 and 14, and any agency,  
92.18 facility, or program that provides services or treatment for mental illness, developmental  
92.19 disability, substance use disorder, or emotional disturbance that is required to be licensed,  
92.20 certified, or registered by the commissioner of human services, health, or education; a sober  
92.21 home recovery residence as defined in section 254B.01, subdivision 11; peer recovery  
92.22 support services provided by a recovery community organization as defined in section  
92.23 254B.01, subdivision 8; and an acute care inpatient facility that provides services or treatment  
92.24 for mental illness, developmental disability, substance use disorder, or emotional disturbance.

92.25 **EFFECTIVE DATE.** This section is effective January 1, 2027.

92.26 Sec. 12. Minnesota Statutes 2024, section 245G.01, subdivision 13b, is amended to read:

92.27 **Subd. 13b. Guest speaker.** "Guest speaker" means an individual who is not an alcohol  
92.28 and drug counselor qualified according to section 245G.11, subdivision 5; is not qualified  
92.29 according to the commissioner's list of professionals under section 245G.07, subdivision 3,  
92.30 clause (1); and who works under the direct observation of an alcohol and drug counselor to  
92.31 present to clients on topics in which the guest speaker has expertise and that the license

93.1 holder has determined to be beneficial to a client's recovery. Tribally licensed programs  
93.2 have autonomy to identify the qualifications of their guest speakers.

93.3 **EFFECTIVE DATE.** This section is effective July 1, 2026, or upon federal approval,  
93.4 whichever is later. The commissioner of human services shall notify the revisor of statutes  
93.5 when federal approval is obtained.

93.6 Sec. 13. Minnesota Statutes 2024, section 245G.01, is amended by adding a subdivision  
93.7 to read:

93.8 Subd. 13d. **Individual counseling.** "Individual counseling" means professionally led  
93.9 psychotherapeutic treatment for substance use disorders that is delivered in a one-to-one  
93.10 setting or in a setting with the client and the client's family and other natural supports.

93.11 **EFFECTIVE DATE.** This section is effective July 1, 2026, or upon federal approval,  
93.12 whichever is later. The commissioner of human services shall notify the revisor of statutes  
93.13 when federal approval is obtained.

93.14 Sec. 14. Minnesota Statutes 2024, section 245G.01, is amended by adding a subdivision  
93.15 to read:

93.16 Subd. 20f. **Psychoeducation.** "Psychoeducation" means the services described in section  
93.17 245G.07, subdivision 1a, clause (2).

93.18 **EFFECTIVE DATE.** This section is effective July 1, 2026, or upon federal approval,  
93.19 whichever is later. The commissioner of human services shall notify the revisor of statutes  
93.20 when federal approval is obtained.

93.21 Sec. 15. Minnesota Statutes 2024, section 245G.01, is amended by adding a subdivision  
93.22 to read:

93.23 Subd. 20g. **Psychosocial treatment services.** "Psychosocial treatment services" means  
93.24 the services described in section 245G.07, subdivision 1a.

93.25 **EFFECTIVE DATE.** This section is effective July 1, 2026, or upon federal approval,  
93.26 whichever is later. The commissioner of human services shall notify the revisor of statutes  
93.27 when federal approval is obtained.

94.1 Sec. 16. Minnesota Statutes 2024, section 245G.01, is amended by adding a subdivision  
94.2 to read:

94.3 Subd. 20h. **Recovery support services.** "Recovery support services" means the services  
94.4 described in section 245G.07, subdivision 2a, paragraph (b), clause (1).

94.5 **EFFECTIVE DATE.** This section is effective July 1, 2026, or upon federal approval,  
94.6 whichever is later. The commissioner of human services shall notify the revisor of statutes  
94.7 when federal approval is obtained.

94.8 Sec. 17. Minnesota Statutes 2024, section 245G.01, is amended by adding a subdivision  
94.9 to read:

94.10 Subd. 26a. **Treatment coordination.** "Treatment coordination" means the services  
94.11 described in section 245G.07, subdivision 1b.

94.12 **EFFECTIVE DATE.** This section is effective July 1, 2026, or upon federal approval,  
94.13 whichever is later. The commissioner of human services shall notify the revisor of statutes  
94.14 when federal approval is obtained.

94.15 Sec. 18. Minnesota Statutes 2024, subdivision 2, is amended to read:

94.16 **Subd. 2. Exemption from license requirement.** This chapter does not apply to a county  
94.17 or recovery community organization that is providing a service for which the county or  
94.18 recovery community organization is an eligible vendor under section 254B.05. This chapter  
94.19 does not apply to an organization whose primary functions are information, referral,  
94.20 diagnosis, case management, and assessment for the purposes of client placement, education,  
94.21 support group services, or self-help programs. This chapter does not apply to the activities  
94.22 of a licensed professional in private practice. A license holder providing the initial set of  
94.23 substance use disorder services allowable under section 254A.03, subdivision 3, paragraph  
94.24 (c), to an individual referred to a licensed nonresidential substance use disorder treatment  
94.25 program after a positive screen for alcohol or substance misuse is exempt from sections  
94.26 245G.05; 245G.06, subdivisions 1, 1a, and 4; 245G.07, ~~subdivisions 1, paragraph (a), clauses~~  
94.27 ~~(2) to (4), and 2, clauses (1) to (7)~~ subdivision 1a, clause (2); and 245G.17.

94.28 **EFFECTIVE DATE.** This section is effective July 1, 2026, or upon federal approval,  
94.29 whichever is later. The commissioner of human services shall notify the revisor of statutes  
94.30 when federal approval is obtained.

95.1 Sec. 19. Minnesota Statutes 2024, section 245G.07, subdivision 1, is amended to read:

95.2 Subdivision 1. **Treatment service.** (a) A licensed ~~residential~~ treatment program must  
95.3 offer the treatment services in ~~clauses (1) to (5)~~ subdivisions 1a and 1b and may offer the  
95.4 treatment services in subdivision 2 to each client, unless clinically inappropriate and the  
95.5 justifying clinical rationale is documented. ~~A nonresidential~~ The treatment program must  
95.6 ~~offer all treatment services in clauses (1) to (5)~~ and document in the individual treatment  
95.7 plan the specific services for which a client has an assessed need and the plan to provide  
95.8 the services.:

95.9 ~~(1) individual and group counseling to help the client identify and address needs related~~  
95.10 ~~to substance use and develop strategies to avoid harmful substance use after discharge and~~  
95.11 ~~to help the client obtain the services necessary to establish a lifestyle free of the harmful~~  
95.12 ~~effects of substance use disorder;~~

95.13 ~~(2) client education strategies to avoid inappropriate substance use and health problems~~  
95.14 ~~related to substance use and the necessary lifestyle changes to regain and maintain health.~~  
95.15 ~~Client education must include information on tuberculosis education on a form approved~~  
95.16 ~~by the commissioner, the human immunodeficiency virus according to section 245A.19,~~  
95.17 ~~other sexually transmitted diseases, drug and alcohol use during pregnancy, and hepatitis;~~

95.18 ~~(3) a service to help the client integrate gains made during treatment into daily living~~  
95.19 ~~and to reduce the client's reliance on a staff member for support;~~

95.20 ~~(4) a service to address issues related to co-occurring disorders, including client education~~  
95.21 ~~on symptoms of mental illness, the possibility of comorbidity, and the need for continued~~  
95.22 ~~medication compliance while recovering from substance use disorder. A group must address~~  
95.23 ~~co-occurring disorders, as needed. When treatment for mental health problems is indicated,~~  
95.24 ~~the treatment must be integrated into the client's individual treatment plan; and~~

95.25 ~~(5) treatment coordination provided one-to-one by an individual who meets the staff~~  
95.26 ~~qualifications in section 245G.11, subdivision 7. Treatment coordination services include:~~

95.27 ~~(i) assistance in coordination with significant others to help in the treatment planning~~  
95.28 ~~process whenever possible;~~

95.29 ~~(ii) assistance in coordination with and follow up for medical services as identified in~~  
95.30 ~~the treatment plan;~~

95.31 ~~(iii) facilitation of referrals to substance use disorder services as indicated by a client's~~  
95.32 ~~medical provider, comprehensive assessment, or treatment plan;~~

96.1 (iv) facilitation of referrals to mental health services as identified by a client's  
96.2 comprehensive assessment or treatment plan;  
96.3 (v) assistance with referrals to economic assistance, social services, housing resources,  
96.4 and prenatal care according to the client's needs;  
96.5 (vi) life skills advocacy and support accessing treatment follow-up, disease management,  
96.6 and education services, including referral and linkages to long-term services and supports  
96.7 as needed; and  
96.8 (vii) documentation of the provision of treatment coordination services in the client's  
96.9 file.

96.10 (b) A treatment service provided to a client must be provided according to the individual  
96.11 treatment plan and must consider cultural differences and special needs of a client.

96.12 (c) A supportive service alone does not constitute a treatment service. Supportive services  
96.13 include:

96.14 (1) milieu management or supervising or monitoring clients without also providing a  
96.15 treatment service identified in subdivision 1a, 1b, or 2a;

96.16 (2) transporting clients;

96.17 (3) waiting with clients for appointments at social service agencies, court hearings, and  
96.18 similar activities; and

96.19 (4) collecting urinalysis samples.

96.20 (d) A treatment service provided in a group setting must be provided in a cohesive  
96.21 manner and setting that allows every client receiving the service to interact and receive the  
96.22 same service at the same time.

96.23 **EFFECTIVE DATE.** This section is effective July 1, 2026, or upon federal approval,  
96.24 whichever is later. The commissioner of human services shall notify the revisor of statutes  
96.25 when federal approval is obtained.

96.26 Sec. 20. Minnesota Statutes 2024, section 245G.07, is amended by adding a subdivision  
96.27 to read:

96.28 Subd. 1a. **Psychosocial treatment service.** Psychosocial treatment services must be  
96.29 provided according to the hours identified in section 254B.19 for the ASAM level of care  
96.30 provided to the client. A license holder must provide the following psychosocial treatment  
96.31 services as a part of the client's individual treatment:

97.1        (1) counseling services that provide a client with professional assistance in managing  
97.2        substance use disorder and co-occurring conditions, either individually or in a group setting.

97.3        Counseling must:

97.4        (i) use evidence-based techniques to help a client modify behavior, overcome obstacles,  
97.5        and achieve and sustain recovery through techniques such as active listening, guidance,  
97.6        discussion, feedback, and clarification;

97.7        (ii) help the client to identify and address needs related to substance use, develop  
97.8        strategies to avoid harmful substance use, and establish a lifestyle free of the harmful effects  
97.9        of substance use disorder; and

97.10        (iii) work to improve well-being and mental health, resolve or mitigate symptomatic  
97.11        behaviors, beliefs, compulsions, thoughts, and emotions, and enhance relationships and  
97.12        social skills, while addressing client-centered psychological and emotional needs; and

97.13        (2) psychoeducation services to provide a client with information about substance use  
97.14        and co-occurring conditions, either individually or in a group setting. Psychoeducation  
97.15        includes structured presentations, interactive discussions, and practical exercises to help  
97.16        clients understand and manage their conditions effectively. Topics include but are not limited  
97.17        to:

97.18        (i) the causes of substance use disorder and co-occurring disorders;

97.19        (ii) behavioral techniques that help a client change behaviors, thoughts, and feelings;

97.20        (iii) the importance of maintaining mental health, including understanding symptoms  
97.21        of mental illness;

97.22        (iv) medications for addiction and psychiatric disorders and the importance of medication  
97.23        adherence;

97.24        (v) the importance of maintaining physical health, health-related risk factors associated  
97.25        with substance use disorder, and specific health education on tuberculosis, HIV, other  
97.26        sexually transmitted diseases, drug and alcohol use during pregnancy, and hepatitis; and

97.27        (vi) harm-reduction strategies.

97.28        **EFFECTIVE DATE.** This section is effective July 1, 2026, or upon federal approval,  
97.29        whichever is later. The commissioner of human services shall notify the revisor of statutes  
97.30        when federal approval is obtained.

98.1 Sec. 21. Minnesota Statutes 2024, section 245G.07, is amended by adding a subdivision  
98.2 to read:

98.3 Subd. 1b. **Treatment coordination.** (a) Treatment coordination must be provided to a  
98.4 single client by an individual who meets the staff qualifications in section 245G.11,  
98.5 subdivision 7. Treatment coordination services include:

98.6 (1) coordinating directly with others involved in the client's treatment and recovery,  
98.7 including the referral source, family or natural supports, social services agencies, and external  
98.8 care providers;

98.9 (2) providing clients with training and facilitating connections to community resources  
98.10 that support recovery;

98.11 (3) assisting clients in obtaining necessary resources and services such as financial  
98.12 assistance, housing, food, clothing, medical care, education, harm reduction services,  
98.13 vocational support, and recreational services that promote recovery;

98.14 (4) assisting clients in navigating economic assistance and Minnesota health care  
98.15 programs under chapters 256B and 256L;

98.16 (5) helping clients connect and engage with self-help support groups and expand social  
98.17 support networks with family, friends, and organizations; and

98.18 (6) assisting clients in transitioning between levels of care, including providing direct  
98.19 connections to ensure continuity of care.

98.20 (b) Treatment coordination does not include coordinating services or communicating  
98.21 with staff members within the licensed program.

98.22 (c) Treatment coordination may be provided in a setting with the individual client and  
98.23 others involved in the client's treatment and recovery.

98.24 **EFFECTIVE DATE.** This section is effective July 1, 2026, or upon federal approval,  
98.25 whichever is later. The commissioner of human services shall notify the revisor of statutes  
98.26 when federal approval is obtained.

98.27 Sec. 22. Minnesota Statutes 2024, section 245G.07, is amended by adding a subdivision  
98.28 to read:

98.29 Subd. 2a. **Ancillary treatment service.** (a) A license holder may provide ancillary  
98.30 services in addition to the hours of psychosocial treatment services identified in section  
98.31 254B.19 for the ASAM level of care provided to the client.

99.1 (b) A license holder may provide the following ancillary treatment services as a part of  
99.2 the client's individual treatment:

99.3 (1) recovery support services provided individually or in a group setting, that include:

99.4 (i) supporting clients in restoring daily living skills, such as health and health care  
99.5 navigation and self-care to enhance personal well-being;

99.6 (ii) providing resources and assistance to help clients restore life skills, including effective  
99.7 parenting, financial management, pro-social behavior, education, employment, and nutrition;

99.8 (iii) assisting clients in restoring daily functioning and routines affected by substance  
99.9 use and supporting them in developing skills for successful community integration; and

99.10 (iv) helping clients respond to or avoid triggers that threaten their community stability,  
99.11 assisting the client in identifying potential crises and developing a plan to address them,  
99.12 and providing support to restore the client's stability and functioning; and

99.13 (2) peer recovery support services provided according to sections 254B.05, subdivision  
99.14 5, and 254B.052.

99.15 **EFFECTIVE DATE.** This section is effective July 1, 2026, or upon federal approval,  
99.16 whichever is later. The commissioner of human services shall notify the revisor of statutes  
99.17 when federal approval is obtained.

99.18 Sec. 23. Minnesota Statutes 2024, section 245G.07, subdivision 3, is amended to read:

99.19 Subd. 3. **Counselors Treatment service providers.** (a) All treatment services, except  
99.20 peer recovery support services and treatment coordination, must be provided by an alcohol  
99.21 and drug counselor qualified according to section 245G.11, subdivision 5, unless the  
99.22 individual providing the service is specifically qualified according to the accepted credential  
99.23 required to provide the service. The commissioner shall maintain a current list of  
99.24 professionals qualified to provide treatment services.

99.25 (b) Psychosocial treatment services must be provided by an alcohol and drug counselor  
99.26 qualified according to section 245G.11, subdivision 5, unless the individual providing the  
99.27 service is specifically qualified according to the accepted credential required to provide the  
99.28 service. The commissioner shall maintain a current list of professionals qualified to provide  
99.29 psychosocial treatment services.

99.30 (c) Treatment coordination must be provided by a treatment coordinator qualified  
99.31 according to section 245G.11, subdivision 7.

100.1 (d) Recovery support services must be provided by a behavioral health practitioner  
100.2 qualified according to section 245G.11, subdivision 12.

100.3 (e) Peer recovery support services must be provided by a recovery peer qualified  
100.4 according to section 245I.04, subdivision 18.

100.5 **EFFECTIVE DATE.** This section is effective July 1, 2026, or upon federal approval,  
100.6 whichever is later. The commissioner of human services shall notify the revisor of statutes  
100.7 when federal approval is obtained.

100.8 Sec. 24. Minnesota Statutes 2024, section 245G.07, subdivision 4, is amended to read:

100.9 Subd. 4. **Location of service provision.** (a) The license holder must provide all treatment  
100.10 services a client receives at one of the license holder's substance use disorder treatment  
100.11 licensed locations or at a location allowed under paragraphs (b) to (f). If the services are  
100.12 provided at the locations in paragraphs (b) to (d), the license holder must document in the  
100.13 client record the location services were provided.

100.14 (b) The license holder may provide nonresidential individual treatment services at a  
100.15 client's home or place of residence.

100.16 (c) If the license holder provides treatment services by telehealth, the services must be  
100.17 provided according to this paragraph:

100.18 (1) the license holder must maintain a licensed physical location in Minnesota where  
100.19 the license holder must offer all treatment services in subdivision 4, paragraph (a), clauses  
100.20 (1) to (4), 1a physically in-person to each client;

100.21 (2) the license holder must meet all requirements for the provision of telehealth in sections  
100.22 254B.05, subdivision 5, paragraph (f), and 256B.0625, subdivision 3b. The license holder  
100.23 must document all items in section 256B.0625, subdivision 3b, paragraph (c), for each client  
100.24 receiving services by telehealth, regardless of payment type or whether the client is a medical  
100.25 assistance enrollee;

100.26 (3) the license holder may provide treatment services by telehealth to clients individually;

100.27 (4) the license holder may provide treatment services by telehealth to a group of clients  
100.28 that are each in a separate physical location;

100.29 (5) the license holder must not provide treatment services remotely by telehealth to a  
100.30 group of clients meeting together in person, unless permitted under clause (7);

101.1 (6) clients and staff may join an in-person group by telehealth if a staff member qualified  
101.2 to provide the treatment service is physically present with the group of clients meeting  
101.3 together in person; and

101.4 (7) the qualified professional providing a residential group treatment service by telehealth  
101.5 must be physically present on-site at the licensed residential location while the service is  
101.6 being provided. If weather conditions or short-term illness prohibit a qualified professional  
101.7 from traveling to the residential program and another qualified professional is not available  
101.8 to provide the service, a qualified professional may provide a residential group treatment  
101.9 service by telehealth from a location away from the licensed residential location. In such  
101.10 circumstances, the license holder must ensure that a qualified professional does not provide  
101.11 a residential group treatment service by telehealth from a location away from the licensed  
101.12 residential location for more than one day at a time, must ensure that a staff person who  
101.13 qualifies as a paraprofessional is physically present with the group of clients, and must  
101.14 document the reason for providing the remote telehealth service in the records of clients  
101.15 receiving the service. The license holder must document the dates that residential group  
101.16 treatment services were provided by telehealth from a location away from the licensed  
101.17 residential location in a central log and must provide the log to the commissioner upon  
101.18 request.

101.19 (d) The license holder may provide the additional ancillary treatment services under  
101.20 subdivision ~~2, clauses (2) to (6) and (8), 2a~~ away from the licensed location at a suitable  
101.21 location appropriate to the treatment service.

101.22 (e) Upon written approval from the commissioner for each satellite location, the license  
101.23 holder may provide nonresidential treatment services at satellite locations that are in a  
101.24 school, jail, or nursing home. A satellite location may only provide services to students of  
101.25 the school, inmates of the jail, or residents of the nursing home. Schools, jails, and nursing  
101.26 homes are exempt from the licensing requirements in section 245A.04, subdivision 2a, to  
101.27 document compliance with building codes, fire and safety codes, health rules, and zoning  
101.28 ordinances.

101.29 (f) The commissioner may approve other suitable locations as satellite locations for  
101.30 nonresidential treatment services. The commissioner may require satellite locations under  
101.31 this paragraph to meet all applicable licensing requirements. The license holder may not  
101.32 have more than two satellite locations per license under this paragraph.

102.1       (g) The license holder must provide the commissioner access to all files, documentation,  
102.2 staff persons, and any other information the commissioner requires at the main licensed  
102.3 location for all clients served at any location under paragraphs (b) to (f).

102.4       (h) Notwithstanding sections 245A.65, subdivision 2, and 626.557, subdivision 14, a  
102.5 program abuse prevention plan is not required for satellite or other locations under paragraphs  
102.6 (b) to (e). An individual abuse prevention plan is still required for any client that is a  
102.7 vulnerable adult as defined in section 626.5572, subdivision 21.

102.8       **EFFECTIVE DATE.** This section is effective July 1, 2026, or upon federal approval,  
102.9 whichever is later. The commissioner of human services shall notify the revisor of statutes  
102.10 when federal approval is obtained.

102.11      Sec. 25. Minnesota Statutes 2024, section 245G.11, subdivision 6, is amended to read:

102.12       **Subd. 6. Paraprofessionals.** A paraprofessional must have knowledge of client rights,  
102.13 according to section 148F.165, and staff member responsibilities. A paraprofessional may  
102.14 not make decisions to admit, transfer, or discharge a client but may perform tasks related  
102.15 to intake and orientation. A paraprofessional may be the responsible for the delivery of  
102.16 treatment service staff member according to section 245G.10, subdivision 3. A  
102.17 paraprofessional must not provide a treatment service unless qualified to do so according  
102.18 to section 245G.07, subdivision 3.

102.19       **EFFECTIVE DATE.** This section is effective July 1, 2026, or upon federal approval,  
102.20 whichever is later. The commissioner of human services shall notify the revisor of statutes  
102.21 when federal approval is obtained.

102.22      Sec. 26. Minnesota Statutes 2024, section 245G.11, is amended by adding a subdivision  
102.23 to read:

102.24       **Subd. 12. Behavioral health practitioners.** (a) A behavioral health practitioner must  
102.25 meet the qualifications in section 245I.04, subdivision 4.

102.26       (b) A behavioral health practitioner working within a substance use disorder treatment  
102.27 program licensed under this chapter has the following scope of practice:

102.28       (1) a behavioral health practitioner may provide clients with recovery support services,  
102.29 as defined in section 245G.07, subdivision 2a, paragraph (b), clause (1); and

102.30       (2) a behavioral health practitioner must not provide treatment supervision to other staff  
102.31 persons.

103.1        (c) A behavioral health practitioner working within a substance use disorder treatment  
103.2        program licensed under this chapter must receive at least one hour of supervision per month  
103.3        on individual service delivery from an alcohol and drug counselor or a mental health  
103.4        professional who has substance use treatment and assessments within the scope of their  
103.5        practice.

103.6        **EFFECTIVE DATE.** This section is effective July 1, 2026, or upon federal approval,  
103.7        whichever is later. The commissioner of human services shall notify the revisor of statutes  
103.8        when federal approval is obtained.

103.9        Sec. 27. Minnesota Statutes 2024, section 245G.22, subdivision 11, is amended to read:

103.10       **Subd. 11. Waiting list.** An opioid treatment program must have a waiting list system.  
103.11       If the person seeking admission cannot be admitted within 14 days of the date of application,  
103.12       each person seeking admission must be placed on the waiting list, unless the person seeking  
103.13       admission is assessed by the program and found ineligible for admission according to this  
103.14       chapter and Code of Federal Regulations, title 42, part 1, subchapter A, section 8.12 (e),  
103.15       and title 45, parts 160 to 164. The waiting list must assign a unique client identifier for each  
103.16       person seeking treatment while awaiting admission. A person seeking admission on a waiting  
103.17       list who receives no services under section 245G.07, subdivision ~~1~~1a or 1b, must not be  
103.18       considered a client as defined in section 245G.01, subdivision 9.

103.19       **EFFECTIVE DATE.** This section is effective July 1, 2026, or upon federal approval,  
103.20       whichever is later. The commissioner of human services shall notify the revisor of statutes  
103.21       when federal approval is obtained.

103.22       Sec. 28. Minnesota Statutes 2024, section 245G.22, subdivision 15, is amended to read:

103.23       **Subd. 15. Nonmedication treatment services; documentation.** (a) The program must  
103.24       offer at least ~~50 consecutive minutes~~ four units of individual or group therapy treatment  
103.25       services as defined in section 245G.07, subdivision ~~1~~1a, paragraph (a) 1a, clause (1), per week,  
103.26       for the first ten weeks following the day of service initiation, and at least ~~50 consecutive~~  
103.27       ~~minutes~~ four units per month thereafter. ~~As clinically appropriate, the program may offer~~  
103.28       ~~these services cumulatively and not consecutively in increments of no less than 15 minutes~~  
103.29       ~~over the required time period, and for a total of 60 minutes of treatment services over the~~  
103.30       ~~time period, and must document the reason for providing services cumulatively in the client's~~  
103.31       ~~record.~~ The program may offer additional levels of service when deemed clinically necessary.

103.32       (b) Notwithstanding the requirements of comprehensive assessments in section 245G.05,  
103.33       the assessment must be completed within 21 days from the day of service initiation.

104.1        **EFFECTIVE DATE.** This section is effective July 1, 2026, or upon federal approval,  
104.2        whichever is later. The commissioner of human services shall notify the revisor of statutes  
104.3        when federal approval is obtained.

104.4        Sec. 29. Minnesota Statutes 2024, section 254A.19, subdivision 4, is amended to read:

104.5        Subd. 4. **Civil commitments.** For the purposes of determining level of care, a  
104.6        comprehensive assessment does not need to be completed for an individual being committed  
104.7        as a chemically dependent person, as defined in section 253B.02, and for the duration of a  
104.8        civil commitment under section 253B.09 or 253B.095 in order for ~~a county~~ the individual  
104.9        to ~~access~~ be eligible for the behavioral health fund under section 254B.04. The ~~county~~  
104.10       commissioner must determine if the individual meets the financial eligibility requirements  
104.11       for the behavioral health fund under section 254B.04.

104.12       **EFFECTIVE DATE.** This section is effective July 1, 2026.

104.13       Sec. 30. Minnesota Statutes 2024, section 254B.01, subdivision 10, is amended to read:

104.14       Subd. 10. **Skilled Psychosocial treatment services.** "Skilled Psychosocial treatment  
104.15       services" includes the treatment services described in section 245G.07, ~~subdivisions 1,~~  
104.16       ~~paragraph (a), clauses (1) to (4), and 2, clauses (1) to (6).~~ Skilled subdivision 1a. **Psychosocial**  
104.17       treatment services must be provided by qualified professionals as identified in section  
104.18       245G.07, subdivision 3, paragraph (b).

104.19       **EFFECTIVE DATE.** This section is effective July 1, 2026, or upon federal approval,  
104.20       whichever is later. The commissioner of human services shall notify the revisor of statutes  
104.21       when federal approval is obtained.

104.22       Sec. 31. Minnesota Statutes 2024, section 254B.01, subdivision 11, is amended to read:

104.23       Subd. 11. **Sober home Recovery residence.** A ~~sober home~~ recovery residence is a  
104.24       cooperative living residence, a room and board residence, an apartment, or any other living  
104.25       accommodation that:

104.26       (1) provides temporary housing to persons with substance use disorders;

104.27       (2) stipulates that residents must abstain from using alcohol or other illicit drugs or  
104.28       substances not prescribed by a physician;

104.29       (3) charges a fee for living there;

104.30       (4) does not provide counseling or treatment services to residents;

105.1        (5) promotes sustained recovery from substance use disorders; and  
105.2        (6) follows the sober living guidelines published by the federal Substance Abuse and  
105.3        Mental Health Services Administration.

105.4        **EFFECTIVE DATE.** This section is effective January 1, 2027.

105.5        Sec. 32. Minnesota Statutes 2024, section 254B.02, subdivision 5, is amended to read:

105.6        Subd. 5. **Local agency Tribal allocation.** The commissioner may make payments to  
105.7 ~~local agencies~~ Tribal Nation servicing agencies from money allocated under this section to  
105.8 support individuals with substance use disorders and determine eligibility for behavioral  
105.9 health fund payments. The payment must not be less than 133 percent of the ~~local agency~~  
105.10 Tribal Nations payment for the fiscal year ending June 30, 2009, adjusted in proportion to  
105.11 the statewide change in the appropriation for this chapter.

105.12        **EFFECTIVE DATE.** This section is effective July 1, 2026.

105.13        Sec. 33. Minnesota Statutes 2024, section 254B.03, subdivision 1, is amended to read:

105.14        Subdivision 1. **Local agency duties Financial eligibility determinations.** (a) ~~Every~~  
105.15 ~~local agency~~ The commissioner of human services or Tribal Nation servicing agencies must  
105.16 determine financial eligibility for substance use disorder services and provide substance  
105.17 use disorder services to persons residing within its jurisdiction who meet criteria established  
105.18 by the commissioner. Substance use disorder money must be administered by the local  
105.19 agencies according to law and rules adopted by the commissioner under sections 14.001 to  
105.20 14.69.

105.21        (b) In order to contain costs, the commissioner of human services shall select eligible  
105.22 vendors of substance use disorder services who can provide economical and appropriate  
105.23 treatment. ~~Unless the local agency is a social services department directly administered by~~  
105.24 ~~a county or human services board, the local agency shall not be an eligible vendor under~~  
105.25 ~~section 254B.05.~~ The commissioner may approve proposals from county boards to provide  
105.26 services in an economical manner or to control utilization, with safeguards to ensure that  
105.27 necessary services are provided. If a county implements a demonstration or experimental  
105.28 medical services funding plan, the commissioner shall transfer the money as appropriate.

105.29        (c) An individual may choose to obtain a comprehensive assessment as provided in  
105.30 section 245G.05. Individuals obtaining a comprehensive assessment may access any enrolled  
105.31 provider that is licensed to provide the level of service authorized pursuant to section

106.1 254A.19, subdivision 3. If the individual is enrolled in a prepaid health plan, the individual  
106.2 must comply with any provider network requirements or limitations.

106.3 ~~(d) Beginning July 1, 2022, local agencies shall not make placement location~~  
106.4 ~~determinations.~~

106.5 **EFFECTIVE DATE.** This section is effective July 1, 2026.

106.6 Sec. 34. Minnesota Statutes 2024, section 254B.03, subdivision 3, is amended to read:

106.7 Subd. 3. **Local agencies Counties to pay state for county share.** ~~Local agencies~~  
106.8 ~~Counties~~ shall pay the state for the county share of the services authorized by the ~~local~~  
106.9 ~~agency commissioner~~, except when the payment is made according to section 254B.09,  
106.10 subdivision 8.

106.11 **EFFECTIVE DATE.** This section is effective July 1, 2026.

106.12 Sec. 35. Minnesota Statutes 2024, section 254B.03, subdivision 4, is amended to read:

106.13 Subd. 4. **Division of costs.** (a) Except for services provided by a county under section  
106.14 254B.09, subdivision 1, or services provided under section 256B.69, the county shall, out  
106.15 of local money, pay the state for ~~22.95~~ 50 percent of the cost of substance use disorder  
106.16 services, except for ~~those~~ individuals living in carceral settings. The county shall pay the  
106.17 state 22.95 percent of the cost of substance use disorder services for individuals in carceral  
106.18 settings. Services provided to persons enrolled in medical assistance under chapter 256B  
106.19 and room and board services under section 254B.05, subdivision 5, paragraph (b), are  
106.20 exempted from county contributions. Counties may use the indigent hospitalization levy  
106.21 for treatment and hospital payments made under this section.

106.22 (b) ~~22.95~~ 50 percent of any state collections from private or third-party pay, less 15  
106.23 percent for the cost of payment and collections, must be distributed to the county that paid  
106.24 for a portion of the treatment under this section.

106.25 **EFFECTIVE DATE.** This section is effective January 1, 2026.

106.26 Sec. 36. Minnesota Statutes 2024, section 254B.04, subdivision 1a, is amended to read:

106.27 Subd. 1a. **Client eligibility.** (a) Persons eligible for benefits under Code of Federal  
106.28 Regulations, title 25, part 20, who meet the income standards of section 256B.056,  
106.29 subdivision 4, and are not enrolled in medical assistance, are entitled to behavioral health  
106.30 fund services. State money appropriated for this paragraph must be placed in a separate  
106.31 account established for this purpose.

107.1        (b) Persons with dependent children who are determined to be in need of substance use  
107.2 disorder treatment pursuant to an assessment under section 260E.20, subdivision 1, or in  
107.3 need of chemical dependency treatment pursuant to a case plan under section 260C.201,  
107.4 subdivision 6, or 260C.212, shall be assisted by the ~~local agency~~ commissioner to access  
107.5 needed treatment services. Treatment services must be appropriate for the individual or  
107.6 family, which may include long-term care treatment or treatment in a facility that allows  
107.7 the dependent children to stay in the treatment facility. The county shall pay for out-of-home  
107.8 placement costs, if applicable.

107.9        (c) Notwithstanding paragraph (a), any person enrolled in medical assistance or  
107.10 MinnesotaCare is eligible for room and board services under section 254B.05, subdivision  
107.11 5, paragraph (b), clause (9).

107.12        (d) A client is eligible to have substance use disorder treatment paid for with funds from  
107.13 the behavioral health fund when the client:

107.14        (1) is eligible for MFIP as determined under chapter 142G;

107.15        (2) is eligible for medical assistance as determined under Minnesota Rules, parts  
107.16 9505.0010 to 9505.0150 9505.140;

107.17        (3) is eligible for general assistance, general assistance medical care, or work readiness  
107.18 as determined under Minnesota Rules, parts 9500.1200 to 9500.1318 9500.1272; or

107.19        (4) has income that is within current household size and income guidelines for entitled  
107.20 persons, as defined in this subdivision and subdivision 7.

107.21        (e) Clients who meet the financial eligibility requirement in paragraph (a) and who have  
107.22 a third-party payment source are eligible for the behavioral health fund if the third-party  
107.23 payment source pays less than 100 percent of the cost of treatment services for eligible  
107.24 clients.

107.25        (f) A client is ineligible to have substance use disorder treatment services paid for with  
107.26 behavioral health fund money if the client:

107.27        (1) has an income that exceeds current household size and income guidelines for entitled  
107.28 persons as defined in this subdivision and subdivision 7; or

107.29        (2) has an available third-party payment source that will pay the total cost of the client's  
107.30 treatment.

107.31        (g) A client who is disenrolled from a state prepaid health plan during a treatment episode  
107.32 is eligible for continued treatment service that is paid for by the behavioral health fund until

108.1 the treatment episode is completed or the client is re-enrolled in a state prepaid health plan  
108.2 if the client:

108.3 (1) continues to be enrolled in MinnesotaCare, medical assistance, or general assistance  
108.4 medical care; or

108.5 (2) is eligible according to paragraphs (a) and (b) and is determined eligible by a local  
108.6 agency the commissioner under section 254B.04.

108.7 (h) When a county commits a client under chapter 253B to a regional treatment center  
108.8 for substance use disorder services and the client is ineligible for the behavioral health fund,  
108.9 the county is responsible for the payment to the regional treatment center according to  
108.10 section 254B.05, subdivision 4.

108.11 (i) Persons enrolled in MinnesotaCare are eligible for room and board services when  
108.12 provided through intensive residential treatment services and residential crisis services under  
108.13 section 256B.0622.

108.14 (j) A person is eligible for one 60-consecutive-calendar-day period per year. A person  
108.15 may submit a request for additional eligibility to the commissioner. A person denied  
108.16 additional eligibility under this paragraph may request a state agency hearing under section  
108.17 256.045.

108.18 **EFFECTIVE DATE.** Paragraph (d) is effective July 1, 2025. Paragraphs (b), (g), and  
108.19 (j) are effective July 1, 2026.

108.20 Sec. 37. Minnesota Statutes 2024, section 254B.04, subdivision 5, is amended to read:

108.21 Subd. 5. Local agency Commissioner responsibility to provide administrative  
108.22 services. The local agency commissioner of human services may employ individuals to  
108.23 conduct administrative activities and facilitate access to substance use disorder treatment  
108.24 services.

108.25 **EFFECTIVE DATE.** This section is effective July 1, 2026.

108.26 Sec. 38. Minnesota Statutes 2024, section 254B.04, subdivision 6, is amended to read:

108.27 Subd. 6. Local agency Commissioner to determine client financial eligibility. (a)  
108.28 The local agency commissioner shall determine a client's financial eligibility for the  
108.29 behavioral health fund according to section 254B.04, subdivision 1a, with the income  
108.30 calculated prospectively for one year from the date of request. The local agency commissioner  
108.31 shall pay for eligible clients according to chapter 256G. Client eligibility must be determined

109.1 using only forms prescribed by the commissioner ~~unless the local agency has a reasonable~~  
109.2 basis for believing that the information submitted on a form is false. To determine a client's  
109.3 eligibility, the ~~local agency~~ commissioner must determine the client's income, the size of  
109.4 the client's household, the availability of a third-party payment source, and a responsible  
109.5 relative's ability to pay for the client's substance use disorder treatment.

109.6 (b) A client who is a minor child must not be deemed to have income available to pay  
109.7 for substance use disorder treatment, unless the minor child is responsible for payment under  
109.8 section 144.347 for substance use disorder treatment services sought under section 144.343,  
109.9 subdivision 1.

109.10 (c) The ~~local agency~~ commissioner must determine the client's household size as follows:

109.11 (1) if the client is a minor child, the household size includes the following persons living  
109.12 in the same dwelling unit:

109.13 (i) the client;  
109.14 (ii) the client's birth or adoptive parents; and  
109.15 (iii) the client's siblings who are minors; and

109.16 (2) if the client is an adult, the household size includes the following persons living in  
109.17 the same dwelling unit:

109.18 (i) the client;  
109.19 (ii) the client's spouse;  
109.20 (iii) the client's minor children; and  
109.21 (iv) the client's spouse's minor children.

109.22 For purposes of this paragraph, household size includes a person listed in clauses (1) and  
109.23 (2) who is in an out-of-home placement if a person listed in clause (1) or (2) is contributing  
109.24 to the cost of care of the person in out-of-home placement.

109.25 (d) The ~~local agency~~ commissioner must determine the client's current prepaid health  
109.26 plan enrollment, the availability of a third-party payment source, including the availability  
109.27 of total payment, partial payment, and amount of co-payment.

109.28 (e) ~~The local agency must provide the required eligibility information to the department~~  
109.29 ~~in the manner specified by the department~~

109.30 (f) (e) The ~~local agency~~ commissioner shall require the client and policyholder to  
109.31 conditionally assign to the department the client and policyholder's rights and the rights of

110.1 minor children to benefits or services provided to the client if the department is required to  
110.2 collect from a third-party pay source.

110.3 ~~(g)~~ (f) The ~~local agency commissioner~~ must ~~redetermine~~ determine a client's eligibility  
110.4 for the behavioral health fund ~~every 12 months~~ for a 60-consecutive-calendar-day period  
110.5 per calendar year.

110.6 ~~(h)~~ (g) A client, responsible relative, and policyholder must provide income or wage  
110.7 verification, household size verification, and must make an assignment of third-party payment  
110.8 rights under paragraph ~~(f)~~ (e). If a client, responsible relative, or policyholder does not  
110.9 comply with the provisions of this subdivision, the client is ineligible for behavioral health  
110.10 fund payment for substance use disorder treatment, and the client and responsible relative  
110.11 must be obligated to pay for the full cost of substance use disorder treatment services  
110.12 provided to the client.

110.13 **EFFECTIVE DATE.** This section is effective July 1, 2026.

110.14 Sec. 39. Minnesota Statutes 2024, section 254B.04, subdivision 6a, is amended to read:

110.15 Subd. 6a. **Span of eligibility.** The ~~local agency commissioner~~ must enter the financial  
110.16 eligibility span within five business days of a request. If the comprehensive assessment is  
110.17 completed within the timelines required under chapter 245G, then the span of eligibility  
110.18 must begin on the date services were initiated. If the comprehensive assessment is not  
110.19 completed within the timelines required under chapter 245G, then the span of eligibility  
110.20 must begin on the date the comprehensive assessment was completed.

110.21 **EFFECTIVE DATE.** This section is effective July 1, 2026.

110.22 Sec. 40. Minnesota Statutes 2024, section 254B.05, subdivision 1, is amended to read:

110.23 Subdivision 1. **Licensure or certification required.** (a) Programs licensed by the  
110.24 commissioner are eligible vendors. Hospitals may apply for and receive licenses to be  
110.25 eligible vendors, notwithstanding the provisions of section 245A.03. American Indian  
110.26 programs that provide substance use disorder treatment, extended care, transitional residence,  
110.27 or outpatient treatment services, and are licensed by tribal government are eligible vendors.

110.28 (b) A licensed professional in private practice as defined in section 245G.01, subdivision  
110.29 17, who meets the requirements of section 245G.11, subdivisions 1 and 4, is an eligible  
110.30 vendor of a comprehensive assessment provided according to section 254A.19, subdivision  
110.31 3, and treatment services provided according to sections 245G.06 and 245G.07, ~~subdivision~~

111.1 ~~1, paragraphs (a), clauses (1) to (5), and (b); and subdivision 2, clauses (1) to (6). subdivisions~~  
111.2 1, 1a, and 1b.

111.3 (c) A county is an eligible vendor for a comprehensive assessment when provided by  
111.4 an individual who meets the staffing credentials of section 245G.11, subdivisions 1 and 5,  
111.5 and completed according to the requirements of section 254A.19, subdivision 3. A county  
111.6 is an eligible vendor of ~~care treatment~~ coordination services when provided by an individual  
111.7 who meets the staffing credentials of section 245G.11, subdivisions 1 and 7, and provided  
111.8 according to the requirements of section 245G.07, subdivision ~~1, paragraph (a), clause (5)~~  
111.9 1b. A county is an eligible vendor of peer recovery services when the services are provided  
111.10 by an individual who meets the requirements of section 245G.11, subdivision 8, and  
111.11 according to section 254B.052.

111.12 (d) A recovery community organization that meets the requirements of clauses (1) to  
111.13 (14), complies with the training requirements in section 254B.052, subdivision 4, and meets  
111.14 certification or accreditation requirements of the Alliance for Recovery Centered  
111.15 Organizations, the Council on Accreditation of Peer Recovery Support Services, or a  
111.16 Minnesota statewide recovery organization identified by the commissioner is an eligible  
111.17 vendor of peer recovery support services. A Minnesota statewide recovery organization  
111.18 identified by the commissioner must update recovery community organization applicants  
111.19 for certification or accreditation on the status of the application within 45 days of receipt.  
111.20 If the approved statewide recovery organization denies an application, it must provide a  
111.21 written explanation for the denial to the recovery community organization. Eligible vendors  
111.22 under this paragraph must:

111.23 (1) be nonprofit organizations under section 501(c)(3) of the Internal Revenue Code, be  
111.24 free from conflicting self-interests, and be autonomous in decision-making, program  
111.25 development, peer recovery support services provided, and advocacy efforts for the purpose  
111.26 of supporting the recovery community organization's mission;

111.27 (2) be led and governed by individuals in the recovery community, with more than 50  
111.28 percent of the board of directors or advisory board members self-identifying as people in  
111.29 personal recovery from substance use disorders;

111.30 (3) have a mission statement and conduct corresponding activities indicating that the  
111.31 organization's primary purpose is to support recovery from substance use disorder;

111.32 (4) demonstrate ongoing community engagement with the identified primary region and  
111.33 population served by the organization, including individuals in recovery and their families,  
111.34 friends, and recovery allies;

112.1       (5) be accountable to the recovery community through documented priority-setting and  
112.2       participatory decision-making processes that promote the engagement of, and consultation  
112.3       with, people in recovery and their families, friends, and recovery allies;

112.4       (6) provide nonclinical peer recovery support services, including but not limited to  
112.5       recovery support groups, recovery coaching, telephone recovery support, skill-building,  
112.6       and harm-reduction activities, and provide recovery public education and advocacy;

112.7       (7) have written policies that allow for and support opportunities for all paths toward  
112.8       recovery and refrain from excluding anyone based on their chosen recovery path, which  
112.9       may include but is not limited to harm reduction paths, faith-based paths, and nonfaith-based  
112.10      paths;

112.11      (8) maintain organizational practices to meet the needs of Black, Indigenous, and people  
112.12      of color communities, LGBTQ+ communities, and other underrepresented or marginalized  
112.13      communities. Organizational practices may include board and staff training, service offerings,  
112.14      advocacy efforts, and culturally informed outreach and services;

112.15      (9) use recovery-friendly language in all media and written materials that is supportive  
112.16      of and promotes recovery across diverse geographical and cultural contexts and reduces  
112.17      stigma;

112.18      (10) establish and maintain a publicly available recovery community organization code  
112.19      of ethics and grievance policy and procedures;

112.20      (11) not classify or treat any recovery peer hired on or after July 1, 2024, as an  
112.21      independent contractor;

112.22      (12) not classify or treat any recovery peer as an independent contractor on or after  
112.23      January 1, 2025;

112.24      (13) provide an orientation for recovery peers that includes an overview of the consumer  
112.25      advocacy services provided by the Ombudsman for Mental Health and Developmental  
112.26      Disabilities and other relevant advocacy services; and

112.27      (14) provide notice to peer recovery support services participants that includes the  
112.28      following statement: "If you have a complaint about the provider or the person providing  
112.29      your peer recovery support services, you may contact the Minnesota Alliance of Recovery  
112.30      Community Organizations. You may also contact the Office of Ombudsman for Mental  
112.31      Health and Developmental Disabilities." The statement must also include:

113.1 (i) the telephone number, website address, email address, and mailing address of the  
113.2 Minnesota Alliance of Recovery Community Organizations and the Office of Ombudsman  
113.3 for Mental Health and Developmental Disabilities;

113.4 (ii) the recovery community organization's name, address, email, telephone number, and  
113.5 name or title of the person at the recovery community organization to whom problems or  
113.6 complaints may be directed; and

113.7 (iii) a statement that the recovery community organization will not retaliate against a  
113.8 peer recovery support services participant because of a complaint.

113.9 (e) A recovery community organization approved by the commissioner before June 30,  
113.10 2023, must have begun the application process as required by an approved certifying or  
113.11 accrediting entity and have begun the process to meet the requirements under paragraph (d)  
113.12 by September 1, 2024, in order to be considered as an eligible vendor of peer recovery  
113.13 support services.

113.14 (f) A recovery community organization that is aggrieved by an accreditation, certification,  
113.15 or membership determination and believes it meets the requirements under paragraph (d)  
113.16 may appeal the determination under section 256.045, subdivision 3, paragraph (a), clause  
113.17 (14), for reconsideration as an eligible vendor. If the human services judge determines that  
113.18 the recovery community organization meets the requirements under paragraph (d), the  
113.19 recovery community organization is an eligible vendor of peer recovery support services.

113.20 (g) All recovery community organizations must be certified or accredited by an entity  
113.21 listed in paragraph (d) by June 30, 2025.

113.22 (h) Detoxification programs licensed under Minnesota Rules, parts 9530.6510 to  
113.23 9530.6590, are not eligible vendors. Programs that are not licensed as a residential or  
113.24 nonresidential substance use disorder treatment or withdrawal management program by the  
113.25 commissioner or by tribal government or do not meet the requirements of subdivisions 1a  
113.26 and 1b are not eligible vendors.

113.27 (i) Hospitals, federally qualified health centers, and rural health clinics are eligible  
113.28 vendors of a comprehensive assessment when the comprehensive assessment is completed  
113.29 according to section 254A.19, subdivision 3, and by an individual who meets the criteria  
113.30 of an alcohol and drug counselor according to section 245G.11, subdivision 5. The alcohol  
113.31 and drug counselor must be individually enrolled with the commissioner and reported on  
113.32 the claim as the individual who provided the service.

114.1 (j) Any complaints about a recovery community organization or peer recovery support  
114.2 services may be made to and reviewed or investigated by the ombudsperson for behavioral  
114.3 health and developmental disabilities under sections 245.91 and 245.94.

114.4 **EFFECTIVE DATE.** This section is effective July 1, 2026, or upon federal approval,  
114.5 whichever is later. The commissioner of human services shall notify the revisor of statutes  
114.6 when federal approval is obtained.

114.7 Sec. 41. Minnesota Statutes 2024, section 254B.05, subdivision 1a, is amended to read:

114.8 **Subd. 1a. Room and board provider requirements.** (a) Vendors of room and board  
114.9 are eligible for behavioral health fund payment if the vendor:

114.10 (1) has rules prohibiting residents bringing chemicals into the facility or using chemicals  
114.11 while residing in the facility and provide consequences for infractions of those rules;

114.12 (2) is determined to meet applicable health and safety requirements;

114.13 (3) is not a jail or prison;

114.14 (4) is not concurrently receiving funds under chapter 256I for the recipient;

114.15 (5) admits individuals who are 18 years of age or older;

114.16 (6) is registered as a board and lodging or lodging establishment according to section  
114.17 157.17;

114.18 (7) has awake staff on site whenever a client is present;

114.19 (8) has staff who are at least 18 years of age and meet the requirements of section  
114.20 245G.11, subdivision 1, paragraph (b);

114.21 (9) has emergency behavioral procedures that meet the requirements of section 245G.16;

114.22 (10) meets the requirements of section 245G.08, subdivision 5, if administering  
114.23 medications to clients;

114.24 (11) meets the abuse prevention requirements of section 245A.65, including a policy on  
114.25 fraternization and the mandatory reporting requirements of section 626.557;

114.26 (12) documents coordination with the treatment provider to ensure compliance with  
114.27 section 254B.03, subdivision 2;

114.28 (13) protects client funds and ensures freedom from exploitation by meeting the  
114.29 provisions of section 245A.04, subdivision 13;

115.1        (14) has a grievance procedure that meets the requirements of section 245G.15,  
115.2 subdivision 2; and

115.3        (15) has sleeping and bathroom facilities for men and women separated by a door that  
115.4 is locked, has an alarm, or is supervised by awake staff.

115.5        (b) Programs licensed according to Minnesota Rules, chapter 2960, are exempt from  
115.6 paragraph (a), clauses (5) to (15).

115.7        (c) Programs providing children's mental health crisis admissions and stabilization under  
115.8 section 245.4882, subdivision 6, are eligible vendors of room and board.

115.9        (d) Programs providing children's residential services under section 245.4882, except  
115.10 services for individuals who have a placement under chapter 260C or 260D, are eligible  
115.11 vendors of room and board.

115.12        (e) Licensed programs providing intensive residential treatment services or residential  
115.13 crisis stabilization services pursuant to section 256B.0622 or 256B.0624 are eligible vendors  
115.14 of room and board and are exempt from paragraph (a), clauses (6) to (15).

115.15        (f) A vendor that is not licensed as a residential treatment program must have a policy  
115.16 to address staffing coverage when a client may unexpectedly need to be present at the room  
115.17 and board site.

115.18        (g) No new vendors for room and board services may be approved after June 30, 2025,  
115.19 to receive payments from the behavioral health fund, under the provisions of section 254B.04,  
115.20 subdivision 2a. Room and board vendors that were approved and operating prior to July 1,  
115.21 2025, may continue to receive payments from the behavioral health fund for services provided  
115.22 until June 30, 2027. Room and board vendors providing services in accordance with section  
115.23 254B.04, subdivision 2a, will no longer be eligible to claim reimbursement for room and  
115.24 board services provided on or after July 1, 2027.

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

115.26        Sec. 42. Minnesota Statutes 2024, section 254B.05, subdivision 5, is amended to read:

115.27        **Subd. 5. Rate requirements.** (a) Subject to the requirements of subdivision 6, the  
115.28 commissioner shall establish rates for the following substance use disorder treatment services  
115.29 and service enhancements funded under this chapter:.

115.30        **(b) Eligible substance use disorder treatment services include:**

115.31        (1) those licensed, as applicable, according to chapter 245G or applicable Tribal license  
115.32 and provided according to the following ASAM levels of care:

116.1 (i) ASAM level 0.5 early intervention services provided according to section 254B.19,  
116.2 subdivision 1, clause (1);

116.3 (ii) ASAM level 1.0 outpatient services provided according to section 254B.19,  
116.4 subdivision 1, clause (2);

116.5 (iii) ASAM level 2.1 intensive outpatient services provided according to section 254B.19,  
116.6 subdivision 1, clause (3);

116.7 (iv) ASAM level 2.5 partial hospitalization services provided according to section  
116.8 254B.19, subdivision 1, clause (4);

116.9 (v) ASAM level 3.1 clinically managed low-intensity residential services provided  
116.10 according to section 254B.19, subdivision 1, clause (5). ~~The commissioner shall use the~~  
116.11 ~~base payment rate of \$79.84 per day for services provided under this item;~~

116.12 (vi) ASAM level 3.1 clinically managed low-intensity residential services provided  
116.13 according to section 254B.19, subdivision 1, clause (5), at 15 or more hours of skilled  
116.14 treatment services each week. ~~The commissioner shall use the base payment rate of \$166.13~~  
116.15 ~~per day for services provided under this item;~~

116.16 (vii) ASAM level 3.3 clinically managed population-specific high-intensity residential  
116.17 services provided according to section 254B.19, subdivision 1, clause (6). ~~The commissioner~~  
116.18 ~~shall use the specified base payment rate of \$224.06 per day for services provided under~~  
116.19 ~~this item; and~~

116.20 (viii) ASAM level 3.5 clinically managed high-intensity residential services provided  
116.21 according to section 254B.19, subdivision 1, clause (7). ~~The commissioner shall use the~~  
116.22 ~~specified base payment rate of \$224.06 per day for services provided under this item;~~

116.23 (2) comprehensive assessments provided according to section 254A.19, subdivision 3;

116.24 (3) treatment coordination services provided according to section 245G.07, subdivision  
116.25 1, paragraph (a), clause (5);

116.26 (4) peer recovery support services provided according to section 245G.07, subdivision  
116.27 2, clause (8);

116.28 (5) withdrawal management services provided according to chapter 245F;

116.29 (6) hospital-based treatment services that are licensed according to sections 245G.01 to  
116.30 245G.17 or applicable Tribal license and licensed as a hospital under sections 144.50 to  
116.31 144.56;

117.1       (7) substance use disorder treatment services with medications for opioid use disorder  
117.2       provided in an opioid treatment program licensed according to sections 245G.01 to 245G.17  
117.3       and 245G.22, or under an applicable Tribal license;

117.4       (8) medium-intensity residential treatment services that provide 15 hours of skilled  
117.5       treatment services each week and are licensed according to sections 245G.01 to 245G.17  
117.6       and 245G.21 or applicable Tribal license;

117.7       (9) adolescent treatment programs that are licensed as outpatient treatment programs  
117.8       according to sections 245G.01 to 245G.18 or as residential treatment programs according  
117.9       to Minnesota Rules, parts 2960.0010 to 2960.0220, and 2960.0430 to 2960.0490, or  
117.10       applicable Tribal license;

117.11       (10) ASAM 3.5 clinically managed high-intensity residential services that are licensed  
117.12       according to sections 245G.01 to 245G.17 and 245G.21 or applicable Tribal license, which  
117.13       provide ASAM level of care 3.5 according to section 254B.19, subdivision 1, clause (7),  
117.14       and are provided by a state-operated vendor or to clients who have been civilly committed  
117.15       to the commissioner, present the most complex and difficult care needs, and are a potential  
117.16       threat to the community; and

117.17       (11) room and board facilities that meet the requirements of subdivision 1a.

117.18       ~~(e)~~ (b) The commissioner shall establish higher rates for programs that meet the  
117.19       requirements of paragraph ~~(b)~~ (a) and ~~one of the following additional requirements: the~~  
117.20       requirements of one clause in this paragraph.

117.21       (1) Programs that serve parents with their children are eligible for an enhanced payment  
117.22       rate if the program:

117.23       (i) provides on-site child care during the hours of treatment activity that:

117.24       (A) is licensed under chapter 245A as a child care center under Minnesota Rules, chapter  
117.25       9503; or

117.26       (B) is licensed under chapter 245A and sections 245G.01 to 245G.19; or

117.27       (ii) arranges for off-site child care during hours of treatment activity at a facility that is  
117.28       licensed under chapter 245A as:

117.29       (A) a child care center under Minnesota Rules, chapter 9503; or

117.30       (B) a family child care home under Minnesota Rules, chapter 9502;

117.31       In order to be eligible for a higher rate under this clause, a program that provides  
117.32       arrangements for off-site child care must maintain current documentation at the substance

118.1 use disorder facility of the child care provider's current licensure to provide child care  
118.2 services.

118.3 (2) Culturally specific or culturally responsive programs as defined in section 254B.01,  
118.4 subdivision 4a;, are eligible for an enhanced payment rate.

118.5 (3) Disability responsive programs as defined in section 254B.01, subdivision 4b;, are  
118.6 eligible for an enhanced payment rate.

118.7 (4) Programs that offer medical services delivered by appropriately credentialed health  
118.8 care staff in an amount equal to one hour per client per week are eligible for an enhanced  
118.9 payment rate if the medical needs of the client and the nature and provision of any medical  
118.10 services provided are documented in the client file; or

118.11 (5) Programs that offer services to individuals with co-occurring mental health and  
118.12 substance use disorder problems are eligible for an enhanced payment rate if:

118.13 (i) the program meets the co-occurring requirements in section 245G.20;

118.14 (ii) the program employs a mental health professional as defined in section 245I.04,  
118.15 subdivision 2;

118.16 (iii) clients scoring positive on a standardized mental health screen receive a mental  
118.17 health diagnostic assessment within ten days of admission;

118.18 (iv) the program has standards for multidisciplinary case review that include a monthly  
118.19 review for each client that, at a minimum, includes a licensed mental health professional  
118.20 and licensed alcohol and drug counselor, and their involvement in the review is documented;

118.21 (v) family education is offered that addresses mental health and substance use disorder  
118.22 and the interaction between the two; and

118.23 (vi) co-occurring counseling staff shall receive eight hours of co-occurring disorder  
118.24 training annually.

118.25 ~~(d) In order to be eligible for a higher rate under paragraph (c), clause (1), a program~~  
118.26 ~~that provides arrangements for off-site child care must maintain current documentation at~~  
118.27 ~~the substance use disorder facility of the child care provider's current licensure to provide~~  
118.28 ~~child care services.~~

118.29 (e) Adolescent residential programs that meet the requirements of Minnesota Rules, parts  
118.30 2960.0430 to 2960.0490 and 2960.0580 to 2960.0690, are exempt from the requirements  
118.31 in paragraph (c), clause (5), items (i) to (iv).

119.1        ~~(f)~~ (c) Substance use disorder services that are otherwise covered as direct face-to-face  
119.2        services may be provided via telehealth as defined in section 256B.0625, subdivision 3b.  
119.3        The use of telehealth to deliver services must be medically appropriate to the condition and  
119.4        needs of the person being served. Reimbursement shall be at the same rates and under the  
119.5        same conditions that would otherwise apply to direct face-to-face services.

119.6        ~~(g)~~ (d) For the purpose of reimbursement under this section, substance use disorder  
119.7        treatment services provided in a group setting without a group participant maximum or  
119.8        maximum client to staff ratio under chapter 245G shall not exceed a client to staff ratio of  
119.9        48 to one. At least one of the attending staff must meet the qualifications as established  
119.10        under this chapter for the type of treatment service provided. A recovery peer may not be  
119.11        included as part of the staff ratio.

119.12        ~~(h)~~ (e) Payment for outpatient substance use disorder services that are licensed according  
119.13        to sections 245G.01 to 245G.17 is limited to six hours per day or 30 hours per week unless  
119.14        prior authorization of a greater number of hours is obtained from the commissioner.

119.15        ~~(i)~~ (f) Payment for substance use disorder services under this section must start from the  
119.16        day of service initiation, when the comprehensive assessment is completed within the  
119.17        required timelines.

119.18        ~~(j)~~ (g) A license holder that is unable to provide all residential treatment services because  
119.19        a client missed services remains eligible to bill for the client's intensity level of services  
119.20        under this paragraph if the license holder can document the reason the client missed services  
119.21        and the interventions done to address the client's absence.

119.22        ~~(k)~~ (h) Hours in a treatment week may be reduced in observance of federally recognized  
119.23        holidays.

119.24        ~~(l)~~ (i) Eligible vendors of peer recovery support services must:

119.25        (1) submit to a review by the commissioner of up to ten percent of all medical assistance  
119.26        and behavioral health fund claims to determine the medical necessity of peer recovery  
119.27        support services for entities billing for peer recovery support services individually and not  
119.28        receiving a daily rate; and

119.29        (2) limit an individual client to 14 hours per week for peer recovery support services  
119.30        from an individual provider of peer recovery support services.

119.31        ~~(m)~~ (j) Peer recovery support services not provided in accordance with section 254B.052  
119.32        are subject to monetary recovery under section 256B.064 as money improperly paid.

120.1 Sec. 43. Minnesota Statutes 2024, section 254B.05, is amended by adding a subdivision  
120.2 to read:

120.3 Subd. 6. Rate adjustments. (a) Effective for services provided on or after January 1,  
120.4 2026, the commissioner must implement the following base payment rates for substance  
120.5 use disorder treatment services under subdivision 5, paragraph (a):

120.6 (1) for low-intensity residential services, 100 percent of the modeled rate included in  
120.7 the final report required by Laws 2021, First Special Session chapter 7, article 17, section  
120.8 18;

120.9 (2) for high-intensity residential services, the rates in effect on December 31, 2025; and  
120.10 (3) for all other services not included in clause (1) or (2), 72 percent of the modeled rate  
120.11 included in the final report required by Laws 2021, First Special Session chapter 7, article  
120.12 17, section 18.

120.13 (b) Effective January 1, 2027, and annually thereafter, the commissioner of human  
120.14 services must adjust the payment rates under paragraph (a) according to the change from  
120.15 the midpoint of the previous rate year to the midpoint of the rate year for which the rate is  
120.16 being determined using the Centers for Medicare and Medicaid Services Medicare Economic  
120.17 Index as forecasted in the fourth quarter of the calendar year before the rate year.

120.18 (c) Notwithstanding paragraph (a), the commissioner must not implement a base payment  
120.19 rate for a substance use disorder treatment service that is lower than the rate in effect for  
120.20 the service on December 31, 2025.

120.21 Sec. 44. Minnesota Statutes 2024, section 254B.052, is amended by adding a subdivision  
120.22 to read:

120.23 Subd. 4. Recovery community organization vendor compliance training. (a) Effective  
120.24 January 1, 2027, in order to enroll as an eligible vendor of peer recovery support services,  
120.25 a recovery community organization must require all owners active in day-to-day management  
120.26 and operations of the organization and managerial and supervisory employees to complete  
120.27 compliance training before applying for enrollment and every three years thereafter.  
120.28 Mandatory compliance training format and content must be determined by the commissioner,  
120.29 and must include the following topics:

120.30 (1) state and federal program billing, documentation, and service delivery requirements;  
120.31 (2) eligible vendor enrollment requirements;  
120.32 (3) provider program integrity, including fraud prevention, fraud detection, and penalties;

121.1        (4) fair labor standards;

121.2        (5) workplace safety requirements; and

121.3        (6) recent changes in service requirements.

121.4        (b) Any new owners active in day-to-day management and operations of the organization

121.5        and managerial and supervisory employees must complete the training under this subdivision

121.6        in order to be employed by or conduct management and operations activities for the

121.7        organization. If the individual moves to another recovery community organization and

121.8        serves in a similar ownership or employment capacity, the individual is not required to

121.9        repeat the training required under this subdivision if the individual documents completion

121.10        of the training within the past three years.

121.11        (c) By July 1, 2026, the commissioner must make the training required under this

121.12        subdivision available in person, online, or by electronic remote connection.

121.13        (d) A recovery community organization enrolled as an eligible vendor before January

121.14        1, 2027, must document completion of the compliance training as required under this

121.15        subdivision by January 1, 2028, and every three years thereafter.

121.16        Sec. 45. Minnesota Statutes 2024, section 254B.06, subdivision 2, is amended to read:

121.17        Subd. 2. **Allocation of collections.** The commissioner shall allocate 77.05 50 percent

121.18        of patient payments and third-party payments to the special revenue account and 22.95 50

121.19        percent to the county financially responsible for the patient.

121.20        **EFFECTIVE DATE.** This section is effective January 1, 2026.

121.21        Sec. 46. Minnesota Statutes 2024, section 254B.09, subdivision 2, is amended to read:

121.22        Subd. 2. **American Indian agreements.** The commissioner may enter into agreements

121.23        with federally recognized Tribal units to pay for substance use disorder treatment services

121.24        provided under Laws 1986, chapter 394, sections 8 to 20. The agreements must clarify how

121.25        the governing body of the Tribal unit fulfills local agency the Tribal unit's responsibilities

121.26        regarding the form and manner of invoicing.

121.27        **EFFECTIVE DATE.** This section is effective July 1, 2026.

122.1 Sec. 47. Minnesota Statutes 2024, section 254B.19, subdivision 1, is amended to read:

122.2 Subdivision 1. **Level of care requirements.** (a) For each client assigned an ASAM level  
122.3 of care, eligible vendors must implement the standards set by the ASAM for the respective  
122.4 level of care. Additionally, vendors must meet the following requirements:

122.5 (1) For ASAM level 0.5 early intervention targeting individuals who are at risk of  
122.6 developing a substance-related problem but may not have a diagnosed substance use disorder,  
122.7 early intervention services may include individual or group counseling, treatment  
122.8 coordination, peer recovery support, screening brief intervention, and referral to treatment  
122.9 provided according to section 254A.03, subdivision 3, paragraph (c).

122.10 (2) For ASAM level 1.0 outpatient clients, adults must receive up to eight hours per  
122.11 week of skilled psychosocial treatment services and adolescents must receive up to five  
122.12 hours per week. Services must be licensed according to section 245G.20 and meet  
122.13 requirements under section 256B.0759. Peer recovery Ancillary services and treatment  
122.14 coordination may be provided beyond the hourly skilled psychosocial treatment service  
122.15 hours allowable per week.

122.16 (3) For ASAM level 2.1 intensive outpatient clients, adults must receive nine to 19 hours  
122.17 per week of skilled psychosocial treatment services and adolescents must receive six or  
122.18 more hours per week. Vendors must be licensed according to section 245G.20 and must  
122.19 meet requirements under section 256B.0759. Peer recovery Ancillary services and treatment  
122.20 coordination may be provided beyond the hourly skilled psychosocial treatment service  
122.21 hours allowable per week. If clinically indicated on the client's treatment plan, this service  
122.22 may be provided in conjunction with room and board according to section 254B.05,  
122.23 subdivision 1a.

122.24 (4) For ASAM level 2.5 partial hospitalization clients, adults must receive 20 hours or  
122.25 more of skilled psychosocial treatment services. Services must be licensed according to  
122.26 section 245G.20 ~~and must meet requirements under section 256B.0759~~. Level 2.5 is for  
122.27 clients who need daily monitoring in a structured setting, as directed by the individual  
122.28 treatment plan and in accordance with the limitations in section 254B.05, subdivision 5,  
122.29 paragraph (h). If clinically indicated on the client's treatment plan, this service may be  
122.30 provided in conjunction with room and board according to section 254B.05, subdivision  
122.31 1a.

122.32 (5) For ASAM level 3.1 clinically managed low-intensity residential clients, programs  
122.33 must provide at least 5 hours of skilled psychosocial treatment services per week according  
122.34 to each client's specific treatment schedule, as directed by the individual treatment plan.

123.1 Programs must be licensed according to section 245G.20 and must meet requirements under  
123.2 section 256B.0759.

123.3 (6) For ASAM level 3.3 clinically managed population-specific high-intensity residential  
123.4 clients, programs must be licensed according to section 245G.20 and must meet requirements  
123.5 under section 256B.0759. Programs must have 24-hour staffing coverage. Programs must  
123.6 be enrolled as a disability responsive program as described in section 254B.01, subdivision  
123.7 4b, and must specialize in serving persons with a traumatic brain injury or a cognitive  
123.8 impairment so significant, and the resulting level of impairment so great, that outpatient or  
123.9 other levels of residential care would not be feasible or effective. Programs must provide,  
123.10 at a minimum, daily skilled psychosocial treatment services seven days a week according  
123.11 to each client's specific treatment schedule, as directed by the individual treatment plan.

123.12 (7) For ASAM level 3.5 clinically managed high-intensity residential clients, services  
123.13 must be licensed according to section 245G.20 and must meet requirements under section  
123.14 256B.0759. Programs must have 24-hour staffing coverage and provide, at a minimum,  
123.15 daily skilled psychosocial treatment services seven days a week according to each client's  
123.16 specific treatment schedule, as directed by the individual treatment plan.

123.17 (8) For ASAM level withdrawal management 3.2 clinically managed clients, withdrawal  
123.18 management must be provided according to chapter 245F.

123.19 (9) For ASAM level withdrawal management 3.7 medically monitored clients, withdrawal  
123.20 management must be provided according to chapter 245F.

123.21 (b) Notwithstanding the minimum daily skilled psychosocial treatment service  
123.22 requirements under paragraph (a), clauses (6) and (7), ASAM level 3.3 and 3.5 vendors  
123.23 must provide each client at least 30 hours of treatment services per week for the period  
123.24 between January 1, 2024, through June 30, 2024.

123.25 **EFFECTIVE DATE.** This section is effective July 1, 2026, or upon federal approval,  
123.26 whichever is later. The commissioner of human services shall notify the revisor of statutes  
123.27 when federal approval is obtained.

123.28 Sec. 48. **[254B.21] DEFINITIONS.**

123.29 **Subdivision 1. Scope.** For the purposes of sections 254B.21 to 254B.216, the following  
123.30 terms have the meanings given.

123.31 **Subd. 2. Applicant.** "Applicant" means any individual, organization, or entity who has  
123.32 applied for certification of a recovery residence.

124.1        **Subd. 3. Certified recovery residence.** "Certified recovery residence" means a recovery  
124.2        residence that has completed the application process and been approved for certification by  
124.3        the commissioner.

124.4        **Subd. 4. Co-occurring disorders.** "Co-occurring disorders" means a diagnosis of both  
124.5        a substance use disorder and a mental health disorder.

124.6        **Subd. 5. Operator.** "Operator" means the lawful owner or lessee of a recovery residence  
124.7        or a person employed and designated by the owner or lessee of the recovery residence to  
124.8        have primary responsibility for oversight of the recovery residence, including but not limited  
124.9        to hiring and termination of recovery residence staff, recovery residence maintenance, and  
124.10        responding to complaints being investigated by the commissioner.

124.11       **Subd. 6. Recovery residence.** "Recovery residence" means a type of community residence  
124.12       that provides a safe, healthy, family-like, substance-free living environment that supports  
124.13       individuals in recovery from substance use disorder.

124.14       **Subd. 7. Recovery residence registry.** "Recovery residence registry" means the list of  
124.15       certified recovery residences maintained by the commissioner.

124.16       **Subd. 8. Resident.** "Resident" means an individual who resides in a recovery residence.

124.17       **Subd. 9. Staff.** "Staff" means employees, contractors, or volunteers who provide  
124.18       monitoring, assistance, or other services for the use and benefit of a recovery residence and  
124.19       the residence's residents.

124.20       **Subd. 10. Substance free.** "Substance free" means being free from the use of alcohol,  
124.21       illicit drugs, and the illicit use of prescribed drugs. This term does not prohibit medications  
124.22       prescribed, dispensed, or administered by a licensed health care professional, such as  
124.23       pharmacotherapies specifically approved by the United States Food and Drug Administration  
124.24       (FDA) for treatment of a substance use disorder as well as other medications approved by  
124.25       the FDA for the treatment of co-occurring disorders when taken as directed.

124.26       **Subd. 11. Substance use disorder.** "Substance use disorder" has the meaning given in  
124.27       the most recent edition of the Diagnostic and Statistical Manual of Disorders of the American  
124.28       Psychiatric Association.

124.29       **EFFECTIVE DATE.** This section is effective January 1, 2027.

124.30       **Sec. 49. [254B.211] RESIDENCE REQUIREMENTS AND RESIDENT RIGHTS.**

124.31       **Subdivision 1. Applicability.** This section is applicable to all recovery residences  
124.32       regardless of certification status.

125.1      Subd. 2. Residence requirements. All recovery residences must:

125.2      (1) comply with applicable state laws and regulations and local ordinances related to

125.3      maximum occupancy, fire safety, and sanitation;

125.4      (2) have safety policies and procedures that, at a minimum, address:

125.5      (i) safety inspections requiring periodic verification of smoke detectors, carbon monoxide

125.6      detectors, fire extinguishers, and emergency evacuation drills;

125.7      (ii) exposure to bodily fluids and contagious disease; and

125.8      (iii) emergency procedures posted in conspicuous locations in the residence;

125.9      (3) maintain a supply of an opiate antagonist in the home, post information on proper

125.10      use, and train staff in opiate antagonist use;

125.11      (4) have written policies regarding access to all prescribed medications and storage of

125.12      medications when requested by the resident;

125.13      (5) have written policies regarding residency termination, including how length of stay

125.14      is determined and procedures in case of evictions;

125.15      (6) return all property and medications to a person discharged from the home and retain

125.16      the items for a minimum of 60 days if the person did not collect the items upon discharge.

125.17      The owner must make an effort to contact persons listed as emergency contacts for the

125.18      discharged person so that the items are returned;

125.19      (7) ensure separation of money of persons served by the program from money of the

125.20      program or program staff. The program and staff must not:

125.21      (i) borrow money from a person served by the program;

125.22      (ii) purchase personal items from a person served by the program;

125.23      (iii) sell merchandise or personal services to a person served by the program;

125.24      (iv) require a person served by the program to purchase items for which the program is

125.25      eligible for reimbursement; or

125.26      (v) use money of persons served by the program to purchase items for which the program

125.27      is already receiving public or private payments;

125.28      (8) document the names and contact information for persons to contact in case of an

125.29      emergency, upon discharge, or other circumstances designated by the resident, including

125.30      but not limited to death due to an overdose;

126.1        (9) maintain contact information for emergency resources in the community, including  
126.2        but not limited to local mental health crisis services and the 988 Lifeline, to address mental  
126.3        health and health emergencies;

126.4        (10) have policies on staff qualifications and a prohibition against relationships between  
126.5        operators and residents;

126.6        (11) permit residents to use, as directed by a licensed prescriber, legally prescribed and  
126.7        dispensed or administered pharmacotherapies approved by the FDA for the treatment of  
126.8        opioid use disorder, co-occurring substance use disorders, and mental health conditions;

126.9        (12) have a fee schedule and refund policy;

126.10        (13) have rules for residents, including on prohibited items;

126.11        (14) have policies that promote resident participation in treatment, self-help groups, or  
126.12        other recovery supports;

126.13        (15) have policies requiring abstinence from alcohol and illicit drugs on the property.

126.14        If the program utilizes drug screening or toxicology, the procedures must be included in the  
126.15        program's policies;

126.16        (16) distribute the recovery resident bill of rights in subdivision 3, resident rules,  
126.17        certification, and grievance process and post the documents in this clause in common areas;

126.18        (17) have policies and procedures on person and room searches;

126.19        (18) have code of ethics policies and procedures they are aligned with the NARR code  
126.20        of ethics and document that the policies and procedures are read and signed by all those  
126.21        associated with the operation of the recovery residence, including owners, operators, staff,  
126.22        and volunteers;

126.23        (19) have a description of how residents are involved with the governance of the  
126.24        residence, including decision-making procedures, how residents are involved in setting and  
126.25        implementing rules, and the role of peer leaders, if any; and

126.26        (20) have procedures to maintain a respectful environment, including appropriate action  
126.27        to stop intimidation, bullying, sexual harassment, or threatening behavior of residents, staff,  
126.28        and visitors within the residence. Programs should consider trauma-informed and  
126.29        resilience-promoting practices when determining action.

126.30        Subd. 3. **Resident bill of rights.** An individual living in a recovery residence has the  
126.31        right to:

126.32        (1) have access to an environment that supports recovery;

127.1 (2) have access to an environment that is safe and free from alcohol and other illicit  
127.2 drugs or substances;

127.3 (3) be free from physical and verbal abuse, neglect, financial exploitation, and all forms  
127.4 of maltreatment covered under the Vulnerable Adults Act, sections 626.557 to 626.5572;

127.5 (4) be treated with dignity and respect and to have personal property treated with respect;

127.6 (5) have personal, financial, and medical information kept private and to be advised of  
127.7 the recovery residence's policies and procedures regarding disclosure of the information;

127.8 (6) access while living in the residence to other community-based support services as  
127.9 needed;

127.10 (7) be referred to appropriate services upon leaving the residence if necessary;

127.11 (8) retain personal property that does not jeopardize the safety or health of the resident  
127.12 or others;

127.13 (9) assert the rights in this subdivision personally or have the rights asserted by the  
127.14 individual's representative or by anyone on behalf of the individual without retaliation;

127.15 (10) be provided with the name, address, and telephone number of the ombudsman for  
127.16 mental health and developmental disabilities and the commissioner and be provided with  
127.17 information about the right to file a complaint;

127.18 (11) be fully informed of the rights and responsibilities in this section and program  
127.19 policies and procedures; and

127.20 (12) not be required to perform services for the residence that are not included in the  
127.21 usual expectations for all residents.

127.22 **EFFECTIVE DATE.** This section is effective January 1, 2027.

127.23 Sec. 50. **[254B.212] COMPLAINTS AGAINST RECOVERY RESIDENCES.**

127.24 Subdivision 1. **In general.** Any complaints about a recovery residence may be made to  
127.25 and reviewed or investigated by the commissioner.

127.26 Subd. 2. **Types of complaints.** The commissioner must receive and review complaints  
127.27 that concern:

127.28 (1) the health and safety of residents;

128.1        (2) management of the recovery residence, including but not limited to house  
128.2        environment, financial procedures, staffing, house rules and regulations, improper handling  
128.3        of resident terminations, and recovery support environment; or

128.4        (3) illegal activities or threats.

128.5        Subd. 3. **Investigation.** (a) Complaints regarding illegal activities or threats must be  
128.6        immediately referred to law enforcement in the jurisdiction where the recovery residence  
128.7        is located. The commissioner must continue to investigate complaints under subdivision 2,  
128.8        clause (3), that have been referred to law enforcement unless law enforcement requests the  
128.9        commissioner to stay the investigation.

128.10        (b) The commissioner must investigate all other types of complaints under this section  
128.11        and may take any action necessary to conduct an investigation, including but not limited to  
128.12        interviewing the recovery residence operator, staff, and residents and inspecting the premises.

128.13        Subd. 4. **Anonymity.** When making a complaint pursuant to this section, an individual  
128.14        must disclose the individual's identity to the commissioner. Unless ordered by a court or  
128.15        authorized by the complainant, the commissioner must not disclose the complainant's  
128.16        identity.

128.17        Subd. 5. **Prohibition against retaliation.** A recovery residence owner, operator, director,  
128.18        staff member, or resident must not be subject to retaliation, including but not limited to  
128.19        interference, threats, coercion, harassment, or discrimination for making any complaint  
128.20        against a recovery residence or against a recovery residence owner, operator, or chief  
128.21        financial officer.

128.22        **EFFECTIVE DATE.** This section is effective January 1, 2027.

128.23        **Sec. 51. [254B.213] CERTIFICATION.**

128.24        Subdivision 1. **Voluntary certification.** The commissioner must establish and provide  
128.25        for the administration of a voluntary certification program based on best practices as outlined  
128.26        by the American Society for Addiction Medicine and the Substance Abuse and Mental  
128.27        Health Services Administration for recovery residences seeking certification under this  
128.28        section.

128.29        Subd. 2. **Application requirements.** An applicant for certification must, at a minimum,  
128.30        submit the following documents on forms approved by the commissioner:

129.1 (1) if the premises for the recovery residence is leased, documentation from the owner  
129.2 that the applicant has permission from the owner to operate a recovery residence on the  
129.3 premises;

129.4 (2) all policies and procedures required under this chapter;

129.5 (3) copies of all forms provided to residents, including but not limited to the recovery  
129.6 residence's medication, drug-testing, return-to-use, refund, and eviction or transfer policies;

129.7 (4) proof of insurance coverage necessary and, at a minimum:

129.8 (i) employee dishonesty insurance in the amount of \$10,000 if the vendor has or had  
129.9 custody or control of money or property belonging to clients; and

129.10 (ii) bodily injury and property damage insurance in the amount of \$2,000,000 for each  
129.11 occurrence; and

129.12 (5) proof of completed background checks for the operator and residence staff.

129.13 **Subd. 3. Inspection pursuant to application.** Upon receiving a completed application,  
129.14 the commissioner must conduct an initial on-site inspection of the recovery residence to  
129.15 ensure the residence is in compliance with the requirements of sections 254B.21 to 254B.216.

129.16 **Subd. 4. Certification.** The commissioner must certify a recovery residence upon  
129.17 approval of the application and after the initial on-site inspection. The certification  
129.18 automatically terminates three years after issuance of the certification if the commissioner  
129.19 does not renew the certification. Upon certification, the commissioner must issue the recovery  
129.20 residence a proof of certification.

129.21 **Subd. 5. Display of proof of certification.** A certified recovery residence must publicly  
129.22 display a proof of certification in the recovery residence.

129.23 **Subd. 6. Nontransferability.** Certifications issued pursuant to this section cannot be  
129.24 transferred to an address other than the address in the application or to another certification  
129.25 holder without prior approval from the commissioner.

129.26 **EFFECTIVE DATE.** This section is effective January 1, 2027.

129.27 **Sec. 52. [254B.214] MONITORING AND OVERSIGHT OF CERTIFIED  
129.28 RECOVERY RESIDENCES.**

129.29 **Subdivision 1. Monitoring and inspections.** (a) The commissioner must conduct an  
129.30 on-site certification review of the certified recovery residence every three years to determine  
129.31 the certification holder's compliance with applicable rules and statutes.

130.1        (b) The commissioner must offer the certification holder a choice of dates for an  
130.2        announced certification review. A certification review must occur during regular business  
130.3        hours.

130.4        (c) The commissioner must make the results of certification reviews and the results of  
130.5        investigations that result in a correction order publicly available on the department's website.

130.6        Subd. 2. **Commissioner's right of access.** (a) When the commissioner is exercising the  
130.7        powers conferred to the commissioner under this section, if the recovery residence is in  
130.8        operation and the information is relevant to the commissioner's inspection or investigation,  
130.9        the certification holder must provide the commissioner access to:

130.10        (1) the physical facility and grounds where the residence is located;

130.11        (2) documentation and records, including electronically maintained records;

130.12        (3) residents served by the recovery residence;

130.13        (4) staff persons of the recovery residence; and

130.14        (5) personnel records of current and former staff of the recovery residence.

130.15        (b) The applicant or certification holder must provide the commissioner with access to  
130.16        the facility and grounds, documentation and records, residents, and staff without prior notice  
130.17        and as often as the commissioner considers necessary if the commissioner is conducting an  
130.18        inspection or investigating alleged maltreatment or a violation of a law or rule. When  
130.19        conducting an inspection, the commissioner may request assistance from other state, county,  
130.20        and municipal governmental agencies and departments. The applicant or certification holder  
130.21        must allow the commissioner, at the commissioner's expense, to photocopy, photograph,  
130.22        and make audio and video recordings during an inspection.

130.23        Subd. 3. **Correction orders.** (a) If the applicant or certification holder fails to comply  
130.24        with a law or rule, the commissioner may issue a correction order. The correction order  
130.25        must state:

130.26        (1) the condition that constitutes a violation of the law or rule;

130.27        (2) the specific law or rule that the applicant or certification holder has violated; and

130.28        (3) the time that the applicant or certification holder is allowed to correct each violation.

130.29        (b) If the applicant or certification holder believes that the commissioner's correction  
130.30        order is erroneous, the applicant or certification holder may ask the commissioner to  
130.31        reconsider the correction order. An applicant or certification holder must make a request  
130.32        for reconsideration in writing. The request must be sent via electronic communication to

131.1 the commissioner within 20 calendar days after the applicant or certification holder received  
131.2 the correction order and must:

131.3 (1) specify the part of the correction order that is allegedly erroneous;

131.4 (2) explain why the specified part is erroneous; and

131.5 (3) include documentation to support the allegation of error.

131.6 (c) A request for reconsideration does not stay any provision or requirement of the  
131.7 correction order. The commissioner's disposition of a request for reconsideration is final  
131.8 and not subject to appeal.

131.9 (d) If the commissioner finds that the applicant or certification holder failed to correct  
131.10 the violation specified in the correction order, the commissioner may decertify the certified  
131.11 recovery residence according to subdivision 4.

131.12 (e) Nothing in this subdivision prohibits the commissioner from decertifying a recovery  
131.13 residence according to subdivision 4.

131.14 Subd. 4. **Decertification.** (a) The commissioner may decertify a recovery residence if  
131.15 a certification holder:

131.16 (1) failed to comply with an applicable law or rule; or

131.17 (2) knowingly withheld relevant information from or gave false or misleading information  
131.18 to the commissioner in connection with an application for certification, during an  
131.19 investigation, or regarding compliance with applicable laws or rules.

131.20 (b) When considering decertification of a recovery residence, the commissioner must  
131.21 consider the nature, chronicity, or severity of the violation of law or rule and the effect of  
131.22 the violation on the health, safety, or rights of residents.

131.23 (c) If the commissioner decertifies a recovery residence, the order of decertification  
131.24 must inform the certification holder of the right to have a contested case hearing under  
131.25 chapter 14 and Minnesota Rules, parts 1400.8505 to 1400.8612. The certification holder  
131.26 may appeal the decertification. The certification holder must appeal a decertification in  
131.27 writing and send or deliver the appeal to the commissioner by certified mail or personal  
131.28 service. If the certification holder mails the appeal, the appeal must be postmarked and sent  
131.29 to the commissioner within ten calendar days after the certification holder receives the order  
131.30 of decertification. If the certification holder delivers an appeal by personal service, the  
131.31 commissioner must receive the appeal within ten calendar days after the certification holder  
131.32 received the order. If the certification holder submits a timely appeal of an order of

132.1 decertification, the certification holder may continue to operate the program until the  
132.2 commissioner issues a final order on the decertification.

132.3 (d) If the commissioner decertifies a recovery residence pursuant to paragraph (a), clause  
132.4 (1), based on a determination that the recovery residence was responsible for maltreatment  
132.5 under chapter 260E or section 626.557, the final decertification determination is stayed until  
132.6 the commissioner issues a final decision regarding the maltreatment appeal if the certification  
132.7 holder appeals the decertification according to paragraph (c) and appeals the maltreatment  
132.8 determination pursuant to chapter 260E or section 626.557.

132.9 Subd. 5. Notifications required and noncompliance. (a) Changes in recovery residence  
132.10 organization, staffing, services, or quality assurance procedures that affect the ability of the  
132.11 certification holder to comply with the minimum standards of this chapter must be reported  
132.12 in writing by the certification holder to the commissioner, in a manner approved by the  
132.13 commissioner, within 15 days of the occurrence. The commissioner must review the change.  
132.14 If the change would result in noncompliance in minimum standards, the commissioner must  
132.15 give the recovery residence written notice and up to 180 days to correct the areas of  
132.16 noncompliance before being decertified. The recovery residence must develop interim  
132.17 procedures to resolve the noncompliance on a temporary basis and submit the interim  
132.18 procedures in writing to the commissioner for approval within 30 days of the commissioner's  
132.19 determination of the noncompliance. The commissioner must immediately decertify a  
132.20 recovery residence that fails to report a change that results in noncompliance within 15 days,  
132.21 fails to develop an approved interim procedure within 30 days of the determination of the  
132.22 noncompliance, or does not resolve the noncompliance within 180 days.

132.23 (b) The commissioner may require the recovery residence to submit written information  
132.24 to document that the recovery residence has maintained compliance with this section.

132.25 **EFFECTIVE DATE.** This section is effective January 1, 2027.

132.26 Sec. 53. [254B.215] CERTIFICATION LEVELS.

132.27 Subdivision 1. Certification levels. When certifying a recovery residence, the  
132.28 commissioner must specify whether the residence is a level-one or level-two certified  
132.29 recovery residence.

132.30 Subd. 2. Level-one certification. (a) The commissioner must designate a certified  
132.31 residence as a level-one certified recovery residence when the residence is peer run. A  
132.32 level-one certified recovery residence must:

132.33 (1) not permit an allowance for on-site paid staff or operator of the recovery residence;

133.1 (2) permit only nonpaid staff to live or work within the residence; and

133.2 (3) ensure that decisions are made solely by residents.

133.3 (b) Staff of a level-one certified recovery residence must not provide billable peer

133.4 recovery support services to residents of the recovery residence.

133.5 Subd. 3. **Level-two certification.** (a) The commissioner must designate a certified

133.6 residence as a level-two certified recovery residence when the residence is managed by

133.7 someone other than the residents. A level-two certified recovery residence must have staff

133.8 to model and teach recovery skills and behaviors.

133.9 (b) A level-two certified recovery residence must:

133.10 (1) have written job descriptions for each staff member position, including position

133.11 responsibilities and qualifications;

133.12 (2) have written policies and procedures for ongoing performance development of staff;

133.13 (3) provide annual training on emergency procedures, resident bill of rights, grievance

133.14 policies and procedures, and code of ethics;

133.15 (4) provide community or house meetings, peer supports, and involvement in self-help

133.16 or off-site treatment services;

133.17 (5) have identified recovery goals;

133.18 (6) maintain documentation that residents are linked with community resources such as

133.19 job search, education, family services, and health and housing programs; and

133.20 (7) maintain documentation of referrals made for additional services.

133.21 (c) Staff of a level-two certified recovery residence must not provide billable peer support

133.22 services to residents of the recovery residence.

133.23 **EFFECTIVE DATE.** This section is effective January 1, 2027.

133.24 Sec. 54. **[254B.216] RESIDENT RECORD.**

133.25 A certified recovery residence must maintain documentation with a resident's signature

133.26 stating that each resident received the following prior to or on the first day of residency:

133.27 (1) the recovery resident bill of rights in section 254B.211, subdivision 3;

133.28 (2) the residence's financial obligations and agreements, refund policy, and payments

133.29 from third-party payers for any fees paid on the resident's behalf;

133.30 (3) a description of the services provided by the recovery residence;

134.1        (4) relapse policies;

134.2        (5) policies regarding personal property;

134.3        (6) orientation to emergency procedures;

134.4        (7) orientation to resident rules; and

134.5        (8) all other applicable orientation materials identified in sections 254B.21 to 254B.216.

134.6        **EFFECTIVE DATE.** This section is effective January 1, 2027.

134.7        Sec. 55. Minnesota Statutes 2024, section 256.043, subdivision 3, is amended to read:

134.8        **Subd. 3. Appropriations from registration and license fee account.** (a) The

134.9        appropriations in paragraphs (b) to (n) shall be made from the registration and license fee

134.10       account on a fiscal year basis in the order specified.

134.11       (b) The appropriations specified in Laws 2019, chapter 63, article 3, section 1, paragraphs

134.12       (b), (f), (g), and (h), as amended by Laws 2020, chapter 115, article 3, section 35, shall be

134.13       made accordingly.

134.14       (c) \$100,000 is appropriated to the commissioner of human services for grants for opiate

134.15       antagonist distribution. Grantees may utilize funds for opioid overdose prevention,

134.16       community asset mapping, education, and opiate antagonist distribution.

134.17       (d) \$2,000,000 is appropriated to the commissioner of human services for grants direct

134.18       payments to Tribal nations and five urban Indian communities for traditional healing practices

134.19       for American Indians and to increase the capacity of culturally specific providers in the

134.20       behavioral health workforce. Any evaluations of practices under this paragraph must be

134.21       designed cooperatively by the commissioner and Tribal nations or urban Indian communities.

134.22       The commissioner must not require recipients to provide the details of specific ceremonies

134.23       or identities of healers.

134.24       (e) \$400,000 is appropriated to the commissioner of human services for competitive

134.25       grants for opioid-focused Project ECHO programs.

134.26       (f) \$277,000 in fiscal year 2024 and \$321,000 each year thereafter is appropriated to the

134.27       commissioner of human services to administer the funding distribution and reporting

134.28       requirements in paragraph (o).

134.29       (g) \$3,000,000 in fiscal year 2025 and \$3,000,000 each year thereafter is appropriated

134.30       to the commissioner of human services for safe recovery sites start-up and capacity building

134.31       grants under section 254B.18.

135.1 (h) \$395,000 in fiscal year 2024 and \$415,000 each year thereafter is appropriated to  
135.2 the commissioner of human services for the opioid overdose surge alert system under section  
135.3 245.891.

135.4 (i) \$300,000 is appropriated to the commissioner of management and budget for  
135.5 evaluation activities under section 256.042, subdivision 1, paragraph (c).

135.6 (j) \$261,000 is appropriated to the commissioner of human services for the provision of  
135.7 administrative services to the Opiate Epidemic Response Advisory Council and for the  
135.8 administration of the grants awarded under paragraph (n).

135.9 (k) \$126,000 is appropriated to the Board of Pharmacy for the collection of the registration  
135.10 fees under section 151.066.

135.11 (l) \$672,000 is appropriated to the commissioner of public safety for the Bureau of  
135.12 Criminal Apprehension. Of this amount, \$384,000 is for drug scientists and lab supplies  
135.13 and \$288,000 is for special agent positions focused on drug interdiction and drug trafficking.

135.14 (m) After the appropriations in paragraphs (b) to (l) are made, 50 percent of the remaining  
135.15 amount is appropriated to the commissioner of children, youth, and families for distribution  
135.16 to county social service agencies and Tribal social service agency initiative projects  
135.17 authorized under section 256.01, subdivision 14b, to provide prevention and child protection  
135.18 services to children and families who are affected by addiction. The commissioner shall  
135.19 distribute this money proportionally to county social service agencies and Tribal social  
135.20 service agency initiative projects through a formula based on intake data from the previous  
135.21 three calendar years related to substance use and out-of-home placement episodes where  
135.22 parental drug abuse is a reason for the out-of-home placement. County social service agencies  
135.23 and Tribal social service agency initiative projects receiving funds from the opiate epidemic  
135.24 response fund must annually report to the commissioner on how the funds were used to  
135.25 provide prevention and child protection services, including measurable outcomes, as  
135.26 determined by the commissioner. County social service agencies and Tribal social service  
135.27 agency initiative projects must not use funds received under this paragraph to supplant  
135.28 current state or local funding received for child protection services for children and families  
135.29 who are affected by addiction.

135.30 (n) After the appropriations in paragraphs (b) to (m) are made, the remaining amount in  
135.31 the account is appropriated to the commissioner of human services to award grants as  
135.32 specified by the Opiate Epidemic Response Advisory Council in accordance with section  
135.33 256.042, unless otherwise appropriated by the legislature.

136.1       (o) Beginning in fiscal year 2022 and each year thereafter, funds for county social service  
136.2       agencies and Tribal social service agency initiative projects under paragraph (m) and grant  
136.3       funds specified by the Opiate Epidemic Response Advisory Council under paragraph (n)  
136.4       may be distributed on a calendar year basis.

136.5       (p) Notwithstanding section 16A.28, subdivision 3, funds appropriated in paragraphs  
136.6       (c), (d), (e), (g), (m), and (n) are available for three years after the funds are appropriated.

136.7       Sec. 56. Minnesota Statutes 2024, section 256B.0625, subdivision 5m, is amended to read:

136.8       **Subd. 5m. Certified community behavioral health clinic services.** (a) Medical  
136.9       assistance covers services provided by a not-for-profit certified community behavioral health  
136.10       clinic (CCBHC) that meets the requirements of section 245.735, subdivision 3.

136.11       (b) The commissioner shall reimburse CCBHCs on a per-day basis for each day that an  
136.12       eligible service is delivered using the CCBHC daily bundled rate system for medical  
136.13       assistance payments as described in paragraph (c). The commissioner shall include a quality  
136.14       incentive payment in the CCBHC daily bundled rate system as described in paragraph (e).  
136.15       There is no county share for medical assistance services when reimbursed through the  
136.16       CCBHC daily bundled rate system.

136.17       (c) The commissioner shall ensure that the CCBHC daily bundled rate system for CCBHC  
136.18       payments under medical assistance meets the following requirements:

136.19       (1) the CCBHC daily bundled rate shall be a provider-specific rate calculated for each  
136.20       CCBHC, based on the daily cost of providing CCBHC services and the total annual allowable  
136.21       CCBHC costs divided by the total annual number of CCBHC visits. For calculating the  
136.22       payment rate, total annual visits include visits covered by medical assistance and visits not  
136.23       covered by medical assistance. Allowable costs include but are not limited to the salaries  
136.24       and benefits of medical assistance providers; the cost of CCBHC services provided under  
136.25       section 245.735, subdivision 3, paragraph (a), clauses (6) and (7); and other costs such as  
136.26       insurance or supplies needed to provide CCBHC services;

136.27       (2) payment shall be limited to one payment per day per medical assistance enrollee  
136.28       when an eligible CCBHC service is provided. A CCBHC visit is eligible for reimbursement  
136.29       if at least one of the CCBHC services listed under section 245.735, subdivision 3, paragraph  
136.30       (a), clause (6), is furnished to a medical assistance enrollee by a health care practitioner or  
136.31       licensed agency employed by or under contract with a CCBHC;

136.32       (3) initial CCBHC daily bundled rates for newly certified CCBHCs under section 245.735,  
136.33       subdivision 3, shall be established by the commissioner using a provider-specific rate based

137.1 on the newly certified CCBHC's audited historical cost report data adjusted for the expected  
137.2 cost of delivering CCBHC services. Estimates are subject to review by the commissioner  
137.3 and must include the expected cost of providing the full scope of CCBHC services and the  
137.4 expected number of visits for the rate period;

137.5 (4) the commissioner shall rebase CCBHC rates once every two years following the last  
137.6 rebasing and no less than 12 months following an initial rate or a rate change due to a change  
137.7 in the scope of services. For CCBHCs certified after September 31, 2020, and before January  
137.8 1, 2021, the commissioner shall rebase rates according to this clause for services provided  
137.9 on or after January 1, 2024;

137.10 (5) the commissioner shall provide for a 60-day appeals process after notice of the results  
137.11 of the rebasing;

137.12 (6) an entity that receives a CCBHC daily bundled rate that overlaps with another federal  
137.13 Medicaid rate is not eligible for the CCBHC rate methodology;

137.14 (7) payments for CCBHC services to individuals enrolled in managed care shall be  
137.15 coordinated with the state's phase-out of CCBHC wrap payments. The commissioner shall  
137.16 complete the phase-out of CCBHC wrap payments within 60 days of the implementation  
137.17 of the CCBHC daily bundled rate system in the Medicaid Management Information System  
137.18 (MMIS), for CCBHCs reimbursed under this chapter, with a final settlement of payments  
137.19 due made payable to CCBHCs no later than 18 months thereafter;

137.20 (8) the CCBHC daily bundled rate for each CCBHC shall be updated by trending each  
137.21 provider-specific rate by the Medicare Economic Index for primary care services. This  
137.22 update shall occur each year in between rebasing periods determined by the commissioner  
137.23 in accordance with clause (4). CCBHCs must provide data on costs and visits to the state  
137.24 annually using the CCBHC cost report established by the commissioner; and

137.25 (9) a CCBHC may request a rate adjustment for changes in the CCBHC's scope of  
137.26 services when such changes are expected to result in an adjustment to the CCBHC payment  
137.27 rate by 2.5 percent or more. The CCBHC must provide the commissioner with information  
137.28 regarding the changes in the scope of services, including the estimated cost of providing  
137.29 the new or modified services and any projected increase or decrease in the number of visits  
137.30 resulting from the change. Estimated costs are subject to review by the commissioner. Rate  
137.31 adjustments for changes in scope shall occur no more than once per year in between rebasing  
137.32 periods per CCBHC and are effective on the date of the annual CCBHC rate update.

137.33 (d) Managed care plans and county-based purchasing plans shall reimburse CCBHC  
137.34 providers at the CCBHC daily bundled rate. The commissioner shall monitor the effect of

138.1 this requirement on the rate of access to the services delivered by CCBHC providers. If, for  
138.2 any contract year, federal approval is not received for this paragraph, the commissioner  
138.3 must adjust the capitation rates paid to managed care plans and county-based purchasing  
138.4 plans for that contract year to reflect the removal of this provision. Contracts between  
138.5 managed care plans and county-based purchasing plans and providers to whom this paragraph  
138.6 applies must allow recovery of payments from those providers if capitation rates are adjusted  
138.7 in accordance with this paragraph. Payment recoveries must not exceed the amount equal  
138.8 to any increase in rates that results from this provision. This paragraph expires if federal  
138.9 approval is not received for this paragraph at any time.

138.10 (e) The commissioner shall implement a quality incentive payment program for CCBHCs  
138.11 that meets the following requirements:

138.12 (1) a CCBHC shall receive a quality incentive payment upon meeting specific numeric  
138.13 thresholds for performance metrics established by the commissioner, in addition to payments  
138.14 for which the CCBHC is eligible under the CCBHC daily bundled rate system described in  
138.15 paragraph (c);

138.16 (2) a CCBHC must be certified and enrolled as a CCBHC for the entire measurement  
138.17 year to be eligible for incentive payments;

138.18 (3) each CCBHC shall receive written notice of the criteria that must be met in order to  
138.19 receive quality incentive payments at least 90 days prior to the measurement year; and

138.20 (4) a CCBHC must provide the commissioner with data needed to determine incentive  
138.21 payment eligibility within six months following the measurement year. The commissioner  
138.22 shall notify CCBHC providers of their performance on the required measures and the  
138.23 incentive payment amount within 12 months following the measurement year.

138.24 (f) All claims to managed care plans for CCBHC services as provided under this section  
138.25 shall be submitted directly to, and paid by, the commissioner on the dates specified no later  
138.26 than January 1 of the following calendar year, if:

138.27 (1) one or more managed care plans does not comply with the federal requirement for  
138.28 payment of clean claims to CCBHCs, as defined in Code of Federal Regulations, title 42,  
138.29 section 447.45(b), and the managed care plan does not resolve the payment issue within 30  
138.30 days of noncompliance; and

138.31 (2) the total amount of clean claims not paid in accordance with federal requirements  
138.32 by one or more managed care plans is 50 percent of, or greater than, the total CCBHC claims  
138.33 eligible for payment by managed care plans.

139.1    If the conditions in this paragraph are met between January 1 and June 30 of a calendar  
139.2    year, claims shall be submitted to and paid by the commissioner beginning on January 1 of  
139.3    the following year. If the conditions in this paragraph are met between July 1 and December  
139.4    31 of a calendar year, claims shall be submitted to and paid by the commissioner beginning  
139.5    on July 1 of the following year.

139.6    (g) Peer services provided by a CCBHC certified under section 245.735 are a covered  
139.7    service under medical assistance when a licensed mental health professional or alcohol and  
139.8    drug counselor determines that peer services are medically necessary. Eligibility under this  
139.9    subdivision for peer services provided by a CCBHC supersede eligibility standards under  
139.10   sections 256B.0615, 256B.0616, and 245G.07, subdivision 22a, paragraph (b), clause (8)  
139.11   (2).

139.12    **EFFECTIVE DATE.** This section is effective July 1, 2026, or upon federal approval,  
139.13    whichever is later. The commissioner of human services shall notify the revisor of statutes  
139.14    when federal approval is obtained.

139.15    Sec. 57. Minnesota Statutes 2024, section 256B.0625, subdivision 20, is amended to read:

139.16    Subd. 20. **Mental health case management.** (a) To the extent authorized by rule of the  
139.17    state agency, medical assistance covers case management services to persons with serious  
139.18    and persistent mental illness, persons with a complex post-traumatic stress disorder, and  
139.19    children with severe emotional disturbance. Services provided under this section must meet  
139.20    the relevant standards in sections 245.461 to 245.4887, the Comprehensive Adult and  
139.21    Children's Mental Health Acts, Minnesota Rules, parts 9520.0900 to 9520.0926, and  
139.22    9505.0322, excluding subpart 10.

139.23    (b) Entities meeting program standards set out in rules governing family community  
139.24    support services as defined in section 245.4871, subdivision 17, are eligible for medical  
139.25    assistance reimbursement for case management services for children with severe emotional  
139.26    disturbance when these services meet the program standards in Minnesota Rules, parts  
139.27    9520.0900 to 9520.0926 and 9505.0322, excluding subparts 6 and 10.

139.28    (c) Medical assistance and MinnesotaCare payment for mental health case management  
139.29    shall be made on a monthly basis. In order to receive payment for an eligible child, the  
139.30    provider must document at least a face-to-face contact either in person or by interactive  
139.31    video that meets the requirements of subdivision 20b with the child, the child's parents, or  
139.32    the child's legal representative. To receive payment for an eligible adult, the provider must  
139.33    document:

140.1       (1) at least a face-to-face contact with the adult or the adult's legal representative either  
140.2       in person or by interactive video that meets the requirements of subdivision 20b; or

140.3       (2) at least a telephone contact with the adult or the adult's legal representative and  
140.4       document a face-to-face contact either in person or by interactive video that meets the  
140.5       requirements of subdivision 20b with the adult or the adult's legal representative within the  
140.6       preceding two months.

140.7       (d) Payment for mental health case management provided by county or state staff shall  
140.8       be based on the monthly rate methodology under section 256B.094, subdivision 6, paragraph  
140.9       (b), with separate rates calculated for child welfare and mental health, and within mental  
140.10      health, separate rates for children and adults.

140.11      (e) Payment for mental health case management provided by Indian health services or  
140.12      by agencies operated by Indian tribes may be made according to this section or other relevant  
140.13      federally approved rate setting methodology.

140.14      (f) Payment for mental health case management provided by vendors who contract with  
140.15      a county must be calculated in accordance with section 256B.076, subdivision 2. Payment  
140.16      for mental health case management provided by vendors who contract with a Tribe must  
140.17      be based on a monthly rate negotiated by the Tribe. The rate must not exceed the rate charged  
140.18      by the vendor for the same service to other payers. If the service is provided by a team of  
140.19      contracted vendors, the team shall determine how to distribute the rate among its members.  
140.20      No reimbursement received by contracted vendors shall be returned to the county or tribe,  
140.21      except to reimburse the county or tribe for advance funding provided by the county or tribe  
140.22      to the vendor.

140.23      (g) If the service is provided by a team which includes contracted vendors, tribal staff,  
140.24      and county or state staff, the costs for county or state staff participation in the team shall be  
140.25      included in the rate for county-provided services. In this case, the contracted vendor, the  
140.26      tribal agency, and the county may each receive separate payment for services provided by  
140.27      each entity in the same month. In order to prevent duplication of services, each entity must  
140.28      document, in the recipient's file, the need for team case management and a description of  
140.29      the roles of the team members.

140.30      (h) Notwithstanding section 256B.19, subdivision 1, the nonfederal share of costs for  
140.31      mental health case management shall be provided by the recipient's county of responsibility,  
140.32      as defined in sections 256G.01 to 256G.12, from sources other than federal funds or funds  
140.33      used to match other federal funds. If the service is provided by a tribal agency, the nonfederal  
140.34      share, if any, shall be provided by the recipient's tribe. When this service is paid by the state

141.1 without a federal share through fee-for-service, 50 percent of the cost shall be provided by  
141.2 the recipient's county of responsibility.

141.3 (i) Notwithstanding any administrative rule to the contrary, prepaid medical assistance  
141.4 and MinnesotaCare include mental health case management. When the service is provided  
141.5 through prepaid capitation, the nonfederal share is paid by the state and the county pays no  
141.6 share.

141.7 (j) The commissioner may suspend, reduce, or terminate the reimbursement to a provider  
141.8 that does not meet the reporting or other requirements of this section. The county of  
141.9 responsibility, as defined in sections 256G.01 to 256G.12, or, if applicable, the tribal agency,  
141.10 is responsible for any federal disallowances. The county or tribe may share this responsibility  
141.11 with its contracted vendors.

141.12 (k) The commissioner shall set aside a portion of the federal funds earned for county  
141.13 expenditures under this section to repay the special revenue maximization account under  
141.14 section 256.01, subdivision 2, paragraph (n). The repayment is limited to:

141.15 (1) the costs of developing and implementing this section; and  
141.16 (2) programming the information systems.

141.17 (l) Payments to counties and tribal agencies for case management expenditures under  
141.18 this section shall only be made from federal earnings from services provided under this  
141.19 section. When this service is paid by the state without a federal share through fee-for-service,  
141.20 50 percent of the cost shall be provided by the state. Payments to county-contracted vendors  
141.21 shall include the federal earnings, the state share, and the county share.

141.22 (m) Case management services under this subdivision do not include therapy, treatment,  
141.23 legal, or outreach services.

141.24 (n) If the recipient is a resident of a nursing facility, intermediate care facility, or hospital,  
141.25 and the recipient's institutional care is paid by medical assistance, payment for case  
141.26 management services under this subdivision is limited to the lesser of:

141.27 (1) the last 180 days of the recipient's residency in that facility and may not exceed more  
141.28 than six months in a calendar year; or

141.29 (2) the limits and conditions which apply to federal Medicaid funding for this service.

141.30 (o) Payment for case management services under this subdivision shall not duplicate  
141.31 payments made under other program authorities for the same purpose.

142.1        (p) If the recipient is receiving care in a hospital, nursing facility, or residential setting  
142.2        licensed under chapter 245A or 245D that is staffed 24 hours a day, seven days a week,  
142.3        mental health targeted case management services must actively support identification of  
142.4        community alternatives for the recipient and discharge planning.

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

142.7        Sec. 58. Minnesota Statutes 2024, section 256B.0757, subdivision 4c, is amended to read:

142.8        **Subd. 4c. Behavioral health home services staff qualifications.** (a) A behavioral health  
142.9        home services provider must maintain staff with required professional qualifications  
142.10        appropriate to the setting.

142.11        (b) If behavioral health home services are offered in a mental health setting, the  
142.12        integration specialist must be a licensed nurse, as defined in section 148.171, subdivision  
142.13        9.

142.14        (c) If behavioral health home services are offered in a primary care setting, the integration  
142.15        specialist must be a mental health professional who is qualified according to section 245I.04,  
142.16        subdivision 2.

142.17        (d) If behavioral health home services are offered in either a primary care setting or  
142.18        mental health setting, the systems navigator must be a mental health practitioner who is  
142.19        qualified according to section 245I.04, subdivision 4, or a community health worker as  
142.20        defined in section 256B.0625, subdivision 49.

142.21        (e) If behavioral health home services are offered in either a primary care setting or  
142.22        mental health setting, the qualified health home specialist must be one of the following:

142.23        (1) a mental health certified peer specialist who is qualified according to section 245I.04,  
142.24        subdivision 10;

142.25        (2) a mental health certified family peer specialist who is qualified according to section  
142.26        245I.04, subdivision 12;

142.27        (3) a case management associate as defined in section 245.462, subdivision 4, paragraph  
142.28        (g), or 245.4871, subdivision 4, paragraph (j);

142.29        (4) a mental health rehabilitation worker who is qualified according to section 245I.04,  
142.30        subdivision 14;

142.31        (5) a community paramedic as defined in section 144E.28, subdivision 9;

143.1 (6) a peer recovery specialist as defined in section ~~245G.07, subdivision 1, clause (5)~~  
143.2 245G.11, subdivision 8; or

143.3 (7) a community health worker as defined in section 256B.0625, subdivision 49.

143.4 **EFFECTIVE DATE.** This section is effective July 1, 2026, or upon federal approval,  
143.5 whichever is later. The commissioner of human services shall notify the revisor of statutes  
143.6 when federal approval is obtained.

143.7 Sec. 59. Minnesota Statutes 2024, section 256B.0761, subdivision 4, is amended to read:

143.8 **Subd. 4. Services and duration.** (a) Services must be provided 90 days prior to an  
143.9 individual's release date or, if an individual's confinement is less than 90 days, during the  
143.10 time period between a medical assistance eligibility determination and the release to the  
143.11 community.

143.12 (b) Facilities must offer the following services using either community-based or  
143.13 corrections-based providers:

143.14 (1) case management activities to address physical and behavioral health needs, including  
143.15 a comprehensive assessment of individual needs, development of a person-centered care  
143.16 plan, referrals and other activities to address assessed needs, and monitoring and follow-up  
143.17 activities;

143.18 (2) drug coverage in accordance with section 256B.0625, subdivision 13, including up  
143.19 to a 30-day supply of drugs upon release;

143.20 (3) substance use disorder comprehensive assessments according to section 254B.05,  
143.21 subdivision 5, paragraph (b), clause (2);

143.22 (4) treatment coordination services according to section 254B.05, subdivision 5, paragraph  
143.23 (b), clause (3);

143.24 (5) peer recovery support services according to sections 245I.04, subdivisions 18 and  
143.25 19, and 254B.05, subdivision 5, paragraph (b), clause (4);

143.26 (6) substance use disorder individual and group counseling provided according to sections  
143.27 245G.07, subdivision 1, paragraph (a), clause (1), and 254B.05;

143.28 (7) mental health diagnostic assessments as required under section 245I.10;

143.29 (8) group and individual psychotherapy as required under section 256B.0671;

143.30 (9) peer specialist services as required under sections 245I.04 and 256B.0615;

143.31 (10) family planning and obstetrics and gynecology services; ~~and~~

144.1 (11) physical health well-being and screenings and care for adults and youth; and

144.2 (12) medications used for the treatment of opioid use disorder and nonmedication

144.3 treatment services for opioid use disorder under section 245G.22.

144.4 (c) Services outlined in this subdivision must only be authorized when an individual  
144.5 demonstrates medical necessity or other eligibility as required under this chapter or applicable  
144.6 state and federal laws.

144.7 Sec. 60. Minnesota Statutes 2024, section 256I.04, subdivision 2a, is amended to read:

144.8 Subd. 2a. **License required; staffing qualifications.** (a) Except as provided in paragraph  
144.9 ~~(b)~~ (c), an agency may not enter into an agreement with an establishment to provide housing  
144.10 support unless:

144.11 (1) the establishment is licensed by the Department of Health as a hotel and restaurant;  
144.12 a board and lodging establishment; a boarding care home before March 1, 1985; or a  
144.13 supervised living facility, and the service provider for residents of the facility is licensed  
144.14 under chapter 245A. However, an establishment licensed by the Department of Health to  
144.15 provide lodging need not also be licensed to provide board if meals are being supplied to  
144.16 residents under a contract with a food vendor who is licensed by the Department of Health;

144.17 (2) the residence is: (i) licensed by the commissioner of human services under Minnesota  
144.18 Rules, parts 9555.5050 to 9555.6265; (ii) certified by a county human services agency prior  
144.19 to July 1, 1992, using the standards under Minnesota Rules, parts 9555.5050 to 9555.6265;  
144.20 (iii) licensed by the commissioner under Minnesota Rules, parts 2960.0010 to 2960.0120,  
144.21 with a variance under section 245A.04, subdivision 9; or (iv) licensed under section 245D.02,  
144.22 subdivision 4a, as a community residential setting by the commissioner of human services;  
144.23 or

144.24 (3) the facility is licensed under chapter 144G and provides three meals a day.

144.25 (b) Effective January 1, 2027, the commissioner may enter into housing support  
144.26 agreements with a board and lodging establishment under section 256I.04, subdivision 2a,  
144.27 paragraph (a), clause (1), that is also certified by the commissioner as a recovery residence,  
144.28 subject to the requirements of section 256I.04, subdivisions 2a to 2f. When doing so, the  
144.29 department of human services serves as the lead agency for the agreement.

144.30 ~~(b)~~ (c) The requirements under paragraph (a) do not apply to establishments exempt  
144.31 from state licensure because they are:

145.1 (1) located on Indian reservations and subject to tribal health and safety requirements;

145.2 or

145.3 (2) supportive housing establishments where an individual has an approved habitability

145.4 inspection and an individual lease agreement.

145.5 ~~(e)~~ (d) Supportive housing establishments that serve individuals who have experienced

145.6 long-term homelessness and emergency shelters must participate in the homeless management

145.7 information system and a coordinated assessment system as defined by the commissioner.

145.8 ~~(d)~~ (e) Effective July 1, 2016, an agency shall not have an agreement with a provider of

145.9 housing support unless all staff members who have direct contact with recipients:

145.10 (1) have skills and knowledge acquired through one or more of the following:

145.11 (i) a course of study in a health- or human services-related field leading to a bachelor

145.12 of arts, bachelor of science, or associate's degree;

145.13 (ii) one year of experience with the target population served;

145.14 (iii) experience as a mental health certified peer specialist according to section 256B.0615;

145.15 or

145.16 (iv) meeting the requirements for unlicensed personnel under sections 144A.43 to

145.17 144A.483;

145.18 (2) hold a current driver's license appropriate to the vehicle driven if transporting

145.19 recipients;

145.20 (3) complete training on vulnerable adults mandated reporting and child maltreatment

145.21 mandated reporting, where applicable; and

145.22 (4) complete housing support orientation training offered by the commissioner.

145.23 Sec. 61. Minnesota Statutes 2024, section 325F.725, is amended to read:

145.24 **325F.725 ~~SOBER HOME~~ RECOVERY RESIDENCE TITLE PROTECTION.**

145.25 No person or entity may use the phrase "~~sober home~~," "recovery residence," whether

145.26 alone or in combination with other words and whether orally or in writing, to advertise,

145.27 market, or otherwise describe, offer, or promote itself, or any housing, service, service

145.28 package, or program that it provides within this state, unless the person or entity meets the

145.29 definition of a ~~sober home~~ recovery residence in section 254B.01, subdivision 11, and meets

145.30 the requirements of ~~section 254B.181~~ sections 254B.21 to 254B.216.

145.31 **EFFECTIVE DATE.** This section is effective January 1, 2027.

146.1 Sec. 62. **RECOVERY RESIDENCE WORKGROUP.**

146.2 (a) The commissioner of human services must convene a workgroup to develop  
146.3 recommendations specific to recovery residences. The workgroup must:

146.4 (1) produce a report that examines how other states fund recovery residences, identifying  
146.5 best practices and models that could be applicable to Minnesota;  
146.6 (2) engage with stakeholders to ensure meaningful collaboration with key external  
146.7 stakeholders on the ideas being developed that will inform the final plan and  
146.8 recommendations; and

146.9 (3) create an implementable plan addressing housing needs for individuals in outpatient  
146.10 substance use disorder treatment that includes:

146.11 (i) clear strategies for aligning housing models with individual treatment needs;  
146.12 (ii) an assessment of funding streams, including potential federal funding sources;  
146.13 (iii) a timeline for implementation with key milestones and action steps;  
146.14 (iv) recommendations for future resource allocation to ensure long-term housing stability  
146.15 for individuals in recovery;  
146.16 (v) specific recommendations for policy or legislative changes that may be required to  
146.17 support sustainable recovery housing solutions, including challenges faced by recovery  
146.18 residences resulting from state and local housing regulations and ordinances; and  
146.19 (vi) recommendations for potentially delegating the commissioner's recovery residence  
146.20 certification duties under Minnesota Statutes, sections 254B.21 to 254B.216 to a third-party  
146.21 organization.

146.22 (b) The workgroup must include but is not limited to:  
146.23 (1) at least two designees from the Department of Human Services representing: (i)  
146.24 behavioral health; and (ii) homelessness and housing and support services;  
146.25 (2) the commissioner of health or a designee;  
146.26 (3) two people who have experience living in a recovery residence;  
146.27 (4) representatives from at least three substance use disorder lodging facilities currently  
146.28 operating in Minnesota;  
146.29 (5) three representatives from county social services agencies, at least one from inside  
146.30 the seven-county metropolitan area and one from outside the seven-county metropolitan  
146.31 area;

147.1 (6) a representative from a Tribal social services agency;

147.2 (7) representatives from the state affiliate of the National Alliance for Recovery

147.3 Residences; and

147.4 (8) a representative from a state mental health advocacy or adult mental health provider

147.5 organization.

147.6 (c) The workgroup must meet at least monthly and as necessary to fulfill its

147.7 responsibilities. The commissioner of human services must provide administrative support

147.8 and meeting space for the workgroup. The workgroup may conduct meetings remotely.

147.9 (d) The commissioner of human services must make appointments to the workgroup by

147.10 October 1, 2025, and convene the first meeting of the workgroup by January 15, 2026.

147.11 (e) The workgroup must submit a final report with recommendations to the chairs and

147.12 ranking minority members of the legislative committees with jurisdiction over health and

147.13 human services policy and finance on or before January 1, 2027.

147.14 Sec. 63. **SUBSTANCE USE DISORDER TREATMENT COORDINATION AND**

147.15 **NAVIGATION ASSISTANCE EVALUATION.**

147.16 (a) The commissioner of human services must evaluate and make recommendations on

147.17 ways to ensure that persons with substance use disorder have access to treatment coordination

147.18 and navigation services that improve access to:

147.19 (1) acute withdrawal services;

147.20 (2) physical health care coverage and services;

147.21 (3) cognitive, behavioral, and emotional health care coverage and services;

147.22 (4) relapse prevention services; and

147.23 (5) recovery environment supports, including but not limited to employment, vocational

147.24 services, transportation, child care, affordable housing, economic assistance, financial

147.25 independence, and reconnection to community.

147.26 (b) As part of the evaluation, the commissioner must assess and identify gaps in the

147.27 current substance use disorder service continuum including treatment coordination, health

147.28 care navigation services, and case management. The commissioner must evaluate

147.29 opportunities and make recommendations for developing, expanding, or integrating medical

147.30 assistance care coordination, navigation, and case management services.

148.1        (c) The commissioner must submit a report on the evaluation and recommendations  
148.2        under this section to the chairs and ranking minority members of the committees with  
148.3        jurisdiction over health and human services by November 1, 2026. The report must outline  
148.4        currently available treatment coordination and navigation services for persons with substance  
148.5        use disorder, identify gaps in the substance use disorder service continuum, and recommend  
148.6        new, expanded, or integrated benefits that align with evidence-based, holistic, and  
148.7        person-centered approaches to substance use disorder recovery.

148.8        Sec. 64. **PSYCHIATRIC RESIDENTIAL TREATMENT FACILITY WORKING**  
148.9        **GROUP.**

148.10        (a) By July 15, 2025, the commissioner of human services must convene a working  
148.11        group with participation from:

148.12        (1) organizations operating psychiatric residential treatment facilities;

148.13        (2) advocates;

148.14        (3) health care experts;

148.15        (4) juvenile detention experts;

148.16        (5) county representatives;

148.17        (6) at least one employee of Direct Care and Treatment appointed by the chief executive  
148.18        officer of Direct Care and Treatment;

148.19        (7) at least one employee of the Department of Health appointed by the commissioner  
148.20        of health; and

148.21        (8) at least two employees of the Department of Human Services, one of whom must  
148.22        have expertise in behavioral health and one of whom must have expertise in licensing of  
148.23        residential facilities.

148.24        (b) By January 15, 2026, the psychiatric residential treatment facility working group  
148.25        must submit a report and proposed legislative changes to the chairs and ranking minority  
148.26        members of the legislative committees with jurisdiction over children's mental health and  
148.27        juvenile detention. The submitted report must include recommendations:

148.28        (1) to amend the state medical assistance plan to expand access to care provided in  
148.29        psychiatric residential treatment facilities with consideration being given to enhancing  
148.30        flexibilities to serve a continuum of mental health needs;

149.1        (2) to develop licensing standards for psychiatric residential treatment facilities to reflect  
149.2        needed flexibilities and broad inclusion of settings where care can be delivered in settings  
149.3        operated by Direct Care and Treatment; and

149.4        (3) to update the rate methodology for services provided in psychiatric residential  
149.5        treatment facilities to assure high quality of care with required individualization.

149.6        (c) When developing the recommendations required under paragraph (b), the working  
149.7        group must:

149.8        (1) consider how best to meet the needs of children with high levels of complexity,  
149.9        aggression, and related barriers to being served by community providers; and

149.10        (2) determine what would be required, including needed infrastructure, staffing, and  
149.11        sustainable funding sources, to allow qualified residential treatment programs to transition  
149.12        to a psychiatric residential treatment facility standard of care.

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

149.14        **Sec. 65. SUBSTANCE USE DISORDER TREATMENT BILLING UNITS.**

149.15        The commissioner of human services must establish six new billing codes for  
149.16        nonresidential substance use disorder individual and group counseling, psychoeducation,  
149.17        and recovery support services. The commissioner must identify reimbursement rates for  
149.18        the newly defined codes and update the substance use disorder fee schedule. The new billing  
149.19        codes must correspond to a 15-minute unit and become effective for services provided on  
149.20        or after July 1, 2026, or upon federal approval, whichever is later.

149.21        **Sec. 66. REVISOR INSTRUCTION.**

149.22        The revisor of statutes shall change the terms "mental health practitioner" and "mental  
149.23        health practitioners" to "behavioral health practitioner" or "behavioral health practitioners"  
149.24        wherever they appear in Minnesota Statutes, chapter 245I.

149.25        **Sec. 67. REPEALER.**

149.26        (a) Minnesota Statutes 2024, sections 245G.01, subdivision 20d; 245G.07, subdivision  
149.27        2; and 254B.01, subdivision 5, are repealed.

149.28        (b) Minnesota Statutes 2024, section 254B.04, subdivision 2a, is repealed.

149.29        (c) Minnesota Statutes 2024, section 254B.181, is repealed.

150.1 **EFFECTIVE DATE.** Paragraph (a) is effective July 1, 2025, paragraph (b) is effective  
150.2 July 1, 2027, and paragraph (c) is effective January 1, 2027.

## ARTICLE 5

## BACKGROUND STUDIES

150.5 Section 1. Minnesota Statutes 2024, section 142A.02, subdivision 1, is amended to read:

150.6        **Subdivision 1. Department.** (a) The Department of Children, Youth, and Families is  
150.7        established. The commissioner of children, youth, and families is hereby constituted the  
150.8        "state agency" for the purposes of Title IV of the Social Security Act of the United States  
150.9        and the laws of this state.

150.10        (b) The commissioners of human services and children, youth, and families are hereby  
150.11 constituted the "state agency" and the "joint interagency office" for purposes of background  
150.12 studies under chapter 245C.

150.13        (c) The commissioner of children, youth, and families is hereby constituted the "state  
150.14        agency" for the purposes of administering the child care and development fund.

150.15 Sec. 2. Minnesota Statutes 2024, section 142A.09, subdivision 1, is amended to read:

150.16 Subdivision 1. **Background studies required.** The commissioner of ~~children, youth,~~  
150.17 ~~and families shall contract with the commissioner of human services to~~ shall conduct  
150.18 background studies of individuals specified in section 245C.03, subdivision 1, affiliated  
150.19 with:

150.20 (1) a facility or program licensed or seeking a license under chapter 142B;

150.21 (2) a license-exempt child care center certified under chapter 142C; or

150.22 (3) a legal nonlicensed child care provider authorized under chapter 142E.

150.23 Sec. 3. Minnesota Statutes 2024, section 245C.02, subdivision 7, is amended to read:

150.24 Subd. 7. **Commissioner.** "Commissioner" has the meaning given in section 245A.02,  
150.25 subdivision 5 means the commissioner of human services.

150.26 Sec. 4. Minnesota Statutes 2024, section 245C.03, subdivision 6, is amended to read:

150.27 Subd. 6. **Unlicensed home and community-based waiver providers of service to**  
150.28 **seniors and individuals with disabilities.** (a) The commissioner shall conduct background  
150.29 studies of on any individual who is an owner who has at least a five percent ownership

151.1 stake, an operator, or an employee or volunteer who provides direct contact, as defined in  
151.2 section 245C.02, subdivision 11, for services specified in the federally approved home and  
151.3 community-based waiver plans under section 256B.4912. The individual studied must meet  
151.4 the requirements of this chapter prior to providing waiver services and as part of ongoing  
151.5 enrollment.

151.6 (b) The requirements in paragraph (a) apply to consumer-directed community supports  
151.7 under section 256B.4911.

151.8 (c) For purposes of this section, "operator" includes but is not limited to a managerial  
151.9 officer who oversees the billing, management, or policies of the services provided.

151.10 Sec. 5. Minnesota Statutes 2024, section 245C.03, subdivision 13, is amended to read:

151.11 Subd. 13. **Providers of housing stabilization services.** The commissioner shall conduct  
151.12 background studies ~~ef on any provider of~~ individual who is an owner who has at least a five  
151.13 percent ownership stake in, an operator of, or an employee or volunteer who provides direct  
151.14 contact housing stabilization services required by section 256B.051 ~~to have a background~~  
151.15 ~~study completed under this chapter.~~

151.16 Sec. 6. Minnesota Statutes 2024, section 245C.03, subdivision 15, is amended to read:

151.17 Subd. 15. **Early intensive developmental and behavioral intervention providers.** The  
151.18 commissioner shall conduct background studies according to this chapter ~~when initiated by~~  
151.19 an on any individual who is an owner who has at least a five percent ownership stake in,  
151.20 an operator of, or an employee or volunteer who provides direct contact early intensive  
151.21 developmental and behavioral intervention provider services under section 256B.0949.

151.22 Sec. 7. Minnesota Statutes 2024, section 245C.04, subdivision 6, is amended to read:

151.23 Subd. 6. **Unlicensed home and community-based waiver providers of service to**  
151.24 **seniors and individuals with disabilities and providers of housing stabilization**  
151.25 **services.** (a) Providers required to initiate background studies under section ~~256B.4912~~  
151.26 245C.03, subdivisions 6 and 13 must initiate a study using the electronic system known as  
151.27 NETStudy 2.0 before the individual begins in a position allowing direct contact with persons  
151.28 served by the provider. New providers must initiate a study under this subdivision before  
151.29 initial enrollment if the provider has not already initiated background studies as part of the  
151.30 service licensure requirements.

152.1       (b) Except as provided in paragraphs (c) and (d), the providers must initiate a background  
152.2 study annually of an individual required to be studied under section 245C.03, subdivision  
152.3 6.

152.4       (c) After an initial background study under this subdivision is initiated on an individual  
152.5 by a provider of both services licensed by the commissioner and the unlicensed services  
152.6 under this subdivision, a repeat annual background study is not required if:

152.7       (1) the provider maintains compliance with the requirements of section 245C.07,  
152.8 paragraph (a), regarding one individual with one address and telephone number as the person  
152.9 to receive sensitive background study information for the multiple programs that depend  
152.10 on the same background study, and that the individual who is designated to receive the  
152.11 sensitive background information is capable of determining, upon the request of the  
152.12 commissioner, whether a background study subject is providing direct contact services in  
152.13 one or more of the provider's programs or services and, if so, at which location or locations;  
152.14 and

152.15       (2) the individual who is the subject of the background study provides direct contact  
152.16 services under the provider's licensed program for at least 40 hours per year so the individual  
152.17 will be recognized by a probation officer or corrections agent to prompt a report to the  
152.18 commissioner regarding criminal convictions as required under section 245C.05, subdivision  
152.19 7.

152.20       (d) ~~A provider who initiates background studies through NETStudy 2.0 is exempt from~~  
152.21 ~~the requirement to initiate annual background studies under paragraph (b) for individuals~~  
152.22 ~~who are on the provider's active roster.~~

152.23       Sec. 8. Minnesota Statutes 2024, section 245C.04, is amended by adding a subdivision to  
152.24 read:

152.25       Subd. 12. Early intensive developmental and behavioral intervention

152.26       providers. Providers required to initiate background studies under section 245C.03,  
152.27 subdivision 15, must initiate a study using the electronic system known as NETStudy 2.0  
152.28 before the individual begins in a position operating or allowing direct contact with persons  
152.29 served by the provider or before the individual becomes an operator or acquires five percent  
152.30 or more ownership.

153.1 Sec. 9. Minnesota Statutes 2024, section 245C.08, subdivision 5, is amended to read:

153.2 Subd. 5. **Authorization.** The commissioner ~~of human services~~ shall be authorized to  
153.3 receive information under this chapter.

153.4 Sec. 10. Minnesota Statutes 2024, section 245C.10, is amended by adding a subdivision  
153.5 to read:

153.6 Subd. 9b. **Child foster care and adoption programs.** The commissioner shall recover  
153.7 the cost of a background study required for child foster care and adoption studies through  
153.8 a fee of no more than \$44 per study. The fees collected under this subdivision are  
153.9 appropriated to the commissioner for the purpose of conducting background studies.

153.10 Sec. 11. Minnesota Statutes 2024, section 245C.13, subdivision 2, is amended to read:

153.11 Subd. 2. **Activities pending completion of background study.** The subject of a  
153.12 background study may not perform any activity requiring a background study under  
153.13 paragraph (c) until the commissioner has issued one of the notices under paragraph (a).

153.14 (a) Notices from the commissioner required prior to activity under paragraph (c) include:

153.15 (1) a notice of the study results under section 245C.17 stating that:

153.16 (i) the individual is not disqualified; or

153.17 (ii) more time is needed to complete the study but the individual is not required to be  
153.18 removed from direct contact or access to people receiving services prior to completion of  
153.19 the study as provided under section 245C.17, subdivision 1, paragraph (b) or (c). The notice  
153.20 that more time is needed to complete the study must also indicate whether the individual is  
153.21 required to be under continuous direct supervision prior to completion of the background  
153.22 study. When more time is necessary to complete a background study of an individual  
153.23 affiliated with a Title IV-E eligible children's residential facility or foster residence setting,  
153.24 the individual may not work in the facility or setting regardless of whether or not the  
153.25 individual is supervised;

153.26 (2) a notice that a disqualification has been set aside under section 245C.23; or

153.27 (3) a notice that a variance has been granted related to the individual under section  
153.28 245C.30.

153.29 (b) For a background study affiliated with a licensed child care center or certified  
153.30 license-exempt child care center, the notice sent under paragraph (a), clause (1), item (ii),  
153.31 must not be issued until the commissioner receives a qualifying result for the individual for

154.1 the fingerprint-based national criminal history record check or the fingerprint-based criminal  
154.2 history information from the Bureau of Criminal Apprehension. The notice must require  
154.3 the individual to be under continuous direct supervision prior to completion of the remainder  
154.4 of the background study except as permitted in subdivision 3.

154.5 (c) Activities prohibited prior to receipt of notice under paragraph (a) include:

154.6 (1) being issued a license;

154.7 (2) living in the household where the licensed program will be provided;

154.8 (3) providing direct contact services to persons served by a program unless the subject  
154.9 is under continuous direct supervision;

154.10 (4) having access to persons receiving services if the background study was completed  
154.11 under section 144.057, subdivision 1, or 245C.03, subdivision 1, paragraph (a), clause (2),  
154.12 (5), or (6), unless the subject is under continuous direct supervision;

154.13 (5) for licensed child care centers and certified license-exempt child care centers,  
154.14 providing direct contact services to persons served by the program;

154.15 (6) for children's residential facilities or foster residence settings, working in the facility  
154.16 or setting; or

154.17 (7) for background studies affiliated with a personal care provider organization, except  
154.18 as provided in section 245C.03, subdivision 3b, before a personal care assistant provides  
154.19 services, the personal care assistance provider agency must initiate a background study of  
154.20 the personal care assistant under this chapter and the personal care assistance provider  
154.21 agency must have received a notice from the commissioner that the personal care assistant  
154.22 is:

154.23 (i) not disqualified under section 245C.14; or

154.24 (ii) disqualified, but the personal care assistant has received a set aside of the  
154.25 disqualification under section 245C.22; or

154.26 (8) for background studies affiliated with an early intensive developmental and behavioral  
154.27 intervention provider, before an individual provides services, the early intensive  
154.28 developmental and behavioral intervention provider must initiate a background study for  
154.29 the individual under this chapter and the early intensive developmental and behavioral  
154.30 intervention provider must have received a notice from the commissioner that the individual  
154.31 is:

154.32 (i) not disqualified under section 245C.14; or

155.1        (ii) disqualified, but the individual has received a set-aside of the disqualification under  
155.2        section 245C.22.

155.3        **EFFECTIVE DATE.** The amendment to paragraph (b) is effective January 15, 2026.

155.4        The amendment to paragraph (c) is effective August 5, 2025.

155.5        Sec. 12. Minnesota Statutes 2024, section 245C.14, is amended by adding a subdivision  
155.6        to read:

155.7        Subd. 4c. **Two-year disqualification.** An individual is disqualified under section  
155.8        245C.14, subdivision 6, if less than two years have passed since a determination that the  
155.9        individual violated section 142A.12, 245.095, or 256B.064.

155.10        **EFFECTIVE DATE.** This section is effective July 1, 2025.

155.11        Sec. 13. Minnesota Statutes 2024, section 245C.14, is amended by adding a subdivision  
155.12        to read:

155.13        Subd. 6. **Disqualification from owning, operating, or billing.** The commissioner shall  
155.14        disqualify an individual who is the subject of a background study from any position involving  
155.15        ownership, management, or control of a program or billing activities if a background study  
155.16        completed under this chapter shows a violation of section 142A.12, 245.095, or 256B.064.

155.17        **EFFECTIVE DATE.** This section is effective July 1, 2025.

155.18        Sec. 14. Minnesota Statutes 2024, section 245C.15, subdivision 1, is amended to read:

155.19        **Subdivision 1. Permanent disqualification.** (a) An individual is disqualified under  
155.20        section 245C.14 if: (1) regardless of how much time has passed since the discharge of the  
155.21        sentence imposed, if any, for the offense; and (2) unless otherwise specified, regardless of  
155.22        the level of the offense, the individual has committed any of the following offenses: sections  
155.23        243.166 (violation of predatory offender registration law); 609.185 (murder in the first  
155.24        degree); 609.19 (murder in the second degree); 609.195 (murder in the third degree); 609.20  
155.25        (manslaughter in the first degree); 609.205 (manslaughter in the second degree); a felony  
155.26        offense under 609.221 or 609.222 (assault in the first or second degree); a felony offense  
155.27        under sections 609.2242 and 609.2243 (domestic assault), spousal abuse, child abuse or  
155.28        neglect, or a crime against children; 609.2247 (domestic assault by strangulation); 609.228  
155.29        (great bodily harm caused by distribution of drugs); 609.245 (aggravated robbery); 609.247,  
155.30        subdivision 2 or 3 (carjacking in the first or second degree); 609.25 (kidnapping); 609.2661  
155.31        (murder of an unborn child in the first degree); 609.2662 (murder of an unborn child in the  
155.32        second degree); 609.2663 (murder of an unborn child in the third degree); 609.322

156.1 (solicitation, inducement, and promotion of prostitution); 609.324, subdivision 1 (other  
156.2 prohibited acts); 609.342 (criminal sexual conduct in the first degree); 609.343 (criminal  
156.3 sexual conduct in the second degree); 609.344 (criminal sexual conduct in the third degree);  
156.4 609.345 (criminal sexual conduct in the fourth degree); 609.3451 (criminal sexual conduct  
156.5 in the fifth degree); 609.3453 (criminal sexual predatory conduct); 609.3458 (sexual  
156.6 extortion); 609.352 (solicitation of children to engage in sexual conduct); 609.365 (incest);  
156.7 a felony offense under 609.377 (malicious punishment of a child); 609.3775 (child torture);  
156.8 a felony offense under 609.378 (neglect or endangerment of a child); 609.561 (arson in the  
156.9 first degree); 609.66, subdivision 1e (drive-by shooting); 609.749, subdivision 3, 4, or 5  
156.10 (felony-level harassment or stalking); 609.855, subdivision 5 (shooting at or in a public  
156.11 transit vehicle or facility); 617.23, subdivision 2, clause (1), or subdivision 3, clause (1)  
156.12 (indecent exposure involving a minor); 617.246 (use of minors in sexual performance  
156.13 prohibited); 617.247 (possession of pictorial representations of minors); or, for a child care  
156.14 background study subject, conviction of a crime that would make the individual ineligible  
156.15 for employment under United States Code, title 42, section 9858f, except for a felony drug  
156.16 conviction, regardless of whether a period of disqualification under subdivisions 2 to 4,  
156.17 would apply if the individual were not a child care background study subject.

156.18 (b) An individual's aiding and abetting, attempt, or conspiracy to commit any of the  
156.19 offenses listed in paragraph (a), as each of these offenses is defined in Minnesota Statutes,  
156.20 permanently disqualifies the individual under section 245C.14.

156.21 (c) An individual's offense in any other state or country, where the elements of the offense  
156.22 are substantially similar to any of the offenses listed in paragraph (a), permanently disqualifies  
156.23 the individual under section 245C.14.

156.24 (d) When a disqualification is based on a judicial determination other than a conviction,  
156.25 the disqualification period begins from the date of the court order. When a disqualification  
156.26 is based on an admission, the disqualification period begins from the date of an admission  
156.27 in court. When a disqualification is based on an Alford Plea, the disqualification period  
156.28 begins from the date the Alford Plea is entered in court. When a disqualification is based  
156.29 on a preponderance of evidence of a disqualifying act, the disqualification date begins from  
156.30 the date of the dismissal, the date of discharge of the sentence imposed for a conviction for  
156.31 a disqualifying crime of similar elements, or the date of the incident, whichever occurs last.

156.32 (e) If the individual studied commits one of the offenses listed in paragraph (a) that is  
156.33 specified as a felony-level only offense, but the sentence or level of offense is a gross  
156.34 misdemeanor or misdemeanor, the individual is disqualified, but the disqualification

157.1 look-back period for the offense is the period applicable to gross misdemeanor or  
157.2 misdemeanor offenses.

157.3 (f) A child care background study subject shall be disqualified if the individual is  
157.4 registered, or required to be registered, on a state sex offender registry or repository or the  
157.5 National Sex Offender Registry.

157.6 **EFFECTIVE DATE.** This section is effective July 1, 2025.

157.7 Sec. 15. Minnesota Statutes 2024, section 245C.15, subdivision 4a, is amended to read:

157.8 **Subd. 4a. Licensed family foster setting disqualifications.** (a) Notwithstanding  
157.9 subdivisions 1 to 4, for a background study affiliated with a licensed family foster setting,  
157.10 regardless of how much time has passed, an individual is disqualified under section 245C.14  
157.11 if the individual committed an act that resulted in a felony-level conviction for sections:  
157.12 609.185 (murder in the first degree); 609.19 (murder in the second degree); 609.195 (murder  
157.13 in the third degree); 609.20 (manslaughter in the first degree); 609.205 (manslaughter in  
157.14 the second degree); 609.2112 (criminal vehicular homicide); 609.221 (assault in the first  
157.15 degree); 609.223, subdivision 2 (assault in the third degree, past pattern of child abuse);  
157.16 609.223, subdivision 3 (assault in the third degree, victim under four); a felony offense  
157.17 under sections 609.2242 and 609.2243 (domestic assault, spousal abuse, child abuse or  
157.18 neglect, or a crime against children); 609.2247 (domestic assault by strangulation); 609.2325  
157.19 (criminal abuse of a vulnerable adult resulting in the death of a vulnerable adult); 609.245  
157.20 (aggravated robbery); 609.247, subdivision 2 or 3 (carjacking in the first or second degree);  
157.21 609.25 (kidnapping); 609.255 (false imprisonment); 609.2661 (murder of an unborn child  
157.22 in the first degree); 609.2662 (murder of an unborn child in the second degree); 609.2663  
157.23 (murder of an unborn child in the third degree); 609.2664 (manslaughter of an unborn child  
157.24 in the first degree); 609.2665 (manslaughter of an unborn child in the second degree);  
157.25 609.267 (assault of an unborn child in the first degree); 609.2671 (assault of an unborn child  
157.26 in the second degree); 609.268 (injury or death of an unborn child in the commission of a  
157.27 crime); 609.322, subdivision 1 (solicitation, inducement, and promotion of prostitution; sex  
157.28 trafficking in the first degree); 609.324, subdivision 1 (other prohibited acts; engaging in,  
157.29 hiring, or agreeing to hire minor to engage in prostitution); 609.342 (criminal sexual conduct  
157.30 in the first degree); 609.343 (criminal sexual conduct in the second degree); 609.344 (criminal  
157.31 sexual conduct in the third degree); 609.345 (criminal sexual conduct in the fourth degree);  
157.32 609.3451 (criminal sexual conduct in the fifth degree); 609.3453 (criminal sexual predatory  
157.33 conduct); 609.3458 (sexual extortion); 609.352 (solicitation of children to engage in sexual  
157.34 conduct); 609.377 (malicious punishment of a child); 609.3775 (child torture); 609.378

158.1 (neglect or endangerment of a child); 609.561 (arson in the first degree); 609.582, subdivision  
158.2 1 (burglary in the first degree); 609.746 (interference with privacy); 617.23 (indecent  
158.3 exposure); 617.246 (use of minors in sexual performance prohibited); or 617.247 (possession  
158.4 of pictorial representations of minors).

158.5 (b) Notwithstanding subdivisions 1 to 4, for the purposes of a background study affiliated  
158.6 with a licensed family foster setting, an individual is disqualified under section 245C.14,  
158.7 regardless of how much time has passed, if the individual:

158.8 (1) committed an action under paragraph (e) that resulted in death or involved sexual  
158.9 abuse, as defined in section 260E.03, subdivision 20;

158.10 (2) committed an act that resulted in a gross misdemeanor-level conviction for section  
158.11 609.3451 (criminal sexual conduct in the fifth degree);

158.12 (3) committed an act against or involving a minor that resulted in a felony-level conviction  
158.13 for: section 609.222 (assault in the second degree); 609.223, subdivision 1 (assault in the  
158.14 third degree); 609.2231 (assault in the fourth degree); or 609.224 (assault in the fifth degree);  
158.15 or

158.16 (4) committed an act that resulted in a misdemeanor or gross misdemeanor-level  
158.17 conviction for section 617.293 (dissemination and display of harmful materials to minors).

158.18 (c) Notwithstanding subdivisions 1 to 4, for a background study affiliated with a licensed  
158.19 family foster setting, an individual is disqualified under section 245C.14 if fewer than 20  
158.20 years have passed since the termination of the individual's parental rights under section  
158.21 260C.301, subdivision 1, paragraph (b), or if the individual consented to a termination of  
158.22 parental rights under section 260C.301, subdivision 1, paragraph (a), to settle a petition to  
158.23 involuntarily terminate parental rights. An individual is disqualified under section 245C.14  
158.24 if fewer than 20 years have passed since the termination of the individual's parental rights  
158.25 in any other state or country, where the conditions for the individual's termination of parental  
158.26 rights are substantially similar to the conditions in section 260C.301, subdivision 1, paragraph  
158.27 (b).

158.28 (d) Notwithstanding subdivisions 1 to 4, for a background study affiliated with a licensed  
158.29 family foster setting, an individual is disqualified under section 245C.14 if fewer than five  
158.30 years have passed since a felony-level violation for sections: 152.021 (controlled substance  
158.31 crime in the first degree); 152.022 (controlled substance crime in the second degree); 152.023  
158.32 (controlled substance crime in the third degree); 152.024 (controlled substance crime in the  
158.33 fourth degree); 152.025 (controlled substance crime in the fifth degree); 152.0261 (importing  
158.34 controlled substances across state borders); 152.0262, subdivision 1, paragraph (b)

159.1 (possession of substance with intent to manufacture methamphetamine); 152.027, subdivision  
159.2 6, paragraph (c) (sale or possession of synthetic cannabinoids); 152.096 (conspiracies  
159.3 prohibited); 152.097 (simulated controlled substances); 152.136 (anhydrous ammonia;  
159.4 prohibited conduct; criminal penalties; civil liabilities); 152.137 (methamphetamine-related  
159.5 crimes involving children or vulnerable adults); 169A.24 (felony first-degree driving while  
159.6 impaired); 243.166 (violation of predatory offender registration requirements); 609.2113  
159.7 (criminal vehicular operation; bodily harm); 609.2114 (criminal vehicular operation; unborn  
159.8 child); 609.228 (great bodily harm caused by distribution of drugs); 609.2325 (criminal  
159.9 abuse of a vulnerable adult not resulting in the death of a vulnerable adult); 609.233 (criminal  
159.10 neglect); 609.235 (use of drugs to injure or facilitate a crime); 609.24 (simple robbery);  
159.11 609.247, subdivision 4 (carjacking in the third degree); 609.322, subdivision 1a (solicitation,  
159.12 inducement, and promotion of prostitution; sex trafficking in the second degree); 609.498,  
159.13 subdivision 1 (tampering with a witness in the first degree); 609.498, subdivision 1b  
159.14 (aggravated first-degree witness tampering); 609.562 (arson in the second degree); 609.563  
159.15 (arson in the third degree); 609.582, subdivision 2 (burglary in the second degree); 609.66  
159.16 (felony dangerous weapons); 609.687 (adulteration); 609.713 (terroristic threats); 609.749,  
159.17 subdivision 3, 4, or 5 (felony-level harassment or stalking); 609.855, subdivision 5 (shooting  
159.18 at or in a public transit vehicle or facility); or 624.713 (certain people not to possess firearms).

159.19 (e) Notwithstanding subdivisions 1 to 4, except as provided in paragraph (a), for a  
159.20 background study affiliated with a licensed family child foster care license, an individual  
159.21 is disqualified under section 245C.14 if fewer than five years have passed since:

159.22 (1) a felony-level violation for an act not against or involving a minor that constitutes:  
159.23 section 609.222 (assault in the second degree); 609.223, subdivision 1 (assault in the third  
159.24 degree); 609.2231 (assault in the fourth degree); or 609.224, subdivision 4 (assault in the  
159.25 fifth degree);

159.26 (2) a violation of an order for protection under section 518B.01, subdivision 14;

159.27 (3) a determination or disposition of the individual's failure to make required reports  
159.28 under section 260E.06 or 626.557, subdivision 3, for incidents in which the final disposition  
159.29 under chapter 260E or section 626.557 was substantiated maltreatment and the maltreatment  
159.30 was recurring or serious;

159.31 (4) a determination or disposition of the individual's substantiated serious or recurring  
159.32 maltreatment of a minor under chapter 260E, a vulnerable adult under section 626.557, or  
159.33 serious or recurring maltreatment in any other state, the elements of which are substantially

160.1 similar to the elements of maltreatment under chapter 260E or section 626.557 and meet  
160.2 the definition of serious maltreatment or recurring maltreatment;

160.3 (5) a gross misdemeanor-level violation for sections: 609.224, subdivision 2 (assault in  
160.4 the fifth degree); 609.2242 and 609.2243 (domestic assault); 609.233 (criminal neglect);  
160.5 609.377 (malicious punishment of a child); 609.378 (neglect or endangerment of a child);  
160.6 609.746 (interference with privacy); 609.749 (stalking); or 617.23 (indecent exposure); or  
160.7 (6) committing an act against or involving a minor that resulted in a misdemeanor-level  
160.8 violation of section 609.224, subdivision 1 (assault in the fifth degree).

160.9 (f) For purposes of this subdivision, the disqualification begins from:  
160.10 (1) the date of the alleged violation, if the individual was not convicted;  
160.11 (2) the date of conviction, if the individual was convicted of the violation but not  
160.12 committed to the custody of the commissioner of corrections; or  
160.13 (3) the date of release from prison, if the individual was convicted of the violation and  
160.14 committed to the custody of the commissioner of corrections.

160.15 Notwithstanding clause (3), if the individual is subsequently reincarcerated for a violation  
160.16 of the individual's supervised release, the disqualification begins from the date of release  
160.17 from the subsequent incarceration.

160.18 (g) An individual's aiding and abetting, attempt, or conspiracy to commit any of the  
160.19 offenses listed in paragraphs (a) and (b), as each of these offenses is defined in Minnesota  
160.20 Statutes, permanently disqualifies the individual under section 245C.14. An individual is  
160.21 disqualified under section 245C.14 if fewer than five years have passed since the individual's  
160.22 aiding and abetting, attempt, or conspiracy to commit any of the offenses listed in paragraphs  
160.23 (d) and (e).

160.24 (h) An individual's offense in any other state or country, where the elements of the  
160.25 offense are substantially similar to any of the offenses listed in paragraphs (a) and (b),  
160.26 permanently disqualifies the individual under section 245C.14. An individual is disqualified  
160.27 under section 245C.14 if fewer than five years have passed since an offense in any other  
160.28 state or country, the elements of which are substantially similar to the elements of any  
160.29 offense listed in paragraphs (d) and (e).

160.30 **EFFECTIVE DATE.** This section is effective July 1, 2025.

161.1 Sec. 16. Minnesota Statutes 2024, section 245C.22, subdivision 3, is amended to read:

161.2 **Subd. 3. Preeminent weight given to safety of persons being served and program**  
161.3 **integrity.** In reviewing a request for reconsideration of a disqualification, the commissioner  
161.4 shall give preeminent weight to the safety of each person served by the license holder,  
161.5 applicant, or other entities as provided in this chapter and to program integrity through  
161.6 protection of state and federal money supporting the program over the interests of the  
161.7 disqualified individual, license holder, applicant, or other entity as provided in this chapter,  
161.8 and any single factor under subdivision 4, paragraph (b), may be determinative of the  
161.9 commissioner's decision whether to set aside the individual's disqualification.

161.10 Sec. 17. Minnesota Statutes 2024, section 245C.22, subdivision 8, is amended to read:

161.11 **Subd. 8. Sharing of certain data for reconsiderations and appeals.** (a) The following  
161.12 commissioners shall be responsible for conducting making final agency decisions on  
161.13 background study reconsiderations and defending appeals of background studies for programs  
161.14 under their jurisdictions study determinations:

161.15 (1) the commissioner of human services for all programs under section 245C.03,  
161.16 subdivision 4 this chapter, unless otherwise specified in this subdivision;  
161.17 (2) the commissioner of health for programs under section 245C.03, subdivision 5a;  
161.18 (3) the commissioner of corrections for programs under section 245C.03, subdivision  
161.19 5b; and  
161.20 (4) the commissioner of the children, youth, and families for programs under section  
161.21 245C.03, subdivision 5c.

161.22 (b) The commissioner of human services shall share all relevant background study data  
161.23 to allow the commissioners specified in paragraph (a) to complete reconsiderations and  
161.24 appeals for programs licensed or regulated by their agencies.

161.25 Sec. 18. Minnesota Statutes 2024, section 609A.015, subdivision 4, is amended to read:

161.26 **Subd. 4. Notice.** (a) The court shall notify a person who may become eligible for an  
161.27 automatic expungement under this section of that eligibility at any hearing where the court  
161.28 dismisses and discharges proceedings against a person under section 152.18, subdivision  
161.29 1, for violation of section 152.024, 152.025, or 152.027 for possession of a controlled  
161.30 substance; concludes that all pending actions or proceedings were resolved in favor of the  
161.31 person; grants a person's placement into a diversion program; or sentences a person or  
161.32 otherwise imposes a consequence for a qualifying offense.

162.1        (b) To the extent possible, prosecutors, defense counsel, supervising agents, and  
162.2        coordinators or supervisors of a diversion program shall notify a person who may become  
162.3        eligible for an automatic expungement under this section of that eligibility.

162.4        (c) If any party gives notification under this subdivision, the notification shall inform  
162.5        the person that:

162.6        (1) a record expunged under this section may be opened for purposes of a background  
162.7        study by the Department of Human Services; the Department of Children, Youth, and  
162.8        Families; or the Department of Health under section 245C.08 and for purposes of a  
162.9        background check by the Professional Educator Licensing and Standards Board as required  
162.10       under section 122A.18, subdivision 8; and

162.11       (2) the person can file a petition under section 609A.03, subject to the process in section  
162.12       609A.03 and the limitations in section 609A.02, to expunge the records held by the  
162.13       commissioner of human services; the commissioner of children, youth, and families; the  
162.14       commissioner of health; and the Professional Educator Licensing and Standards Board.

162.15       Sec. 19. Minnesota Statutes 2024, section 609A.055, subdivision 3, is amended to read:

162.16       **Subd. 3. Expungement relief; notification requirements.** (a) The Bureau of Criminal  
162.17       Apprehension shall grant expungement relief to each qualifying person whose records the  
162.18       bureau possesses and seal the bureau's records without requiring an application, petition,  
162.19       or motion. The bureau shall seal records related to an expungement within 60 days after the  
162.20       bureau sent notice of the expungement to the judicial branch pursuant to subdivision 2,  
162.21       paragraph (b), unless an order of the judicial branch prohibits sealing the records or additional  
162.22       information establishes that the records are not eligible for expungement.

162.23       (b) Nonpublic criminal records maintained by the bureau and subject to a grant of  
162.24       expungement relief must display a notation stating "expungement relief granted pursuant  
162.25       to section 609A.055."

162.26       (c) The bureau shall inform the judicial branch of all cases that are granted expungement  
162.27       relief pursuant to this section. The bureau may notify the judicial branch using electronic  
162.28       means and may notify the judicial branch immediately or in a monthly report. Upon receiving  
162.29       notice of an expungement, the judicial branch shall seal all related records, including records  
162.30       of the person's arrest, indictment, trial, verdict, and dismissal or discharge of the case. Upon  
162.31       receiving notice of an expungement, the judicial branch shall issue any order necessary to  
162.32       seal related records. The judicial branch shall not order the Department of Health; the

163.1    Department of Children, Youth, and Families; or the Department of Human Services to seal  
163.2    records under this section.

163.3    (d) The bureau shall inform each arresting or citing law enforcement agency or  
163.4    prosecutorial office with records affected by the grant of expungement relief issued pursuant  
163.5    to paragraph (a) that expungement has been granted. The bureau shall notify each agency  
163.6    or office of an expungement within 60 days after the bureau sent notice of the expungement  
163.7    to the judicial branch. The bureau may notify each agency or office using electronic means.  
163.8    Upon receiving notification of an expungement, an agency or office shall seal all records  
163.9    related to the expungement, including the records of the person's arrest, indictment, trial,  
163.10    verdict, and dismissal or discharge of the case.

163.11    (e) The bureau shall provide information on its publicly facing website clearly stating  
163.12    that persons who are noncitizens may need copies of records affected by a grant of  
163.13    expungement relief for immigration purposes, explaining how they can obtain these copies  
163.14    after expungement or other granted relief, and stating that a noncitizen should consult with  
163.15    an immigration attorney.

163.16    (f) Data on a person whose offense has been expunged under this subdivision, including  
163.17    any notice sent pursuant to paragraph (d), are private data on individuals as defined in section  
163.18    13.02, subdivision 12.

163.19    (g) Section 609A.03, subdivision 6, applies to an order issued under this section sealing  
163.20    the record of proceedings under section 152.18.

163.21    (h) The limitations under section 609A.03, subdivision 7a, paragraph (b), do not apply  
163.22    to an order issued under this section.

163.23    (i) The subject whose record qualifies for expungement shall be given access to copies  
163.24    of the records of arrest, conviction, or incarceration for any purposes, including immigration  
163.25    purposes.

163.26    (j) Relief granted under this subdivision shall not impact the ability of a petitioner to  
163.27    file for relief under section 590.01.

## ARTICLE 6

### DEPARTMENT OF HUMAN SERVICES PROGRAM INTEGRITY

163.30    Section 1. Minnesota Statutes 2024, section 13.46, subdivision 2, is amended to read:

163.31    Subd. 2. **General.** (a) Data on individuals collected, maintained, used, or disseminated  
163.32    by the welfare system are private data on individuals, and shall not be disclosed except:

164.1        (1) according to section 13.05;

164.2        (2) according to court order;

164.3        (3) according to a statute specifically authorizing access to the private data;

164.4        (4) to an agent ~~of the welfare system and an~~ or investigator acting on behalf of a county,  
164.5        the state, or the federal government, including a law enforcement person or attorney in the  
164.6        investigation or prosecution of a criminal, civil, or administrative proceeding relating to the  
164.7        administration of a program;

164.8        (5) to personnel of the welfare system who require the data to verify an individual's  
164.9        identity; determine eligibility, amount of assistance, and the need to provide services to an  
164.10       individual or family across programs; coordinate services for an individual or family;  
164.11       evaluate the effectiveness of programs; assess parental contribution amounts; and investigate  
164.12       suspected fraud;

164.13       (6) to administer federal funds or programs;

164.14       (7) between personnel of the welfare system working in the same program;

164.15       (8) to the Department of Revenue to administer and evaluate tax refund or tax credit  
164.16       programs and to identify individuals who may benefit from these programs, and prepare  
164.17       the databases for reports required under section 270C.13 and Laws 2008, chapter 366, article  
164.18       17, section 6. The following information may be disclosed under this paragraph: an  
164.19       individual's and their dependent's names, dates of birth, Social Security or individual taxpayer  
164.20       identification numbers, income, addresses, and other data as required, upon request by the  
164.21       Department of Revenue. Disclosures by the commissioner of revenue to the commissioner  
164.22       of human services for the purposes described in this clause are governed by section 270B.14,  
164.23       subdivision 1. Tax refund or tax credit programs include, but are not limited to, the dependent  
164.24       care credit under section 290.067, the Minnesota working family credit under section  
164.25       290.0671, the property tax refund under section 290A.04, and the Minnesota education  
164.26       credit under section 290.0674;

164.27       (9) between the Department of Human Services; the Department of Employment and  
164.28       Economic Development; the Department of Children, Youth, and Families; Direct Care and  
164.29       Treatment; and, when applicable, the Department of Education, for the following purposes:

164.30       (i) to monitor the eligibility of the data subject for unemployment benefits, for any  
164.31       employment or training program administered, supervised, or certified by that agency;

164.32       (ii) to administer any rehabilitation program or child care assistance program, whether  
164.33       alone or in conjunction with the welfare system;

165.1       (iii) to monitor and evaluate the Minnesota family investment program or the child care  
165.2      assistance program by exchanging data on recipients and former recipients of Supplemental  
165.3      Nutrition Assistance Program (SNAP) benefits, cash assistance under chapter 142F, 256D,  
165.4      256J, or 256K, child care assistance under chapter 142E, medical programs under chapter  
165.5      256B or 256L; and

165.6       (iv) to analyze public assistance employment services and program utilization, cost,  
165.7      effectiveness, and outcomes as implemented under the authority established in Title II,  
165.8      Sections 201-204 of the Ticket to Work and Work Incentives Improvement Act of 1999.  
165.9      Health records governed by sections 144.291 to 144.298 and "protected health information"  
165.10     as defined in Code of Federal Regulations, title 45, section 160.103, and governed by Code  
165.11     of Federal Regulations, title 45, parts 160-164, including health care claims utilization  
165.12     information, must not be exchanged under this clause;

165.13      (10) to appropriate parties in connection with an emergency if knowledge of the  
165.14     information is necessary to protect the health or safety of the individual or other individuals  
165.15     or persons;

165.16      (11) data maintained by residential programs as defined in section 245A.02 may be  
165.17     disclosed to the protection and advocacy system established in this state according to Part  
165.18     C of Public Law 98-527 to protect the legal and human rights of persons with developmental  
165.19     disabilities or other related conditions who live in residential facilities for these persons if  
165.20     the protection and advocacy system receives a complaint by or on behalf of that person and  
165.21     the person does not have a legal guardian or the state or a designee of the state is the legal  
165.22     guardian of the person;

165.23      (12) to the county medical examiner or the county coroner for identifying or locating  
165.24     relatives or friends of a deceased person;

165.25      (13) data on a child support obligor who makes payments to the public agency may be  
165.26     disclosed to the Minnesota Office of Higher Education to the extent necessary to determine  
165.27     eligibility under section 136A.121, subdivision 2, clause (5);

165.28      (14) participant Social Security or individual taxpayer identification numbers and names  
165.29     collected by the telephone assistance program may be disclosed to the Department of  
165.30     Revenue to conduct an electronic data match with the property tax refund database to  
165.31     determine eligibility under section 237.70, subdivision 4a;

165.32      (15) the current address of a Minnesota family investment program participant may be  
165.33     disclosed to law enforcement officers who provide the name of the participant and notify  
165.34     the agency that:

166.1 (i) the participant:

166.2 (A) is a fugitive felon fleeing to avoid prosecution, or custody or confinement after  
166.3 conviction, for a crime or attempt to commit a crime that is a felony under the laws of the  
166.4 jurisdiction from which the individual is fleeing; or

166.5 (B) is violating a condition of probation or parole imposed under state or federal law;

166.6 (ii) the location or apprehension of the felon is within the law enforcement officer's  
166.7 official duties; and

166.8 (iii) the request is made in writing and in the proper exercise of those duties;

166.9 (16) the current address of a recipient of general assistance may be disclosed to probation  
166.10 officers and corrections agents who are supervising the recipient and to law enforcement  
166.11 officers who are investigating the recipient in connection with a felony level offense;

166.12 (17) information obtained from a SNAP applicant or recipient households may be  
166.13 disclosed to local, state, or federal law enforcement officials, upon their written request, for  
166.14 the purpose of investigating an alleged violation of the Food and Nutrition Act, according  
166.15 to Code of Federal Regulations, title 7, section 272.1(c);

166.16 (18) the address, Social Security or individual taxpayer identification number, and, if  
166.17 available, photograph of any member of a household receiving SNAP benefits shall be made  
166.18 available, on request, to a local, state, or federal law enforcement officer if the officer  
166.19 furnishes the agency with the name of the member and notifies the agency that:

166.20 (i) the member:

166.21 (A) is fleeing to avoid prosecution, or custody or confinement after conviction, for a  
166.22 crime or attempt to commit a crime that is a felony in the jurisdiction the member is fleeing;

166.23 (B) is violating a condition of probation or parole imposed under state or federal law;

166.24 or

166.25 (C) has information that is necessary for the officer to conduct an official duty related  
166.26 to conduct described in subitem (A) or (B);

166.27 (ii) locating or apprehending the member is within the officer's official duties; and

166.28 (iii) the request is made in writing and in the proper exercise of the officer's official duty;

166.29 (19) the current address of a recipient of Minnesota family investment program, general  
166.30 assistance, or SNAP benefits may be disclosed to law enforcement officers who, in writing,  
166.31 provide the name of the recipient and notify the agency that the recipient is a person required

167.1 to register under section 243.166, but is not residing at the address at which the recipient is  
167.2 registered under section 243.166;

167.3 (20) certain information regarding child support obligors who are in arrears may be  
167.4 made public according to section 518A.74;

167.5 (21) data on child support payments made by a child support obligor and data on the  
167.6 distribution of those payments excluding identifying information on obligees may be  
167.7 disclosed to all obligees to whom the obligor owes support, and data on the enforcement  
167.8 actions undertaken by the public authority, the status of those actions, and data on the income  
167.9 of the obligor or obligee may be disclosed to the other party;

167.10 (22) data in the work reporting system may be disclosed under section 142A.29,  
167.11 subdivision 7;

167.12 (23) to the Department of Education for the purpose of matching Department of Education  
167.13 student data with public assistance data to determine students eligible for free and  
167.14 reduced-price meals, meal supplements, and free milk according to United States Code,  
167.15 title 42, sections 1758, 1761, 1766, 1766a, 1772, and 1773; to allocate federal and state  
167.16 funds that are distributed based on income of the student's family; and to verify receipt of  
167.17 energy assistance for the telephone assistance plan;

167.18 (24) the current address and telephone number of program recipients and emergency  
167.19 contacts may be released to the commissioner of health or a community health board as  
167.20 defined in section 145A.02, subdivision 5, when the commissioner or community health  
167.21 board has reason to believe that a program recipient is a disease case, carrier, suspect case,  
167.22 or at risk of illness, and the data are necessary to locate the person;

167.23 (25) to other state agencies, statewide systems, and political subdivisions of this state,  
167.24 including the attorney general, and agencies of other states, interstate information networks,  
167.25 federal agencies, and other entities as required by federal regulation or law for the  
167.26 administration of the child support enforcement program;

167.27 (26) to personnel of public assistance programs as defined in section 518A.81, for access  
167.28 to the child support system database for the purpose of administration, including monitoring  
167.29 and evaluation of those public assistance programs;

167.30 (27) to monitor and evaluate the Minnesota family investment program by exchanging  
167.31 data between the Departments of Human Services; Children, Youth, and Families; and  
167.32 Education, on recipients and former recipients of SNAP benefits, cash assistance under  
167.33 chapter 142F, 256D, 256J, or 256K, child care assistance under chapter 142E, medical

168.1 programs under chapter 256B or 256L, or a medical program formerly codified under chapter  
168.2 256D;

168.3 (28) to evaluate child support program performance and to identify and prevent fraud  
168.4 in the child support program by exchanging data between the Department of Human Services;  
168.5 Department of Children, Youth, and Families; Department of Revenue under section 270B.14,  
168.6 subdivision 1, paragraphs (a) and (b), without regard to the limitation of use in paragraph  
168.7 (c); Department of Health; Department of Employment and Economic Development; and  
168.8 other state agencies as is reasonably necessary to perform these functions;

168.9 (29) counties and the Department of Children, Youth, and Families operating child care  
168.10 assistance programs under chapter 142E may disseminate data on program participants,  
168.11 applicants, and providers to the commissioner of education;

168.12 (30) child support data on the child, the parents, and relatives of the child may be  
168.13 disclosed to agencies administering programs under titles IV-B and IV-E of the Social  
168.14 Security Act, as authorized by federal law;

168.15 (31) to a health care provider governed by sections 144.291 to 144.298, to the extent  
168.16 necessary to coordinate services;

168.17 (32) to the chief administrative officer of a school to coordinate services for a student  
168.18 and family; data that may be disclosed under this clause are limited to name, date of birth,  
168.19 gender, and address;

168.20 (33) to county correctional agencies to the extent necessary to coordinate services and  
168.21 diversion programs; data that may be disclosed under this clause are limited to name, client  
168.22 demographics, program, case status, and county worker information; or

168.23 (34) between the Department of Human Services and the Metropolitan Council for the  
168.24 following purposes:

168.25 (i) to coordinate special transportation service provided under section 473.386 with  
168.26 services for people with disabilities and elderly individuals funded by or through the  
168.27 Department of Human Services; and

168.28 (ii) to provide for reimbursement of special transportation service provided under section  
168.29 473.386.

168.30 The data that may be shared under this clause are limited to the individual's first, last, and  
168.31 middle names; date of birth; residential address; and program eligibility status with expiration  
168.32 date for the purposes of informing the other party of program eligibility.

169.1        (b) Information on persons who have been treated for substance use disorder may only  
169.2        be disclosed according to the requirements of Code of Federal Regulations, title 42, sections  
169.3        2.1 to 2.67.

169.4        (c) Data provided to law enforcement agencies under paragraph (a), clause (15), (16),  
169.5        (17), or (18), or paragraph (b), are investigative data and are confidential or protected  
169.6        nonpublic while the investigation is active. The data are private after the investigation  
169.7        becomes inactive under section 13.82, subdivision 7, clause (a) or (b).

169.8        (d) Mental health data shall be treated as provided in subdivisions 7, 8, and 9, but are  
169.9        not subject to the access provisions of subdivision 10, paragraph (b).

169.10       For the purposes of this subdivision, a request will be deemed to be made in writing if  
169.11       made through a computer interface system.

169.12       Sec. 2. Minnesota Statutes 2024, section 13.46, subdivision 3, is amended to read:

169.13       **Subd. 3. Investigative data.** (a) Data on persons, including data on vendors of services,  
169.14       licensees, and applicants that is collected, maintained, used, or disseminated by the welfare  
169.15       system in an investigation, authorized by statute, and relating to the enforcement of rules  
169.16       or law are confidential data on individuals pursuant to section 13.02, subdivision 3, or  
169.17       protected nonpublic data not on individuals pursuant to section 13.02, subdivision 13, and  
169.18       shall not be disclosed except:

169.19       (1) pursuant to section 13.05;

169.20       (2) pursuant to statute or valid court order;

169.21       (3) to a party named in a civil or criminal proceeding, administrative or judicial, for  
169.22       preparation of defense;

169.23       (4) to an agent of the welfare system or an investigator acting on behalf of a county,  
169.24       state, or federal government, including a law enforcement officer or attorney in the  
169.25       investigation or prosecution of a criminal, civil, or administrative proceeding, unless the  
169.26       commissioner of human services or commissioner of children, youth, and families determines  
169.27       that disclosure may compromise a Department of Human Services or Department of Children,  
169.28       Youth, and Families ongoing investigation; or

169.29       (5) to provide notices required or permitted by statute.

169.30       The data referred to in this subdivision shall be classified as public data upon submission  
169.31       to an administrative law judge or court in an administrative or judicial proceeding. Inactive  
169.32       welfare investigative data shall be treated as provided in section 13.39, subdivision 3.

170.1        (b) Notwithstanding any other provision in law, the commissioner of human services  
170.2 shall provide all active and inactive investigative data, including the name of the reporter  
170.3 of alleged maltreatment under section 626.557 or chapter 260E, to the ombudsman for  
170.4 mental health and developmental disabilities upon the request of the ombudsman.

170.5        (c) Notwithstanding paragraph (a) and section 13.39, the existence of an investigation  
170.6 by the commissioner of human services of possible overpayments of public funds to a service  
170.7 provider or recipient or the reduction or withholding of payments may be disclosed if the  
170.8 commissioner determines that it will not compromise the investigation.

170.9        **EFFECTIVE DATE.** This section is effective July 1, 2025.

170.10        Sec. 3. Minnesota Statutes 2024, section 245.095, subdivision 5, is amended to read:

170.11        Subd. 5. **Withholding of payments.** (a) Except as otherwise provided by state or federal  
170.12 law, the commissioner may withhold payments to a provider, vendor, individual, associated  
170.13 individual, or associated entity in any program administered by the commissioner if the  
170.14 commissioner determines:

170.15        (1) there is a credible allegation of fraud for which an investigation is pending for a  
170.16 program administered by a Minnesota state or federal agency; ;

170.17        (2) the individual, the entity, or an associated individual or entity was convicted of a  
170.18 crime charged in state or federal court with an offense that involves fraud or theft against  
170.19 a program administered by the commissioner or another Minnesota state or federal agency.  
170.20 For purposes of this subdivision, "convicted" means a judgment of conviction has been  
170.21 entered by a federal, state, or local court, regardless of whether an appeal from the judgment  
170.22 is pending, and includes a stay of adjudication, a court-ordered diversion program, or a plea  
170.23 of guilty or nolo contendere;

170.24        (3) the provider is operating after a Minnesota state or federal agency orders the  
170.25 suspension, revocation, or decertification of the provider's license;

170.26        (4) the provider, vendor, associated individual, or associated entity, including those  
170.27 receiving funds under any contract or registered program, has a background study  
170.28 disqualification under chapter 245C that has not been set aside and for which no variance  
170.29 has been issued, except for a disqualification under sections 245C.14, subdivision 5, and  
170.30 245C.15, subdivision 4c; or

170.31        (5) by a preponderance of the evidence that the provider, vendor, individual, associated  
170.32 individual, or associated entity intentionally provided materially false information on the  
170.33 provider's billing forms.

171.1 (b) For purposes of this subdivision, "credible allegation of fraud" means an allegation  
171.2 that has been verified by the commissioner from any source, including but not limited to:

171.3 (1) fraud hotline complaints;

171.4 (2) claims data mining;

171.5 (3) patterns identified through provider audits, civil false claims cases, and law  
171.6 enforcement investigations; and

171.7 (4) court filings and other legal documents, including but not limited to police reports,  
171.8 complaints, indictments, informations, affidavits, declarations, and search warrants.

171.9 (c) The commissioner must send notice of the withholding of payments within five days  
171.10 of taking such action. The notice must:

171.11 (1) state that payments are being withheld according to this subdivision;

171.12 (2) set forth the general allegations related to the withholding action, except the notice  
171.13 need not disclose specific information concerning an ongoing investigation;

171.14 (3) state that the withholding is for a temporary period and cite the circumstances under  
171.15 which the withholding will be terminated; and

171.16 (4) inform the provider, vendor, individual, associated individual, or associated entity  
171.17 of the right to submit written evidence to contest the withholding action for consideration  
171.18 by the commissioner.

171.19 (d) If the commissioner withholds payments under this subdivision, the provider, vendor,  
171.20 individual, associated individual, or associated entity has a right to request administrative  
171.21 reconsideration. A request for administrative reconsideration must be made in writing, state  
171.22 with specificity the reasons the payment withholding decision is in error, and include  
171.23 documents to support the request. Within 60 days from receipt of the request, the  
171.24 commissioner shall judiciously review allegations, facts, evidence available to the  
171.25 commissioner, and information submitted by the provider, vendor, individual, associated  
171.26 individual, or associated entity to determine whether the payment withholding should remain  
171.27 in place.

171.28 (e) The commissioner shall stop withholding payments if the commissioner determines  
171.29 there is insufficient evidence of fraud by the provider, vendor, individual, associated  
171.30 individual, or associated entity or when legal proceedings relating to the alleged fraud are  
171.31 completed, unless the commissioner has sent notice under subdivision 3 to the provider,  
171.32 vendor, individual, associated individual, or associated entity.

172.1 (f) The withholding of payments is a temporary action and is not subject to appeal under  
172.2 section 256.045 or chapter 14.

172.3 **EFFECTIVE DATE.** This section is effective July 1, 2025.

172.4 Sec. 4. Minnesota Statutes 2024, section 245.095, is amended by adding a subdivision to  
172.5 read:

172.6 **Subd. 6. Data practices.** The commissioner may exchange information, including claims  
172.7 data, with state or federal agencies, professional boards, departments, or programs for the  
172.8 purpose of investigating or prosecuting a criminal, civil, or administrative proceeding related  
172.9 to suspected fraud or exclusion from any program administered by a state or federal agency.

172.10 Sec. 5. Minnesota Statutes 2024, section 245A.03, is amended by adding a subdivision to  
172.11 read:

172.12 **Subd. 7a. Discretionary temporary licensing moratorium.** (a) The commissioner must  
172.13 not issue an initial license for an individual, organization, or government entity seeking  
172.14 licensure under this chapter and must not add a new service to an existing license when the  
172.15 commissioner determines that exceptional growth in applications for licensure or requests  
172.16 to add new services exceeds the determined need for service capacity. The determined need  
172.17 for service capacity may be limited to a specific region, service focus, or other factors as  
172.18 determined by the commissioner. A temporary licensing moratorium issued under this  
172.19 subdivision is effective for a period of up to 24 months from the date the commissioner  
172.20 issues the moratorium.

172.21 (b) Any applicant that will not receive a license due to a temporary licensing moratorium  
172.22 issued under paragraph (a) may apply for a refund of licensing application fees for up to  
172.23 one year from the date the commissioner issues the moratorium.

172.24 (c) The commissioner must notify the chairs and ranking minority members of the  
172.25 legislative committees with jurisdiction over health and human services at least 30 days  
172.26 prior to issuing a temporary moratorium under this subdivision and publish notice of the  
172.27 moratorium on the department's website. The notice must include:

172.28 (1) a list of all license types to which the moratorium will apply;  
172.29 (2) the proposed start date of the moratorium; and  
172.30 (3) the anticipated duration of the moratorium.

173.1        (d) The commissioner must establish and make publicly available the processes and  
173.2        criteria the commissioner will use to grant exceptions to a temporary moratorium issued  
173.3        under this subdivision.

173.4        Sec. 6. Minnesota Statutes 2024, section 245A.04, subdivision 1, is amended to read:

173.5        **Subdivision 1. Application for licensure.** (a) An individual, organization, or government  
173.6        entity that is subject to licensure under section 245A.03 must apply for a license. The  
173.7        application must be made on the forms and in the manner prescribed by the commissioner.  
173.8        The commissioner shall provide the applicant with instruction in completing the application  
173.9        and provide information about the rules and requirements of other state agencies that affect  
173.10       the applicant. An applicant seeking licensure in Minnesota with headquarters outside of  
173.11       Minnesota must have a program office located within 30 miles of the Minnesota border.  
173.12       An applicant who intends to buy or otherwise acquire a program or services licensed under  
173.13       this chapter that is owned by another license holder must apply for a license under this  
173.14       chapter and comply with the application procedures in this section and section 245A.043.

173.15       The commissioner shall act on the application within 90 working days after a complete  
173.16       application and any required reports have been received from other state agencies or  
173.17       departments, counties, municipalities, or other political subdivisions. The commissioner  
173.18       shall not consider an application to be complete until the commissioner receives all of the  
173.19       required information. If the applicant or a controlling individual is the subject of a pending  
173.20       administrative, civil, or criminal investigation, the application is not complete until the  
173.21       investigation has closed or the related legal proceedings are complete.

173.22       When the commissioner receives an application for initial licensure that is incomplete  
173.23       because the applicant failed to submit required documents or that is substantially deficient  
173.24       because the documents submitted do not meet licensing requirements, the commissioner  
173.25       shall provide the applicant written notice that the application is incomplete or substantially  
173.26       deficient. In the written notice to the applicant the commissioner shall identify documents  
173.27       that are missing or deficient and give the applicant 45 days to resubmit a second application  
173.28       that is substantially complete. An applicant's failure to submit a substantially complete  
173.29       application after receiving notice from the commissioner is a basis for license denial under  
173.30       section 245A.043.

173.31       (b) An application for licensure must identify all controlling individuals as defined in  
173.32       section 245A.02, subdivision 5a, and must designate one individual to be the authorized  
173.33       agent. The application must be signed by the authorized agent and must include the authorized  
173.34       agent's first, middle, and last name; mailing address; and email address. By submitting an

174.1 application for licensure, the authorized agent consents to electronic communication with  
174.2 the commissioner throughout the application process. The authorized agent must be  
174.3 authorized to accept service on behalf of all of the controlling individuals. A government  
174.4 entity that holds multiple licenses under this chapter may designate one authorized agent  
174.5 for all licenses issued under this chapter or may designate a different authorized agent for  
174.6 each license. Service on the authorized agent is service on all of the controlling individuals.  
174.7 It is not a defense to any action arising under this chapter that service was not made on each  
174.8 controlling individual. The designation of a controlling individual as the authorized agent  
174.9 under this paragraph does not affect the legal responsibility of any other controlling individual  
174.10 under this chapter.

174.11 (c) An applicant or license holder must have a policy that prohibits license holders,  
174.12 employees, subcontractors, and volunteers, when directly responsible for persons served  
174.13 by the program, from abusing prescription medication or being in any manner under the  
174.14 influence of a chemical that impairs the individual's ability to provide services or care. The  
174.15 license holder must train employees, subcontractors, and volunteers about the program's  
174.16 drug and alcohol policy.

174.17 (d) An applicant and license holder must have a program grievance procedure that permits  
174.18 persons served by the program and their authorized representatives to bring a grievance to  
174.19 the highest level of authority in the program.

174.20 (e) The commissioner may limit communication during the application process to the  
174.21 authorized agent or the controlling individuals identified on the license application and for  
174.22 whom a background study was initiated under chapter 245C. Upon implementation of the  
174.23 provider licensing and reporting hub, applicants and license holders must use the hub in the  
174.24 manner prescribed by the commissioner. The commissioner may require the applicant,  
174.25 except for child foster care, to demonstrate competence in the applicable licensing  
174.26 requirements by successfully completing a written examination. The commissioner may  
174.27 develop a prescribed written examination format.

174.28 (f) When an applicant is an individual, the applicant must provide:

174.29 (1) the applicant's taxpayer identification numbers including the Social Security number  
174.30 or Minnesota tax identification number, and federal employer identification number if the  
174.31 applicant has employees;

174.32 (2) at the request of the commissioner, a copy of the most recent filing with the secretary  
174.33 of state that includes the complete business name, if any;

175.1       (3) if doing business under a different name, the doing business as (DBA) name, as  
175.2       registered with the secretary of state;

175.3       (4) if applicable, the applicant's National Provider Identifier (NPI) number and Unique  
175.4       Minnesota Provider Identifier (UMPI) number; and

175.5       (5) at the request of the commissioner, the notarized signature of the applicant or  
175.6       authorized agent.

175.7       (g) When an applicant is an organization, the applicant must provide:

175.8       (1) the applicant's taxpayer identification numbers including the Minnesota tax  
175.9       identification number and federal employer identification number;

175.10       (2) at the request of the commissioner, a copy of the most recent filing with the secretary  
175.11       of state that includes the complete business name, and if doing business under a different  
175.12       name, the doing business as (DBA) name, as registered with the secretary of state;

175.13       (3) the first, middle, and last name, and address for all individuals who will be controlling  
175.14       individuals, including all officers, owners, and managerial officials as defined in section  
175.15       245A.02, subdivision 5a, and the date that the background study was initiated by the applicant  
175.16       for each controlling individual;

175.17       (4) if applicable, the applicant's NPI number and UMPI number;

175.18       (5) the documents that created the organization and that determine the organization's  
175.19       internal governance and the relations among the persons that own the organization, have  
175.20       an interest in the organization, or are members of the organization, in each case as provided  
175.21       or authorized by the organization's governing statute, which may include a partnership  
175.22       agreement, bylaws, articles of organization, organizational chart, and operating agreement,  
175.23       or comparable documents as provided in the organization's governing statute; and

175.24       (6) the notarized signature of the applicant or authorized agent.

175.25       (h) When the applicant is a government entity, the applicant must provide:

175.26       (1) the name of the government agency, political subdivision, or other unit of government  
175.27       seeking the license and the name of the program or services that will be licensed;

175.28       (2) the applicant's taxpayer identification numbers including the Minnesota tax  
175.29       identification number and federal employer identification number;

175.30       (3) a letter signed by the manager, administrator, or other executive of the government  
175.31       entity authorizing the submission of the license application; and

176.1        (4) if applicable, the applicant's NPI number and UMPI number.

176.2        (i) At the time of application for licensure or renewal of a license under this chapter, the  
176.3        applicant or license holder must acknowledge on the form provided by the commissioner  
176.4        if the applicant or license holder elects to receive any public funding reimbursement from  
176.5        the commissioner for services provided under the license that:

176.6        (1) the applicant's or license holder's compliance with the provider enrollment agreement  
176.7        or registration requirements for receipt of public funding may be monitored by the  
176.8        commissioner as part of a licensing investigation or licensing inspection; and

176.9        (2) noncompliance with the provider enrollment agreement or registration requirements  
176.10       for receipt of public funding that is identified through a licensing investigation or licensing  
176.11       inspection, or noncompliance with a licensing requirement that is a basis of enrollment for  
176.12       reimbursement for a service, may result in:

176.13        (i) a correction order or a conditional license under section 245A.06, or sanctions under  
176.14       section 245A.07;

176.15        (ii) nonpayment of claims submitted by the license holder for public program  
176.16       reimbursement;

176.17        (iii) recovery of payments made for the service;

176.18        (iv) disenrollment in the public payment program; or

176.19        (v) other administrative, civil, or criminal penalties as provided by law.

176.20        Sec. 7. Minnesota Statutes 2024, section 245A.04, subdivision 7, is amended to read:

176.21        Subd. 7. **Grant of license; license extension.** (a) If the commissioner determines that  
176.22       the program complies with all applicable rules and laws, the commissioner shall issue a  
176.23       license consistent with this section or, if applicable, a temporary change of ownership license  
176.24       under section 245A.043. At minimum, the license shall state:

176.25        (1) the name of the license holder;

176.26        (2) the address of the program;

176.27        (3) the effective date and expiration date of the license;

176.28        (4) the type of license, and the specific service the license holder is licensed to provide;

176.29        (5) the maximum number and ages of persons that may receive services from the program;

176.30        and

177.1 (6) any special conditions of licensure.

177.2 (b) The commissioner may issue a license for a period not to exceed two years if:

177.3 (1) the commissioner is unable to conduct the observation required by subdivision 4,

177.4 paragraph (a), clause (3), because the program is not yet operational;

177.5 (2) certain records and documents are not available because persons are not yet receiving

177.6 services from the program; and

177.7 (3) the applicant complies with applicable laws and rules in all other respects.

177.8 (c) A decision by the commissioner to issue a license does not guarantee that any person

177.9 or persons will be placed or cared for in the licensed program.

177.10 (d) Except as provided in paragraphs (i) and (j), the commissioner shall not issue a

177.11 license if the applicant, license holder, or an affiliated controlling individual has:

177.12 (1) been disqualified and the disqualification was not set aside and no variance has been

177.13 granted;

177.14 (2) been denied a license under this chapter or chapter 142B within the past two years;

177.15 (3) had a license issued under this chapter or chapter 142B revoked within the past five

177.16 years; or

177.17 (4) failed to submit the information required of an applicant under subdivision 1,

177.18 paragraph (f), (g), or (h), after being requested by the commissioner.

177.19 When a license issued under this chapter or chapter 142B is revoked, the license holder

177.20 and each affiliated controlling individual with a revoked license may not hold any license

177.21 under chapter 245A for five years following the revocation, and other licenses held by the

177.22 applicant or license holder or licenses affiliated with each controlling individual shall also

177.23 be revoked.

177.24 (e) Notwithstanding paragraph (d), the commissioner may elect not to revoke a license

177.25 affiliated with a license holder or controlling individual that had a license revoked within

177.26 the past five years if the commissioner determines that (1) the license holder or controlling

177.27 individual is operating the program in substantial compliance with applicable laws and rules

177.28 and (2) the program's continued operation is in the best interests of the community being

177.29 served.

177.30 (f) Notwithstanding paragraph (d), the commissioner may issue a new license in response

177.31 to an application that is affiliated with an applicant, license holder, or controlling individual

177.32 that had an application denied within the past two years or a license revoked within the past

178.1    five years if the commissioner determines that (1) the applicant or controlling individual  
178.2    has operated one or more programs in substantial compliance with applicable laws and rules  
178.3    and (2) the program's operation would be in the best interests of the community to be served.

178.4    (g) In determining whether a program's operation would be in the best interests of the  
178.5    community to be served, the commissioner shall consider factors such as the number of  
178.6    persons served, the availability of alternative services available in the surrounding  
178.7    community, the management structure of the program, whether the program provides  
178.8    culturally specific services, and other relevant factors.

178.9    (h) The commissioner shall not issue or reissue a license under this chapter if an individual  
178.10   living in the household where the services will be provided as specified under section  
178.11   245C.03, subdivision 1, has been disqualified and the disqualification has not been set aside  
178.12   and no variance has been granted.

178.13    (i) Pursuant to section 245A.07, subdivision 1, paragraph (b), when a license issued  
178.14   under this chapter has been suspended or revoked and the suspension or revocation is under  
178.15   appeal, the program may continue to operate pending a final order from the commissioner.  
178.16   If the license under suspension or revocation will expire before a final order is issued, a  
178.17   temporary provisional license may be issued provided any applicable license fee is paid  
178.18   before the temporary provisional license is issued.

178.19    (j) Notwithstanding paragraph (i), when a revocation is based on the disqualification of  
178.20   a controlling individual or license holder, and the controlling individual or license holder  
178.21   is ordered under section 245C.17 to be immediately removed from direct contact with  
178.22   persons receiving services or is ordered to be under continuous, direct supervision when  
178.23   providing direct contact services, the program may continue to operate only if the program  
178.24   complies with the order and submits documentation demonstrating compliance with the  
178.25   order. If the disqualified individual fails to submit a timely request for reconsideration, or  
178.26   if the disqualification is not set aside and no variance is granted, the order to immediately  
178.27   remove the individual from direct contact or to be under continuous, direct supervision  
178.28   remains in effect pending the outcome of a hearing and final order from the commissioner.

178.29    (k) Unless otherwise specified by statute, all licenses issued under this chapter expire  
178.30   at 12:01 a.m. on the day after the expiration date stated on the license. A license holder must  
178.31   apply for and be granted a new license to operate the program or the program must not be  
178.32   operated after the expiration date.

179.1       (l) The commissioner shall not issue or reissue a license under this chapter if it has been  
179.2 determined that a Tribal licensing authority has established jurisdiction to license the program  
179.3 or service.

179.4       (m) The commissioner of human services may coordinate and share data with the  
179.5 commissioner of children, youth, and families to enforce this section.

179.6       Sec. 8. Minnesota Statutes 2024, section 245A.043, is amended by adding a subdivision  
179.7 to read:

179.8       Subd. 2a. **Review of change in ownership.** (a) After a change in ownership under  
179.9 subdivision 2, paragraph (a), the commissioner may complete a review for all new license  
179.10 holders within 12 months after the new license is issued.

179.11       (b) For all license holders subject to the exception in subdivision 2, paragraph (b), the  
179.12 license holder must notify the commissioner of the date of the change in controlling  
179.13 individuals pursuant to section 245A.04, subdivision 7a, and the commissioner may complete  
179.14 a review within 12 months following the change.

179.15       Sec. 9. Minnesota Statutes 2024, section 245A.05, is amended to read:

179.16       **245A.05 DENIAL OF APPLICATION.**

179.17       (a) The commissioner may deny a license if an applicant or controlling individual:  
179.18       (1) fails to submit a substantially complete application after receiving notice from the  
179.19 commissioner under section 245A.04, subdivision 1;  
179.20       (2) fails to comply with applicable laws or rules;  
179.21       (3) knowingly withholds relevant information from or gives false or misleading  
179.22 information to the commissioner in connection with an application for a license or during  
179.23 an investigation;

179.24       (4) has a disqualification that has not been set aside under section 245C.22 and no  
179.25 variance has been granted;

179.26       (5) has an individual living in the household who received a background study under  
179.27 section 245C.03, subdivision 1, paragraph (a), clause (2), who has a disqualification that  
179.28 has not been set aside under section 245C.22, and no variance has been granted;

179.29       (6) is associated with an individual who received a background study under section  
179.30 245C.03, subdivision 1, paragraph (a), clause (6), who may have unsupervised access to

180.1 children or vulnerable adults, and who has a disqualification that has not been set aside  
180.2 under section 245C.22, and no variance has been granted;

180.3 (7) fails to comply with section 245A.04, subdivision 1, paragraph (f) or (g);

180.4 (8) fails to demonstrate competent knowledge as required by section 245A.04, subdivision  
180.5 6;

180.6 (9) has a history of noncompliance as a license holder or controlling individual with  
180.7 applicable laws or rules, including but not limited to this chapter and chapters 142E and  
180.8 245C; **or**

180.9 (10) is prohibited from holding a license according to section 245.095; or

180.10 (11) is the subject of a pending administrative, civil, or criminal investigation.

180.11 (b) An applicant whose application has been denied by the commissioner must be given  
180.12 notice of the denial, which must state the reasons for the denial in plain language. Notice  
180.13 must be given by certified mail, by personal service, or through the provider licensing and  
180.14 reporting hub. The notice must state the reasons the application was denied and must inform  
180.15 the applicant of the right to a contested case hearing under chapter 14 and Minnesota Rules,  
180.16 parts 1400.8505 to 1400.8612. The applicant may appeal the denial by notifying the  
180.17 commissioner in writing by certified mail, by personal service, or through the provider  
180.18 licensing and reporting hub. If mailed, the appeal must be postmarked and sent to the  
180.19 commissioner within 20 calendar days after the applicant received the notice of denial. If  
180.20 an appeal request is made by personal service, it must be received by the commissioner  
180.21 within 20 calendar days after the applicant received the notice of denial. If the order is issued  
180.22 through the provider hub, the appeal must be received by the commissioner within 20  
180.23 calendar days from the date the commissioner issued the order through the hub. Section  
180.24 245A.08 applies to hearings held to appeal the commissioner's denial of an application.

180.25 Sec. 10. Minnesota Statutes 2024, section 245A.07, subdivision 2, is amended to read:

180.26 **Subd. 2. Temporary immediate suspension.** (a) The commissioner shall act immediately  
180.27 to temporarily suspend a license issued under this chapter if:

180.28 (1) the license holder's or controlling individual's actions or failure to comply with  
180.29 applicable law or rule, or the actions of other individuals or conditions in the program, pose  
180.30 an imminent risk of harm to the health, safety, or rights of persons served by the program;

181.1       (2) while the program continues to operate pending an appeal of an order of revocation,  
181.2       the commissioner identifies one or more subsequent violations of law or rule which may  
181.3       adversely affect the health or safety of persons served by the program; or

181.4       (3) the license holder or controlling individual is criminally charged in state or federal  
181.5       court with an offense that involves fraud or theft against a program administered by the  
181.6       commissioner a state or federal agency.

181.7       (b) No state funds shall be made available or be expended by any agency or department  
181.8       of state, county, or municipal government for use by a license holder regulated under this  
181.9       chapter while a license issued under this chapter is under immediate suspension. A notice  
181.10       stating the reasons for the immediate suspension and informing the license holder of the  
181.11       right to an expedited hearing under chapter 14 and Minnesota Rules, parts 1400.8505 to  
181.12       1400.8612, must be delivered by personal service to the address shown on the application  
181.13       or the last known address of the license holder. The license holder may appeal an order  
181.14       immediately suspending a license. The appeal of an order immediately suspending a license  
181.15       must be made in writing by certified mail, personal service, or other means expressly set  
181.16       forth in the commissioner's order. If mailed, the appeal must be postmarked and sent to the  
181.17       commissioner within five calendar days after the license holder receives notice that the  
181.18       license has been immediately suspended. If a request is made by personal service, it must  
181.19       be received by the commissioner within five calendar days after the license holder received  
181.20       the order. A license holder and any controlling individual shall discontinue operation of the  
181.21       program upon receipt of the commissioner's order to immediately suspend the license.

181.22       (c) The commissioner may act immediately to temporarily suspend a license issued  
181.23       under this chapter if the license holder or controlling individual is the subject of a pending  
181.24       administrative, civil, or criminal investigation or subject to an administrative or civil action  
181.25       related to fraud against a program administered by a state or federal agency.

181.26       Sec. 11. Minnesota Statutes 2024, section 245A.10, subdivision 2, is amended to read:

181.27       **Subd. 2. County fees for applications and licensing inspections.** (a) For purposes of  
181.28       adult foster care and child foster residence setting licensing, family adult day services,  
181.29       family adult foster care, and licensing the physical plant of a community residential setting  
181.30       or residential services facility, under this chapter, a county agency may charge a fee to a  
181.31       corporate applicant or corporate license holder to recover the actual cost of licensing  
181.32       inspections, not to exceed \$500 \$2,100 annually. Of this amount, 50 percent must be allocated  
181.33       to the county agency and 50 percent must be deposited as required under subdivision 8.

182.1       (b) Counties may elect to reduce or waive the fees in paragraph (a) under the following  
182.2       circumstances:

182.3       (1) in cases of financial hardship;  
182.4       (2) if the county has a shortage of providers in the county's area; or  
182.5       (3) for new providers.

182.6       Sec. 12. Minnesota Statutes 2024, section 245A.10, subdivision 3, is amended to read:

182.7       **Subd. 3. Application fee for initial license or certification.** (a) Except as provided in  
182.8       paragraph (d), for fees required under subdivision 1, an applicant for an initial license or  
182.9       certification issued by the commissioner shall submit a \$500 \$2,100 application fee with  
182.10       each new application required under this subdivision. An applicant for an initial day services  
182.11       facility license under chapter 245D shall submit a \$250 application fee with each new  
182.12       application. A new application fee must be submitted for each new license holder on the  
182.13       license when a partial change of ownership occurs. The application fee shall not be prorated,  
182.14       is nonrefundable, and is in lieu of the annual license or certification fee that expires on  
182.15       December 31. The commissioner shall not process an application until the application fee  
182.16       is paid.

182.17       (b) Except as provided in paragraph (c), an applicant shall apply for a license to provide  
182.18       services at a specific location.

182.19       (c) For a license to provide home and community-based services to persons with  
182.20       disabilities or age 65 and older under chapter 245D, an applicant shall submit an application  
182.21       to provide services statewide.

182.22       (d) For fees required under subdivision 1, an applicant for an initial license or certification  
182.23       issued by the commissioner for children's residential facility or mental health clinic licensure  
182.24       or certification shall submit a \$500 application fee with each new application required under  
182.25       this subdivision.

182.26       Sec. 13. Minnesota Statutes 2024, section 245A.10, subdivision 4, is amended to read:

182.27       **Subd. 4. License or certification fee for certain programs.** (a)(1) A program licensed  
182.28       to provide one or more of the home and community-based services and supports identified  
182.29       under chapter 245D to persons with disabilities or age 65 and older, shall pay an annual  
182.30       nonrefundable license fee based on revenues derived from the provision of services that  
182.31       would require licensure under chapter 245D during the calendar year immediately preceding  
182.32       the year in which the license fee is paid, according to the following schedule:

183.1	License Holder Annual Revenue	License Fee
183.2		<u>\$200</u>
183.3	less than or equal to \$10,000	<u>\$250</u>
183.4	greater than \$10,000 but less than or	<u>\$300</u>
183.5	equal to \$25,000	<u>\$375</u>
183.6	greater than \$25,000 but less than or	<u>\$400</u>
183.7	equal to \$50,000	<u>\$500</u>
183.8	greater than \$50,000 but less than or	<u>\$500</u>
183.9	equal to \$100,000	<u>\$625</u>
183.10	greater than \$100,000 but less than or	<u>\$600</u>
183.11	equal to \$150,000	<u>\$750</u>
183.12	greater than \$150,000 but less than or	<u>\$800</u>
183.13	equal to \$200,000	<u>\$1,000</u>
183.14	greater than \$200,000 but less than or	<u>\$1,000</u>
183.15	equal to \$250,000	<u>\$1,250</u>
183.16	greater than \$250,000 but less than or	<u>\$1,200</u>
183.17	equal to \$300,000	<u>\$1,500</u>
183.18	greater than \$300,000 but less than or	<u>\$1,400</u>
183.19	equal to \$350,000	<u>\$1,750</u>
183.20	greater than \$350,000 but less than or	<u>\$1,600</u>
183.21	equal to \$400,000	<u>\$2,000</u>
183.22	greater than \$400,000 but less than or	<u>\$1,800</u>
183.23	equal to \$450,000	<u>\$2,250</u>
183.24	greater than \$450,000 but less than or	<u>\$2,000</u>
183.25	equal to \$500,000	<u>\$2,500</u>
183.26	greater than \$500,000 but less than or	<u>\$2,250</u>
183.27	equal to \$600,000	<u>\$2,850</u>
183.28	greater than \$600,000 but less than or	<u>\$2,500</u>
183.29	equal to \$700,000	<u>\$3,200</u>
183.30	greater than \$700,000 but less than or	<u>\$2,750</u>
183.31	equal to \$800,000	<u>\$3,600</u>
183.32	greater than \$800,000 but less than or	<u>\$3,000</u>
183.33	equal to \$900,000	<u>\$3,900</u>
183.34	greater than \$900,000 but less than or	<u>\$3,250</u>
183.35	equal to \$1,000,000	<u>\$4,250</u>
183.36	greater than \$1,000,000 but less than or	<u>\$3,500</u>
183.37	equal to \$1,250,000	<u>\$4,550</u>
183.38	greater than \$1,250,000 but less than or	<u>\$3,750</u>
183.39	equal to \$1,500,000	<u>\$4,900</u>
183.40	greater than \$1,500,000 but less than or	<u>\$4,000</u>
183.41	equal to \$1,750,000	<u>\$5,200</u>
183.42	greater than \$1,750,000 but less than or	<u>\$4,250</u>
183.43	equal to \$2,000,000	<u>\$5,500</u>
183.44	greater than \$2,000,000 but less than or	<u>\$4,500</u>
183.45	equal to \$2,500,000	<u>\$5,900</u>

184.1	greater than \$2,500,000 but less than or equal to \$3,000,000	\$4,750 <u>\$6,200</u>
184.3	greater than \$3,000,000 but less than or equal to \$3,500,000	\$5,000 <u>\$6,500</u>
184.5	greater than \$3,500,000 but less than or equal to \$4,000,000	\$5,500 <u>\$7,200</u>
184.7	greater than \$4,000,000 but less than or equal to \$4,500,000	\$6,000 <u>\$7,800</u>
184.9	greater than \$4,500,000 but less than or equal to \$5,000,000	\$6,500 <u>\$9,000</u>
184.11	greater than \$5,000,000 but less than or equal to \$7,500,000	\$7,000 <u>\$10,000</u>
184.13	greater than \$7,500,000 but less than or equal to \$10,000,000	\$8,500 <u>\$14,000</u>
184.15	greater than \$10,000,000 but less than or equal to \$12,500,000	\$10,000 <u>\$18,000</u>
184.17	greater than \$12,500,000 but less than or equal to \$15,000,000	\$14,000 <u>\$25,000</u>
184.19	greater than \$15,000,000 <u>but less than or equal to \$17,500,000</u>	\$18,000 <u>\$28,000</u>
184.21	<u>greater than \$17,500,000 but less than \$20,000,000</u>	
184.22	<u>\$20,000,000</u>	\$32,000
184.23	<u>greater than \$20,000,000 but less than \$25,000,000</u>	
184.24	<u>\$25,000,000</u>	\$36,000
184.25	<u>greater than \$25,000,000 but less than \$30,000,000</u>	
184.26	<u>\$30,000,000</u>	\$45,000
184.27	<u>greater than \$30,000,000 but less than \$35,000,000</u>	
184.28	<u>\$35,000,000</u>	\$55,000
184.29	<u>greater than \$35,000,000</u>	\$75,000

184.30 (2) If requested, the license holder shall provide the commissioner information to verify  
 184.31 the license holder's annual revenues or other information as needed, including copies of  
 184.32 documents submitted to the Department of Revenue.

184.33 (3) At each annual renewal, a license holder may elect to pay the highest renewal fee,  
 184.34 and not provide annual revenue information to the commissioner.

184.35 (4) A license holder that knowingly provides the commissioner incorrect revenue amounts  
 184.36 for the purpose of paying a lower license fee shall be subject to a civil penalty in the amount  
 184.37 of double the fee the provider should have paid.

184.38 (b) A residential substance use disorder treatment program licensed under chapter 245G,  
 184.39 to provide substance use disorder treatment shall pay an annual nonrefundable license fee  
 184.40 based on the following schedule:

185.1	Licensed Capacity	License Fee
185.2		\$600
185.3	1 to 24 persons	<u>\$2,600</u>
185.4		\$800
185.5	25 to 49 persons	<u>\$3,000</u>
185.6		\$1,000
185.7	50 to 74 persons	<u>\$5,000</u>
185.8		\$1,200
185.9	75 to 99 persons	<u>\$10,000</u>
185.10		\$1,400
185.11	100 or more persons to 199 persons	<u>\$15,000</u>
185.12	<u>200 or more persons</u>	<u>\$20,000</u>

185.13 (c) A nonresidential substance use disorder treatment program licensed under chapter  
 185.14 245G to provide substance use disorder treatment shall pay an annual nonrefundable license  
 185.15 fee of \$2,600.

185.16 ~~(e)~~ (d) A detoxification program licensed under Minnesota Rules, parts 9530.6510 to  
 185.17 9530.6590, or a withdrawal management program licensed under chapter 245F shall pay  
 185.18 an annual nonrefundable license fee based on the following schedule:

185.19	Licensed Capacity	License Fee
185.20		\$760
185.21	1 to 24 persons	<u>\$2,600</u>
185.22		\$960
185.23	25 to 49 persons	<u>\$3,000</u>
185.24		\$1,160
185.25	50 or more persons	<u>\$5,000</u>

185.26 A detoxification program that also operates a withdrawal management program at the same  
 185.27 location shall only pay one fee based upon the licensed capacity of the program with the  
 185.28 higher overall capacity.

185.29 ~~(d)~~ (e) A children's residential facility licensed under Minnesota Rules, chapter 2960,  
 185.30 to serve children shall pay an annual nonrefundable license fee based on the following  
 185.31 schedule:

185.32	Licensed Capacity	License Fee
185.33	1 to 24 persons	\$1,000
185.34	25 to 49 persons	\$1,100
185.35	50 to 74 persons	\$1,200
185.36	75 to 99 persons	\$1,300
185.37	100 or more persons	\$1,400

186.1      ~~(e)~~ (f) A residential facility licensed under section 245I.23 or Minnesota Rules, parts  
 186.2      9520.0500 to 9520.0670, to serve persons with mental illness shall pay an annual  
 186.3      nonrefundable license fee based on the following schedule:

186.4	Licensed Capacity	License Fee
186.5		<u>\$2,525</u>
186.6	1 to 24 persons	<u>\$2,600</u>
186.7		<u>\$2,725</u>
186.8	<u>25 or more persons to 49 persons</u>	<u>\$3,000</u>
186.9	<u>50 or more persons</u>	<u>\$20,000</u>

186.10     ~~(f)~~ (g) A residential facility licensed under Minnesota Rules, parts 9570.2000 to  
 186.11    9570.3400, to serve persons with physical disabilities shall pay an annual nonrefundable  
 186.12    license fee based on the following schedule:

186.13	Licensed Capacity	License Fee
186.14	1 to 24 persons	\$450
186.15	25 to 49 persons	\$650
186.16	50 to 74 persons	\$850
186.17	75 to 99 persons	\$1,050
186.18	100 or more persons	\$1,250

186.19     ~~(g)~~ (h) A program licensed as an adult day care center licensed under Minnesota Rules,  
 186.20    parts 9555.9600 to 9555.9730, shall pay an annual nonrefundable license fee based on the  
 186.21    following schedule:

186.22	Licensed Capacity	License Fee
186.23	1 to 24 persons	\$500
186.24	25 to 49 persons	\$700
186.25	50 to 74 persons	\$900
186.26	75 to 99 persons	\$1,100
186.27	100 or more persons	\$1,300

186.28     ~~(h)~~ (i) A program licensed to provide treatment services to persons with sexual  
 186.29    psychopathic personalities or sexually dangerous persons under Minnesota Rules, parts  
 186.30    9515.3000 to 9515.3110, shall pay an annual nonrefundable license fee of \$20,000.

186.31     ~~(i)~~ (j) A mental health clinic certified under section 245I.20 shall pay an annual  
 186.32    nonrefundable certification fee of \$1,550. If the mental health clinic provides services at a  
 186.33    primary location with satellite facilities, the satellite facilities shall be certified with the  
 186.34    primary location without an additional charge.

187.1        (k) If a program subject to annual fees under paragraph (b), (c), (d), or (f) provides  
187.2        services at a primary location with satellite facilities, the satellite facilities shall be licensed  
187.3        with the primary location and shall be subject to an additional \$500 annual nonrefundable  
187.4        license fee per satellite facility.

187.5        Sec. 14. Minnesota Statutes 2024, section 245A.10, subdivision 8, is amended to read:

187.6        **Subd. 8. Deposit of license fees.** A human services licensing and program integrity  
187.7        account is created in the state government special revenue fund. Fees collected under  
187.8        subdivisions 3 and 4 must be deposited in the human services licensing and program integrity  
187.9        account and are annually appropriated to the commissioner for licensing activities authorized  
187.10        under this chapter and program integrity activities.

187.11        Sec. 15. Minnesota Statutes 2024, section 254B.06, is amended by adding a subdivision  
187.12        to read:

187.13        **Subd. 5. Prohibition of duplicative claim submission.** (a) For time-based claims,  
187.14        submissions must follow the guidelines in the Centers for Medicare and Medicaid Services'  
187.15        Healthcare Common Procedure Coding System and the American Medical Association's  
187.16        Current Procedural Terminology to determine the appropriate units of time to report.

187.17        (b) More than half the duration of a time-based code must be spent performing the service  
187.18        to be eligible under this section. Any provision of service during the remaining balance of  
187.19        the unit of time is not eligible for any other claims submission and would be considered a  
187.20        duplicative claim submission.

187.21        (c) A provider may only round up to the next whole number of service units on a  
187.22        submitted claim when more than one and one-half times the defined value of the code has  
187.23        occurred and no additional time increment code exists.

187.24        **EFFECTIVE DATE.** This section is effective July 1, 2025.

187.25        Sec. 16. Minnesota Statutes 2024, section 256.983, subdivision 4, is amended to read:

187.26        **Subd. 4. Funding.** (a) County and Tribal agency reimbursement shall be made through  
187.27        the settlement provisions applicable to the Supplemental Nutrition Assistance Program  
187.28        (SNAP), MFIP, child care assistance programs, the medical assistance program, and other  
187.29        federal and state-funded programs.

187.30        (b) The commissioners will maintain program compliance if for any ~~three consecutive~~  
187.31        ~~month period~~ quarter, a county or Tribal agency fails to comply with fraud prevention

188.1 investigation program guidelines, or fails to meet the cost-effectiveness standards developed  
188.2 by the commissioners. This result is contingent on the commissioners providing written  
188.3 notice, including an offer of technical assistance, within 30 days of the end of the ~~third or~~  
188.4 ~~subsequent month~~ quarter of noncompliance. The county or Tribal agency shall be required  
188.5 to submit a corrective action plan to the commissioners within 30 days of receipt of a notice  
188.6 of noncompliance. Failure to submit a corrective action plan or, continued deviation from  
188.7 standards of more than ten percent after submission of a corrective action plan, will result  
188.8 in denial of funding for each subsequent month, or billing the county or Tribal agency for  
188.9 fraud prevention investigation (FPI) service provided by the commissioners, or reallocation  
188.10 of program grant funds, or investigative resources, or both, to other counties or Tribal  
188.11 agencies. The denial of funding shall apply to the general settlement received by the county  
188.12 or Tribal agency on a quarterly basis and shall not reduce the grant amount applicable to  
188.13 the FPI project.

188.14 **EFFECTIVE DATE.** This section is effective July 1, 2025.

188.15 Sec. 17. Minnesota Statutes 2024, section 256B.0659, subdivision 21, is amended to read:

188.16 **Subd. 21. Requirements for provider enrollment of personal care assistance provider  
188.17 agencies.** (a) All personal care assistance provider agencies must provide, at the time of  
188.18 enrollment, reenrollment, and revalidation as a personal care assistance provider agency in  
188.19 a format determined by the commissioner, information and documentation that includes,  
188.20 but is not limited to, the following:

188.21 (1) the personal care assistance provider agency's current contact information including  
188.22 address, telephone number, and email address;

188.23 (2) proof of surety bond coverage for each business location providing services. Upon  
188.24 new enrollment, or if the provider's Medicaid revenue in the previous calendar year is up  
188.25 to and including \$300,000, the provider agency must purchase a surety bond of \$50,000. If  
188.26 the Medicaid revenue in the previous year is over \$300,000, the provider agency must  
188.27 purchase a surety bond of \$100,000. The surety bond must be in a form approved by the  
188.28 commissioner, must be renewed annually, and must allow for recovery of costs and fees in  
188.29 pursuing a claim on the bond. Any action to obtain monetary recovery or sanctions from a  
188.30 surety bond must occur within six years from the date the debt is affirmed by a final agency  
188.31 decision. An agency decision is final when the right to appeal the debt has been exhausted  
188.32 or the time to appeal has expired under section 256B.064;

188.33 (3) proof of fidelity bond coverage in the amount of \$20,000 for each business location  
188.34 providing service;

189.1        (4) proof of workers' compensation insurance coverage identifying the business location  
189.2        where personal care assistance services are provided;

189.3        (5) proof of liability insurance coverage identifying the business location where personal  
189.4        care assistance services are provided and naming the department as a certificate holder;

189.5        (6) a copy of the personal care assistance provider agency's written policies and  
189.6        procedures including: hiring of employees; training requirements; service delivery; and  
189.7        employee and consumer safety including process for notification and resolution of consumer  
189.8        grievances, identification and prevention of communicable diseases, and employee  
189.9        misconduct;

189.10       (7) copies of all other forms the personal care assistance provider agency uses in the  
189.11       course of daily business including, but not limited to:

189.12       (i) a copy of the personal care assistance provider agency's time sheet if the time sheet  
189.13       varies from the standard time sheet for personal care assistance services approved by the  
189.14       commissioner, and a letter requesting approval of the personal care assistance provider  
189.15       agency's nonstandard time sheet;

189.16       (ii) the personal care assistance provider agency's template for the personal care assistance  
189.17       care plan; and

189.18       (iii) the personal care assistance provider agency's template for the written agreement  
189.19       in subdivision 20 for recipients using the personal care assistance choice option, if applicable;

189.20       (8) a list of all training and classes that the personal care assistance provider agency  
189.21       requires of its staff providing personal care assistance services;

189.22       (9) documentation that the personal care assistance provider agency and staff have  
189.23       successfully completed all the training required by this section, including the requirements  
189.24       under subdivision 11, paragraph (d), if enhanced personal care assistance services are  
189.25       provided and submitted for an enhanced rate under subdivision 17a;

189.26       (10) documentation of the agency's marketing practices;

189.27       (11) disclosure of ownership, leasing, or management of all residential properties that  
189.28       is used or could be used for providing home care services;

189.29       (12) documentation that the agency will use the following percentages of revenue  
189.30       generated from the medical assistance rate paid for personal care assistance services for  
189.31       employee personal care assistant wages and benefits: 72.5 percent of revenue in the personal  
189.32       care assistance choice option and 72.5 percent of revenue from other personal care assistance

190.1 providers. The revenue generated by the qualified professional and the reasonable costs  
190.2 associated with the qualified professional shall not be used in making this calculation; and

190.3 (13) effective May 15, 2010, documentation that the agency does not burden recipients'  
190.4 free exercise of their right to choose service providers by requiring personal care assistants  
190.5 to sign an agreement not to work with any particular personal care assistance recipient or  
190.6 for another personal care assistance provider agency after leaving the agency and that the  
190.7 agency is not taking action on any such agreements or requirements regardless of the date  
190.8 signed.

190.9 (b) Personal care assistance provider agencies shall provide the information specified  
190.10 in paragraph (a) to the commissioner at the time the personal care assistance provider agency  
190.11 enrolls as a vendor or upon request from the commissioner. The commissioner shall collect  
190.12 the information specified in paragraph (a) from all personal care assistance providers  
190.13 beginning July 1, 2009.

190.14 (c) All personal care assistance provider agencies shall require all employees in  
190.15 management and supervisory positions and owners of the agency who are active in the  
190.16 day-to-day management and operations of the agency to complete mandatory training as  
190.17 determined by the commissioner before submitting an application for enrollment of the  
190.18 agency as a provider. All personal care assistance provider agencies shall also require  
190.19 qualified professionals to complete the training required by subdivision 13 before submitting  
190.20 an application for enrollment of the agency as a provider. Employees in management and  
190.21 supervisory positions and owners who are active in the day-to-day operations of an agency  
190.22 who have completed the required training as an employee with a personal care assistance  
190.23 provider agency do not need to repeat the required training if they are hired by another  
190.24 agency, if they have completed the training within the past three years. By September 1,  
190.25 2010, the required training must be available with meaningful access according to title VI  
190.26 of the Civil Rights Act and federal regulations adopted under that law or any guidance from  
190.27 the United States Health and Human Services Department. The required training must be  
190.28 available online or by electronic remote connection. The required training must provide for  
190.29 competency testing. Personal care assistance provider agency billing staff shall complete  
190.30 training about personal care assistance program financial management. This training is  
190.31 effective July 1, 2009. Any personal care assistance provider agency enrolled before that  
190.32 date shall, if it has not already, complete the provider training within 18 months of July 1,  
190.33 2009. Any new owners or employees in management and supervisory positions involved  
190.34 in the day-to-day operations are required to complete mandatory training as a requisite of  
190.35 working for the agency. Personal care assistance provider agencies certified for participation

191.1 in Medicare as home health agencies are exempt from the training required in this  
191.2 subdivision. When available, Medicare-certified home health agency owners, supervisors,  
191.3 or managers must successfully complete the competency test.

191.4 (d) All surety bonds, fidelity bonds, workers' compensation insurance, and liability  
191.5 insurance required by this subdivision must be maintained continuously. After initial  
191.6 enrollment, a provider must submit proof of bonds and required coverages at any time at  
191.7 the request of the commissioner. Services provided while there are lapses in coverage are  
191.8 not eligible for payment. Lapses in coverage may result in sanctions, including termination.  
191.9 The commissioner shall send instructions and a due date to submit the requested information  
191.10 to the personal care assistance provider agency.

191.11 **EFFECTIVE DATE.** This section is effective July 1, 2025.

191.12 Sec. 18. Minnesota Statutes 2024, section 256B.0949, subdivision 16a, is amended to  
191.13 read:

191.14 Subd. 16a. **Background studies.** An early intensive developmental and behavioral  
191.15 intervention services agency must fulfill any background studies requirements under this  
191.16 section by initiating a background study through the commissioner's NETStudy 2.0 system  
191.17 as provided under ~~sections 245C.03, subdivision 15, and 245C.10, subdivision 17 chapter~~  
191.18 245C and must maintain documentation of background study requests and results.

191.19 Sec. 19. Minnesota Statutes 2024, section 256B.4912, subdivision 1, is amended to read:

191.20 Subdivision 1. **Provider qualifications.** (a) For the home and community-based waivers  
191.21 providing services to seniors and individuals with disabilities under chapter 256S and  
191.22 sections 256B.0913, 256B.092, and 256B.49, the commissioner shall establish:

191.23 (1) agreements with enrolled waiver service providers to ensure providers meet Minnesota  
191.24 health care program requirements;

191.25 (2) regular reviews of provider qualifications, and including requests of proof of  
191.26 documentation; and

191.27 (3) processes to gather the necessary information to determine provider qualifications.

191.28 (b) A provider shall not require or coerce any service recipient to change waiver programs  
191.29 or move to a different location, consistent with the informed choice and independent living  
191.30 policies under section 256B.4905, subdivisions 1a, 2a, 3a, 7, and 8.

192.1       (c) Beginning July 1, 2012, For staff that provide direct contact, as defined in section  
192.2 245C.02, subdivision 11, for services specified in the federally approved waiver plans,  
192.3 providers must meet the requirements of chapter 245C prior to providing waiver services  
192.4 and as part of ongoing enrollment. Upon federal approval, and maintain documentation of  
192.5 background study requests and results. This requirement must also apply applies to  
192.6 consumer-directed community supports.

192.7       (d) Beginning January 1, 2014, Service owners and managerial officials overseeing the  
192.8 management or policies of services that provide direct contact as specified in the federally  
192.9 approved waiver plans must meet the requirements of chapter 245C prior to reenrollment  
192.10 or revalidation or, for new providers, prior to initial enrollment if they have not already  
192.11 done so as a part of service licensure requirements.

192.12      Sec. 20. Minnesota Statutes 2024, section 256B.85, subdivision 12, is amended to read:

192.13       **Subd. 12. Requirements for enrollment of CFSS agency-providers.** (a) All CFSS  
192.14 agency-providers must provide, at the time of enrollment, reenrollment, and revalidation  
192.15 as a CFSS agency-provider in a format determined by the commissioner, information and  
192.16 documentation that includes but is not limited to the following:

192.17       (1) the CFSS agency-provider's current contact information including address, telephone  
192.18 number, and email address;

192.19       (2) proof of surety bond coverage. Upon new enrollment, or if the agency-provider's  
192.20 Medicaid revenue in the previous calendar year is less than or equal to \$300,000, the  
192.21 agency-provider must purchase a surety bond of \$50,000. If the agency-provider's Medicaid  
192.22 revenue in the previous calendar year is greater than \$300,000, the agency-provider must  
192.23 purchase a surety bond of \$100,000. The surety bond must be in a form approved by the  
192.24 commissioner, must be renewed annually, and must allow for recovery of costs and fees in  
192.25 pursuing a claim on the bond. Any action to obtain monetary recovery or sanctions from a  
192.26 surety bond must occur within six years from the date the debt is affirmed by a final agency  
192.27 decision. An agency decision is final when the right to appeal the debt has been exhausted  
192.28 or the time to appeal has expired under section 256B.064;

192.29       (3) proof of fidelity bond coverage in the amount of \$20,000 per provider location;

192.30       (4) proof of workers' compensation insurance coverage;

192.31       (5) proof of liability insurance;

192.32       (6) a copy of the CFSS agency-provider's organizational chart identifying the names  
192.33 and roles of all owners, managing employees, staff, board of directors, and additional

193.1 documentation reporting any affiliations of the directors and owners to other service  
193.2 providers;

193.3 (7) proof that the CFSS agency-provider has written policies and procedures including:  
193.4 hiring of employees; training requirements; service delivery; and employee and consumer  
193.5 safety, including the process for notification and resolution of participant grievances, incident  
193.6 response, identification and prevention of communicable diseases, and employee misconduct;

193.7 (8) proof that the CFSS agency-provider has all of the following forms and documents:

193.8 (i) a copy of the CFSS agency-provider's time sheet; and

193.9 (ii) a copy of the participant's individual CFSS service delivery plan;

193.10 (9) a list of all training and classes that the CFSS agency-provider requires of its staff  
193.11 providing CFSS services;

193.12 (10) documentation that the CFSS agency-provider and staff have successfully completed  
193.13 all the training required by this section;

193.14 (11) documentation of the agency-provider's marketing practices;

193.15 (12) disclosure of ownership, leasing, or management of all residential properties that  
193.16 are used or could be used for providing home care services;

193.17 (13) documentation that the agency-provider will use at least the following percentages  
193.18 of revenue generated from the medical assistance rate paid for CFSS services for CFSS  
193.19 support worker wages and benefits: 72.5 percent of revenue from CFSS providers, except  
193.20 100 percent of the revenue generated by a medical assistance rate increase due to a collective  
193.21 bargaining agreement under section 179A.54 must be used for support worker wages and  
193.22 benefits. The revenue generated by the worker training and development services and the  
193.23 reasonable costs associated with the worker training and development services shall not be  
193.24 used in making this calculation; and

193.25 (14) documentation that the agency-provider does not burden participants' free exercise  
193.26 of their right to choose service providers by requiring CFSS support workers to sign an  
193.27 agreement not to work with any particular CFSS participant or for another CFSS  
193.28 agency-provider after leaving the agency and that the agency is not taking action on any  
193.29 such agreements or requirements regardless of the date signed.

193.30 (b) CFSS agency-providers shall provide to the commissioner the information specified  
193.31 in paragraph (a).

194.1       (c) All CFSS agency-providers shall require all employees in management and  
194.2       supervisory positions and owners of the agency who are active in the day-to-day management  
194.3       and operations of the agency to complete mandatory training as determined by the  
194.4       commissioner. Employees in management and supervisory positions and owners who are  
194.5       active in the day-to-day operations of an agency who have completed the required training  
194.6       as an employee with a CFSS agency-provider do not need to repeat the required training if  
194.7       they are hired by another agency and they have completed the training within the past three  
194.8       years. CFSS agency-provider billing staff shall complete training about CFSS program  
194.9       financial management. Any new owners or employees in management and supervisory  
194.10       positions involved in the day-to-day operations are required to complete mandatory training  
194.11       as a requisite of working for the agency.

194.12       (d) Agency-providers shall submit all required documentation in this section within 30  
194.13       days of notification from the commissioner. If an agency-provider fails to submit all the  
194.14       required documentation, the commissioner may take action under subdivision 23a.

194.15       **EFFECTIVE DATE.** This section is effective July 1, 2025.

## ARTICLE 7

### DIRECT CARE AND TREATMENT

194.18       Section 1. Minnesota Statutes 2024, section 246.54, subdivision 1a, is amended to read:

194.19       **Subd. 1a. Anoka-Metro Regional Treatment Center.** (a) A county's payment of the  
194.20       cost of care provided at Anoka-Metro Regional Treatment Center shall be according to the  
194.21       following schedule:

194.22       (1) zero percent for the first 30 days;

194.23       (2) 20 percent for days 31 and over if the stay is determined to be clinically appropriate  
194.24       for the client; and

194.25       (3) 100 percent for each day during the stay, including the day of admission, when the  
194.26       facility determines that it is clinically appropriate for the client to be discharged.

194.27       (b) If payments received by the state under sections 246.50 to 246.53 exceed 80 percent  
194.28       of the cost of care for days over 31 for clients who meet the criteria in paragraph (a), clause  
194.29       (2), the county shall be responsible for paying the state only the remaining amount. The  
194.30       county shall not be entitled to reimbursement from the client, the client's estate, or from the  
194.31       client's relatives, except as provided in section 246.53.

195.1 (c) ~~Between July 1, 2023, and March 31~~ Beginning July 1, 2025, the county is not  
195.2 responsible for the cost of care under paragraph (a), clause (3), for a person who is committed  
195.3 as a person who has a mental illness and is dangerous to the public under section 253B.18  
195.4 and who is awaiting transfer to another state-operated facility or program. This paragraph  
195.5 expires ~~March 31, 2025~~ June 30, 2029.

195.6 (d) ~~Between April 1, 2025, and June 30~~ Beginning July 1, 2025, the county is not  
195.7 responsible for the cost of care under paragraph (a), clause (3), for a person who is civilly  
195.8 committed, if the client is awaiting transfer:

195.9 (1) to a facility operated by the Department of Corrections; or  
195.10 (2) to another state-operated facility or program, and the Direct Care and Treatment  
195.11 executive medical director's office or a designee has determined that:

195.12 (i) the client meets criteria for admission to that state-operated facility or program; and  
195.13 (ii) the state-operated facility or program is the only facility or program that can  
195.14 reasonably serve the client. This paragraph expires June 30, ~~2025~~ 2029.

195.15 (e) Notwithstanding any law to the contrary, the client is not responsible for payment  
195.16 of the cost of care under this subdivision.

195.17 **EFFECTIVE DATE.** This section is effective retroactively from March 30, 2025.

195.18 Sec. 2. Minnesota Statutes 2024, section 246.54, subdivision 1b, is amended to read:

195.19 Subd. 1b. **Community behavioral health hospitals.** (a) A county's payment of the cost  
195.20 of care provided at state-operated community-based behavioral health hospitals for adults  
195.21 and children shall be according to the following schedule:

195.22 (1) 100 percent for each day during the stay, including the day of admission, when the  
195.23 facility determines that it is clinically appropriate for the client to be discharged; and  
195.24 (2) the county shall not be entitled to reimbursement from the client, the client's estate,  
195.25 or from the client's relatives, except as provided in section 246.53.

195.26 (b) ~~Between July 1, 2023, and March 31~~ Beginning July 1, 2025, the county is not  
195.27 responsible for the cost of care under paragraph (a), clause (1), for a person committed as  
195.28 a person who has a mental illness and is dangerous to the public under section 253B.18 and  
195.29 who is awaiting transfer to another state-operated facility or program. This paragraph expires  
195.30 ~~March 31, 2025~~ June 30, 2029.

196.1 (c) ~~Between April 1, 2025, and June 30~~ Beginning July 1, 2025, the county is not  
196.2 responsible for the cost of care under paragraph (a), clause (1), for a person who is civilly  
196.3 committed, if the client is awaiting transfer:

196.4 (1) to a facility operated by the Department of Corrections; or  
196.5 (2) to another state-operated facility or program, and the Direct Care and Treatment  
196.6 executive medical director's office or a designee has determined that:

196.7 (i) the client meets criteria for admission to that state-operated facility or program; and  
196.8 (ii) the state-operated facility or program is the only facility or program that can  
196.9 reasonably serve the client. This paragraph expires June 30, ~~2025~~ 2029.

196.10 (d) Notwithstanding any law to the contrary, the client is not responsible for payment  
196.11 of the cost of care under this subdivision.

196.12 **EFFECTIVE DATE.** This section is effective retroactively from March 30, 2025.

196.13 Sec. 3. Minnesota Statutes 2024, section 246B.10, is amended to read:

196.14 **246B.10 LIABILITY OF COUNTY; REIMBURSEMENT.**

196.15 (a) The civilly committed sex offender's county shall pay to the state a portion of the  
196.16 cost of care provided in the Minnesota Sex Offender Program to a civilly committed sex  
196.17 offender who has legally settled in that county.

196.18 (b) A county's payment must be made from the county's own sources of revenue and  
196.19 payments must:

196.20 (1) equal ten percent of the cost of care, as determined by the executive board, for each  
196.21 day or portion of a day that the civilly committed sex offender spends at the facility for  
196.22 individuals admitted to the Minnesota Sex Offender Program before August 1, 2011; or

196.23 (2) equal 25 percent of the cost of care, as determined by the executive board, for each  
196.24 day or portion of a day that the civilly committed sex offender:

196.25 (i) spends at the facility for individuals admitted to the Minnesota Sex Offender Program  
196.26 on or after August 1, 2011; or

196.27 (ii) receives services within a program operated by the Minnesota Sex Offender Program  
196.28 while on provisional discharge.

196.29 This paragraph expires June 30, 2027.

197.1 (c) The county is responsible for paying the state the remaining amount if payments  
197.2 received by the state under this chapter exceed:

197.3 (1) 90 percent of the cost of care for individuals admitted to the Minnesota Sex Offender  
197.4 Program before August 1, 2011; or

197.5 (2) 75 percent of the cost of care for individuals:

197.6 (i) admitted to the Minnesota Sex Offender Program on or after August 1, 2011; or

197.7 (ii) receiving services within a program operated by the Minnesota Sex Offender Program  
197.8 while on provisional discharge.

197.9 This paragraph expires June 30, 2027.

197.10 (d) The county is not entitled to reimbursement from the civilly committed sex offender,  
197.11 the civilly committed sex offender's estate, or from the civilly committed sex offender's  
197.12 relatives, except as provided in section 246B.07.

197.13 (e) Effective July 1, 2027, a county's payment must be made from the county's own  
197.14 sources of revenue and payments must equal 40 percent of the cost of care as determined  
197.15 by the executive board for each day or portion of a day that the civilly committed sex  
197.16 offender spends at the facility or receives services within a program operated by the  
197.17 Minnesota Sex Offender Program while on provisional discharge.

197.18 (f) Effective July 1, 2027, the county is responsible for paying the state the remaining  
197.19 amount if payments received by the state under this chapter exceed 60 percent of the cost  
197.20 of care for individuals.

197.21 Sec. 4. Minnesota Statutes 2024, section 246C.091, subdivision 3, is amended to read:

197.22 **Subd. 3. Direct Care and Treatment systems account.** (a) The Direct Care and  
197.23 Treatment systems account is created in the special revenue fund of the state treasury.  
197.24 Beginning July 1, 2025, money in the account is appropriated to the Direct Care and  
197.25 Treatment executive board and may be used for security systems and information technology  
197.26 projects, services, and support under the control of the executive board.

197.27 (b) The commissioner of human services shall transfer all money allocated to the Direct  
197.28 Care and Treatment systems projects under section 256.014 to the Direct Care and Treatment  
197.29 systems account by June 30, 2026.

197.30 (c) Beginning July 1, 2025, and each fiscal year thereafter, \$5,000,000 of general fund  
197.31 cost of care collections under section 246.18, subdivision 4, shall be deposited into the

198.1 Direct Care and Treatment systems account to support the Direct Care and Treatment  
198.2 electronic health record system and information technology projects.

198.3 Sec. 5. Minnesota Statutes 2024, section 256G.08, subdivision 1, is amended to read:

198.4 **Subdivision 1. Commitment and competency proceedings.** In cases of voluntary  
198.5 admission, ~~or~~ commitment to state or other institutions, or criminal orders for inpatient  
198.6 examination or participation in a competency attainment program under chapter 611, the  
198.7 committing county or the county from which the first criminal order for inpatient examination  
198.8 or order for participation in a competency attainment program under chapter 611 is issued  
198.9 shall initially pay for all costs. This includes the expenses of the taking into custody,  
198.10 confinement, emergency holds under sections 253B.051, subdivisions 1 and 2, and 253B.07,  
198.11 examination, commitment, conveyance to the place of detention, rehearing, and hearings  
198.12 under ~~section~~ sections 253B.092 and 611.47, including hearings held under ~~that section~~  
198.13 which those sections that are venued outside the county of commitment or the county of  
198.14 the chapter 611 competency proceedings order.

198.15 **EFFECTIVE DATE.** This section is effective July 1, 2027.

198.16 Sec. 6. Minnesota Statutes 2024, section 256G.08, subdivision 2, is amended to read:

198.17 **Subd. 2. Responsibility for nonresidents.** If a person committed, ~~or~~ voluntarily admitted  
198.18 to a state institution, or ordered for inpatient examination or participation in a competency  
198.19 attainment program under chapter 611 has no residence in this state, financial responsibility  
198.20 belongs to the county of commitment or the county from which the first criminal order for  
198.21 inpatient examination or order for participation in a competency attainment program under  
198.22 chapter 611 was issued.

198.23 **EFFECTIVE DATE.** This section is effective July 1, 2027.

198.24 Sec. 7. Minnesota Statutes 2024, section 256G.09, subdivision 1, is amended to read:

198.25 **Subdivision 1. General procedures.** If upon investigation the local agency decides that  
198.26 the application, ~~or~~ commitment, or first criminal order under chapter 611 was not filed in  
198.27 the county of financial responsibility as defined by this chapter, but that the applicant is  
198.28 otherwise eligible for assistance, it shall send a copy of the application, ~~or~~ commitment  
198.29 claim, or chapter 611 claim together with the record of any investigation it has made, to the  
198.30 county it believes is financially responsible. The copy and record must be sent within 60  
198.31 days of the date the application was approved or the claim was paid. The first local agency

199.1 shall provide assistance to the applicant until financial responsibility is transferred under  
199.2 this section.

199.3 The county receiving the transmittal has 30 days to accept or reject financial  
199.4 responsibility. A failure to respond within 30 days establishes financial responsibility by  
199.5 the receiving county.

199.6 **EFFECTIVE DATE.** This section is effective July 1, 2027.

199.7 Sec. 8. Minnesota Statutes 2024, section 256G.09, subdivision 2, is amended to read:

199.8 **Subd. 2. Financial disputes.** (a) If the county receiving the transmittal does not believe  
199.9 it is financially responsible, it should provide to the commissioner of human services and  
199.10 the initially responsible county a statement of all facts and documents necessary for the  
199.11 commissioner to make the requested determination of financial responsibility. The submission  
199.12 must clearly state the program area in dispute and must state the specific basis upon which  
199.13 the submitting county is denying financial responsibility.

199.14 (b) The initially responsible county then has 15 calendar days to submit its position and  
199.15 any supporting evidence to the commissioner. The absence of a submission by the initially  
199.16 responsible county does not limit the right of the commissioner of human services or Direct  
199.17 Care and Treatment executive board to issue a binding opinion based on the evidence actually  
199.18 submitted.

199.19 (c) A case must not be submitted until the local agency taking the application, or making  
199.20 the commitment, or residing in the county from which the first criminal order under chapter  
199.21 611 was issued has made an initial determination about eligibility and financial responsibility,  
199.22 and services have been initiated. This paragraph does not prohibit the submission of closed  
199.23 cases that otherwise meet the applicable statute of limitations.

199.24 **EFFECTIVE DATE.** This section is effective July 1, 2027.

199.25 Sec. 9. Minnesota Statutes 2024, section 611.43, is amended by adding a subdivision to  
199.26 read:

199.27 **Subd. 5. Costs related to confined treatment.** (a) When a defendant is ordered to  
199.28 participate in an examination in a treatment facility, a locked treatment facility, or a  
199.29 state-operated treatment facility under subdivision 1, paragraph (b), the facility shall bill  
199.30 the responsible health plan first. The county in which the criminal charges are filed is  
199.31 responsible to pay any charges not covered by the health plan, including co-pays and  
199.32 deductibles. If the defendant has health plan coverage and is confined in a hospital, but the

200.1 hospitalization does not meet the criteria in section 62M.07, subdivision 2, clause (1);  
200.2 62Q.53; 62Q.535, subdivision 1; or 253B.045, subdivision 6, the county in which criminal  
200.3 charges are filed is responsible for payment.

200.4 (b) The Direct Care and Treatment executive board shall determine the cost of  
200.5 confinement in a state-operated treatment facility based on the executive board's  
200.6 determination of cost of care pursuant to section 246.50, subdivision 5.

200.7 Sec. 10. Minnesota Statutes 2024, section 611.46, subdivision 1, is amended to read:

200.8 **Subdivision 1. Order to competency attainment program.** (a) If the court finds the  
200.9 defendant incompetent and the charges have not been dismissed, the court shall order the  
200.10 defendant to participate in a program to assist the defendant in attaining competency. The  
200.11 court may order participation in a competency attainment program provided outside of a  
200.12 jail, a jail-based competency attainment program, or an alternative program. The court must  
200.13 determine the least-restrictive program appropriate to meet the defendant's needs and public  
200.14 safety. In making this determination, the court must consult with the forensic navigator and  
200.15 consider any recommendations of the court examiner. The court shall not order a defendant  
200.16 to participate in a jail-based program or a state-operated treatment program if the highest  
200.17 criminal charge is a targeted misdemeanor.

200.18 (b) If the court orders the defendant to a locked treatment facility or jail-based program,  
200.19 the court must calculate the defendant's custody credit and cannot order the defendant to a  
200.20 locked treatment facility or jail-based program for a period that would cause the defendant's  
200.21 custody credit to exceed the maximum sentence for the underlying charge.

200.22 (c) The court may only order the defendant to participate in competency attainment at  
200.23 an inpatient or residential treatment program under this section if the head of the treatment  
200.24 program determines that admission to the program is clinically appropriate and consents to  
200.25 the defendant's admission. The court may only order the defendant to participate in  
200.26 competency attainment at a state-operated treatment facility under this section if the Direct  
200.27 Care and Treatment executive board or a designee determines that admission of the defendant  
200.28 is clinically appropriate and consents to the defendant's admission. The court may require  
200.29 a competency program that qualifies as a locked facility or a state-operated treatment program  
200.30 to notify the court in writing of the basis for refusing consent for admission of the defendant  
200.31 in order to ensure transparency and maintain an accurate record. The court may not require  
200.32 personal appearance of any representative of a competency program. The court shall send  
200.33 a written request for notification to the locked facility or state-operated treatment program

201.1 and the locked facility or state-operated treatment program shall provide a written response  
201.2 to the court within ten days of receipt of the court's request.

201.3 (d) If the defendant is confined in jail and has not received competency attainment  
201.4 services within 30 days of the finding of incompetency, the court shall review the case with  
201.5 input from the prosecutor and defense counsel and may:

201.6 (1) order the defendant to participate in an appropriate competency attainment program  
201.7 that takes place outside of a jail;

201.8 (2) order a conditional release of the defendant with conditions that include but are not  
201.9 limited to a requirement that the defendant participate in a competency attainment program  
201.10 when one becomes available and accessible;

201.11 (3) make a determination as to whether the defendant is likely to attain competency in  
201.12 the reasonably foreseeable future and proceed under section 611.49; or

201.13 (4) upon a motion, dismiss the charges in the interest of justice.

201.14 (e) The court may order any hospital, treatment facility, or correctional facility that has  
201.15 provided care or supervision to a defendant in the previous two years to provide copies of  
201.16 the defendant's medical records to the competency attainment program or alternative program  
201.17 in which the defendant was ordered to participate. This information shall be provided in a  
201.18 consistent and timely manner and pursuant to all applicable laws.

201.19 (f) If at any time the defendant refuses to participate in a competency attainment program  
201.20 or an alternative program, the head of the program shall notify the court and any entity  
201.21 responsible for supervision of the defendant.

201.22 (g) At any time, the head of the program may discharge the defendant from the program  
201.23 or facility. The head of the program must notify the court, prosecutor, defense counsel, and  
201.24 any entity responsible for the supervision of the defendant prior to any planned discharge.  
201.25 Absent emergency circumstances, this notification shall be made five days prior to the  
201.26 discharge if the defendant is not being discharged to jail or a correctional facility. Upon the  
201.27 receipt of notification of discharge or upon the request of either party in response to  
201.28 notification of discharge, the court may order that a defendant who is subject to bail or  
201.29 unmet conditions of release be returned to jail upon being discharged from the program or  
201.30 facility. If the court orders a defendant returned to jail, the court shall notify the parties and  
201.31 head of the program at least one day before the defendant's planned discharge, except in  
201.32 the event of an emergency discharge where one day notice is not possible. The court must

202.1 hold a review hearing within seven days of the defendant's return to jail. The forensic  
202.2 navigator must be given notice of the hearing and be allowed to participate.

202.3 (h) If the defendant is discharged from the program or facility under emergency  
202.4 circumstances, notification of emergency discharge shall include a description of the  
202.5 emergency circumstances and may include a request for emergency transportation. The  
202.6 court shall make a determination on a request for emergency transportation within 24 hours.  
202.7 Nothing in this section prohibits a law enforcement agency from transporting a defendant  
202.8 pursuant to any other authority.

202.9 (i) If the defendant is ordered to participate in an inpatient or residential competency  
202.10 attainment or alternative program, the program or facility must notify the court, prosecutor,  
202.11 defense counsel, forensic navigator, and any entity responsible for the supervision of the  
202.12 defendant if the defendant is placed on a leave or elopement status from the program and  
202.13 if the defendant returns to the program from a leave or elopement status.

202.14 (j) Defense counsel, prosecutors, and forensic navigators must have access to information  
202.15 relevant to a defendant's participation and treatment in a competency attainment program  
202.16 or alternative program, including but not limited to discharge planning.

202.17 Sec. 11. Minnesota Statutes 2024, section 611.55, is amended by adding a subdivision to  
202.18 read:

202.19 Subd. 5. Data access. Forensic navigators must have access to all data collected, created,  
202.20 or maintained by a competency attainment program or an alternative program regarding a  
202.21 defendant in order for navigators to carry out their duties under this section. A competency  
202.22 attainment program or alternative program may request a copy of the court order appointing  
202.23 the forensic navigator before disclosing any private information about a defendant.

202.24 **EFFECTIVE DATE.** This section is effective July 1, 2027.

## ARTICLE 8

### HOMELESSNESS, HOUSING, AND SUPPORT SERVICES

202.27 Section 1. Minnesota Statutes 2024, section 256B.051, subdivision 6, is amended to read:

202.28 Subd. 6. **Provider qualifications and duties.** A provider eligible for reimbursement  
202.29 under this section shall:

202.30 (1) enroll as a medical assistance Minnesota health care program provider and meet all  
202.31 applicable provider standards and requirements;

203.1 (2) demonstrate compliance with federal and state laws and policies for housing  
203.2 stabilization services as determined by the commissioner;

203.3 (3) comply with background study requirements under chapter 245C and maintain  
203.4 documentation of background study requests and results;

203.5 (4) directly provide housing stabilization services and not use a subcontractor or reporting  
203.6 agent; and

203.7 (5) complete annual vulnerable adult training; and

203.8 (6) complete compliance training as required under subdivision 6a.

203.9 Sec. 2. Minnesota Statutes 2024, section 256B.051, is amended by adding a subdivision  
203.10 to read:

203.11 **Subd. 6a. Requirements for provider enrollment.** (a) Effective January 1, 2027, to  
203.12 enroll as a housing stabilization services provider agency, an agency must require all owners  
203.13 of the agency who are active in the day-to-day management and operations of the agency  
203.14 and managerial and supervisory employees to complete compliance training before applying  
203.15 for enrollment and every three years thereafter. Mandatory compliance training format and  
203.16 content must be determined by the commissioner and must include the following topics:

203.17 (1) state and federal program billing, documentation, and service delivery requirements;

203.18 (2) enrollment requirements;

203.19 (3) provider program integrity, including fraud prevention, detection, and penalties;

203.20 (4) fair labor standards;

203.21 (5) workplace safety requirements; and

203.22 (6) recent changes in service requirements.

203.23 (b) New owners active in day-to-day management and operations of the agency and  
203.24 managerial and supervisory employees must complete compliance training under this  
203.25 subdivision to be employed by or conduct management and operations activities for the  
203.26 agency. If an individual moves to another housing stabilization services provider agency  
203.27 and serves in a similar ownership or employment capacity, the individual is not required to  
203.28 repeat the training required under this subdivision if the individual documents completion  
203.29 of the training within the past three years.

203.30 (c) Any housing stabilization services provider agency enrolled before January 1, 2027,  
203.31 must complete the compliance training by January 1, 2028, and every three years thereafter.

204.1 Sec. 3. Minnesota Statutes 2024, section 256I.03, subdivision 11a, is amended to read:

204.2 Subd. 11a. **MSA equivalent rate.** "MSA equivalent rate" means an amount equal to the  
204.3 total of:

204.4 (1) the combined maximum shelter and basic needs standards for MSA recipients living  
204.5 alone specified in section 256D.44, subdivisions 2, paragraph (a); and 3, paragraph (a); plus

204.6 (2) the maximum allotment authorized by the federal Supplemental Nutrition Assistance  
204.7 Program (SNAP) for a single individual which is in effect on the first day of July each year;  
204.8 less

204.9 (3) the personal needs allowance authorized for medical assistance recipients under  
204.10 section 256B.35.

204.11 The MSA equivalent rate ~~is to~~ shall be adjusted on the first day of July each year to  
204.12 reflect ~~changes~~ increases in any of the component rates under clauses (1) to (3).

204.13 Sec. 4. Minnesota Statutes 2024, section 256I.05, subdivision 1d, is amended to read:

204.14 Subd. 1d. **Certain facilities for mental illness or substance use disorder;**

204.15 **supplementary rates.** ~~Notwithstanding the provisions of subdivisions 1a and 1e, A county~~  
204.16 agency may negotiate a supplementary service rate in addition to the ~~board and lodging~~ rate  
204.17 under subdivision 1, not to exceed the maximum rate allowed under subdivision 1a, for  
204.18 facilities licensed and registered by the Minnesota Department of Health under section  
204.19 157.17 prior to December 31, 1996, if the facility meets the following criteria:

204.20 (1) at least 75 percent of the residents have a primary diagnosis of mental illness,  
204.21 substance use disorder, or both, and have related special needs;

204.22 (2) the facility provides 24-hour, on-site, year-round supportive services by qualified  
204.23 staff capable of intervention in a crisis of persons with late-state inebriety or mental illness  
204.24 who are vulnerable to abuse or neglect;

204.25 (3) the services at the facility include, but are not limited to:

204.26 (i) secure central storage of medication;

204.27 (ii) reminders and monitoring of medication for self-administration;

204.28 (iii) support for developing an individual medical and social service plan, updating the  
204.29 plan, and monitoring compliance with the plan; and

204.30 (iv) assistance with setting up meetings, appointments, and transportation to access  
204.31 medical, chemical health, and mental health service providers;

205.1 (4) each resident has a documented need for at least one of the services provided;

205.2 (5) each resident has been offered an opportunity to apply for admission to a licensed

205.3 residential treatment program for mental illness, substance use disorder, or both, have refused

205.4 that offer, and the offer and their refusal has been documented to writing; and

205.5 (6) the residents are not eligible for home and community-based services waivers because

205.6 of their unique need for community support.

205.7 ~~Until June 30, 2002, the supplementary service rate of qualifying facilities under this~~

205.8 ~~subdivision may be increased by up to 15 percent of the supplementary service rate in effect~~

205.9 ~~on January 1, 2001, for the facility. Qualifying facilities with no supplementary service rate~~

205.10 ~~may negotiate a supplementary service rate not to exceed \$300 per month.~~

205.11 Sec. 5. Minnesota Statutes 2024, section 256I.05, subdivision 1e, is amended to read:

205.12 Subd. 1e. **Supplementary rate for certain facilities.** (a) ~~Notwithstanding the provisions~~

205.13 ~~of subdivisions 1a and 1e, beginning July 1, 2005,~~ A county agency shall negotiate a

205.14 supplementary service rate in addition to the rate specified in subdivision 1, not to exceed

205.15 ~~\$700 per month, including any legislatively authorized inflationary adjustments~~ the maximum

205.16 rate allowed under subdivision 1a, for a housing support provider that:

205.17 (1) is located in Hennepin County and has had a housing support contract with the county

205.18 since June 1996;

205.19 (2) operates in three separate locations a 75-bed facility, a 50-bed facility, and a 26-bed

205.20 facility; and

205.21 (3) serves a clientele with substance use disorder, providing 24 hours per day supervision

205.22 and limiting a resident's maximum length of stay to 13 months out of a consecutive 24-month

205.23 period.

205.24 (b) ~~Notwithstanding subdivisions 1a and 1e,~~ A county agency shall negotiate a

205.25 supplementary rate in addition to the rate specified in subdivision 1, not to exceed ~~\$700 per~~

205.26 ~~month, including any legislatively authorized inflationary adjustments, of~~ the maximum

205.27 rate allowed under subdivision 1a, for a housing support provider that:

205.28 (1) is located in St. Louis County and has had a housing support contract with the county

205.29 since 2006;

205.30 (2) operates a 62-bed facility; and

206.1       (3) serves an adult male clientele with substance use disorder, providing 24 hours per  
206.2 day supervision and limiting a resident's maximum length of stay to 13 months out of a  
206.3 consecutive 24-month period.

206.4       (c) ~~Notwithstanding subdivisions 1a and 1c, beginning July 1, 2013,~~ A county agency  
206.5 shall negotiate a supplementary rate in addition to the rate specified in subdivision 1, not  
206.6 to exceed \$700 per month, including any legislatively authorized inflationary adjustments  
206.7 the maximum rate allowed under subdivision 1a, for the provider described under paragraphs  
206.8 (a) and (b), not to exceed an additional 115 beds.

206.9       Sec. 6. Minnesota Statutes 2024, section 256I.05, subdivision 1f, is amended to read:

206.10       **Subd. 1f. Supplementary service rate increases on or after July 1, 2001.** ~~Until June~~  
206.11 ~~30, 2002, the supplementary service rate for recipients of assistance under section 256I.04~~  
206.12 ~~who reside in~~ A county agency shall negotiate a supplementary service rate in addition to  
206.13 the rate specified in subdivision 1, not to exceed the maximum rate under subdivision 1a,  
206.14 for a residence that is licensed by the commissioner of health as a boarding care home but  
206.15 is not certified for purposes of the medical assistance program ~~may be increased by up to~~  
206.16 ~~32 percent of the supplementary service rate in effect for that facility on January 1, 2001.~~  
206.17 ~~The new rate shall not exceed the nonfederal share of the statewide weighted average~~  
206.18 ~~monthly medical assistance nursing facility payment rate for case mix A in effect on January~~  
206.19 ~~1, 2001.~~

206.20       Sec. 7. Minnesota Statutes 2024, section 256I.05, subdivision 1g, is amended to read:

206.21       **Subd. 1g. Supplementary service rate for certain facilities.** An agency may negotiate  
206.22 a supplementary service rate, not to exceed the maximum rate allowed under subdivision  
206.23 1a, for recipients of assistance under section 256I.04, subdivision 1, paragraph (a) or (b),  
206.24 who have experienced long-term homelessness and who live in a supportive housing  
206.25 establishment under section 256I.04, subdivision 2a, paragraph (b), clause (2).

206.26       Sec. 8. Minnesota Statutes 2024, section 256I.05, subdivision 1h, is amended to read:

206.27       **Subd. 1h. Supplementary rate for certain facilities serving males with substance**  
206.28 ~~use disorder. Notwithstanding subdivisions 1a and 1c, beginning July 1, 2007,~~ A county  
206.29 agency shall negotiate a supplementary service rate in addition to the rate specified in  
206.30 subdivision 1, not to exceed \$737.87 per month, including any legislatively authorized  
206.31 inflationary adjustments the maximum rate allowed under subdivision 1a, for a housing  
206.32 support provider that:

207.1 (1) is located in Ramsey County and has had a housing support contract with the county  
207.2 since 1982 and has been licensed as a board and lodge facility with special services since  
207.3 1979; and

207.4 (2) serves males with and recovering from substance use disorder, providing  
207.5 24-hour-a-day supervision.

207.6 Sec. 9. Minnesota Statutes 2024, section 256I.05, subdivision 1i, is amended to read:

207.7 **Subd. 1i. Supplementary rate for certain facilities; Hennepin County.** Notwithstanding  
207.8 ~~the provisions of subdivisions 1a and 1e~~, A county agency shall negotiate a supplementary  
207.9 service rate in addition to the rate specified in subdivision 1, not to exceed ~~\$700 per month~~,  
207.10 ~~including any legislatively authorized inflationary adjustments, up to the available~~  
207.11 ~~appropriation~~ the maximum rate allowed under subdivision 1a, for a facility located in  
207.12 Hennepin County with a capacity of up to 48 beds that has been licensed since 1978 as a  
207.13 board and lodging facility and that until August 1, 2007, operated as a licensed substance  
207.14 use disorder treatment program.

207.15 Sec. 10. Minnesota Statutes 2024, section 256I.05, subdivision 1j, is amended to read:

207.16 **Subd. 1j. Supplementary rate for certain facilities; Crow Wing**  
207.17 ~~County. Notwithstanding the provisions of subdivisions 1a and 1e, beginning July 1, 2007,~~  
207.18 A county agency shall negotiate a supplementary service rate in addition to the rate specified  
207.19 in subdivision 1, not to exceed ~~\$700 per month, including any legislatively authorized~~  
207.20 ~~inflationary adjustments~~ the maximum rate allowed under subdivision 1a, for a ~~new~~ 65-bed  
207.21 facility in Crow Wing County that ~~will serve~~ serves persons with substance use disorder  
207.22 operated by a housing support provider that currently operates a 304-bed facility in  
207.23 Minneapolis and a 44-bed facility in Duluth which opened in January of 2006.

207.24 Sec. 11. Minnesota Statutes 2024, section 256I.05, subdivision 1k, is amended to read:

207.25 **Subd. 1k. Supplementary rate for certain facilities; Stearns, Sherburne, or Benton**  
207.26 ~~County. Notwithstanding the provisions of this section, beginning July 1, 2009~~, A county  
207.27 agency shall negotiate a supplementary service rate in addition to the rate specified in  
207.28 subdivision 1, not to exceed ~~\$700 per month, including any legislatively authorized~~  
207.29 ~~inflationary adjustments~~ the maximum rate allowed under subdivision 1a, for a housing  
207.30 support provider located in Stearns, Sherburne, or Benton County that operates a 40-bed  
207.31 facility, that received financing through the Minnesota Housing Finance Agency Ending

208.1 Long-Term Homelessness Initiative and serves clientele with substance use disorder,  
208.2 providing 24-hour-a-day supervision.

208.3 Sec. 12. Minnesota Statutes 2024, section 256I.05, subdivision 11, is amended to read:

208.4 Subd. 11. **Supplementary rate for certain facilities; St. Louis County.** ~~Notwithstanding the provisions of this section, beginning July 1, 2007,~~ A county agency shall negotiate a supplementary service rate in addition to the rate specified in subdivision 1, not to exceed ~~\$700 per month, including any legislatively authorized inflationary adjustments~~ the maximum rate allowed under subdivision 1a, for a housing support provider located in St. Louis County that operates a 30-bed facility, that received financing through the Minnesota Housing Finance Agency Ending Long-Term Homelessness Initiative and serves clientele with substance use disorder, providing 24-hour-a-day supervision.

208.12 Sec. 13. Minnesota Statutes 2024, section 256I.05, subdivision 1m, is amended to read:

208.13 Subd. 1m. **Supplemental Supplementary rate for certain facilities; Hennepin and Ramsey Counties.** ~~Notwithstanding the provisions of this section, beginning July 1, 2007,~~ A county agency shall negotiate a ~~supplemental~~ supplementary service rate in addition to the rate specified in subdivision 1, not to exceed the maximum rate in subdivision 1a ~~or the existing monthly rate, whichever is higher, including any legislatively authorized inflationary adjustments~~, for a housing support provider that operates two ten-bed facilities, one located in Hennepin County and one located in Ramsey County, which provide community support and serve the mental health needs of individuals who have chronically lived unsheltered, providing 24-hour-per-day supervision.

208.22 Sec. 14. Minnesota Statutes 2024, section 256I.05, subdivision 1n, is amended to read:

208.23 Subd. 1n. **Supplemental Supplementary rate; Mahnomen County.** ~~Notwithstanding the provisions of this section, for the rate period July 1, 2010, to June 30, 2011,~~ A county agency shall negotiate a ~~supplemental~~ supplementary service rate in addition to the rate specified in subdivision 1, not to exceed ~~\$753 per month or the existing rate, including any legislative authorized inflationary adjustments~~ the maximum rate allowed under subdivision 1a, for a housing support provider located in Mahnomen County that operates a 28-bed facility providing 24-hour care to individuals who are homeless, disabled, mentally ill, chronically homeless, or have substance use disorder.

209.1 Sec. 15. Minnesota Statutes 2024, section 256I.05, subdivision 1p, is amended to read:

209.2 Subd. 1p. **Supplementary rate; St. Louis County.** ~~Notwithstanding the provisions of subdivisions 1a and 1e, beginning July 1, 2017,~~ A county agency shall negotiate a supplementary service rate in addition to the rate specified in subdivision 1, not to exceed ~~\$700 per month, including any legislatively authorized inflationary adjustments the maximum rate allowed under subdivision 1a,~~ for a housing support provider that:

209.7 (1) is located in St. Louis County and has had a housing support contract with the county since July 2016;

209.9 (2) operates a 35-bed facility;

209.10 (3) serves women who have substance use disorder, mental illness, or both;

209.11 (4) provides 24-hour per day supervision;

209.12 (5) provides on-site support with skilled professionals, including a licensed practical nurse, registered nurses, peer specialists, and resident counselors; and

209.14 (6) provides independent living skills training and assistance with family reunification.

209.15 Sec. 16. Minnesota Statutes 2024, section 256I.05, subdivision 1q, is amended to read:

209.16 Subd. 1q. **Supplemental Supplementary rate; Olmsted County.** ~~Notwithstanding the provisions of subdivisions 1a and 1e, beginning July 1, 2017,~~ A county agency shall negotiate a supplementary service rate in addition to the rate specified in subdivision 1, not to exceed ~~\$750 per month, including any legislatively authorized inflationary adjustments the maximum rate allowed under subdivision 1a,~~ for a housing support provider located in Olmsted County that operates long-term residential facilities with a total of 104 beds that serve men and women with substance use disorder and provide 24-hour-a-day supervision and other support services.

209.24 Sec. 17. Minnesota Statutes 2024, section 256I.05, subdivision 1r, is amended to read:

209.25 Subd. 1r. **Supplemental Supplementary rate; Anoka County.** ~~Notwithstanding the provisions in this section,~~ A county agency shall negotiate a ~~supplemental~~ supplementary service rate for 42 beds in addition to the rate specified in subdivision 1, not to exceed the maximum rate allowed under subdivision 1a, ~~including any legislatively authorized inflationary adjustments,~~ for a housing support provider that is located in Anoka County and provides emergency housing on the former Anoka Regional Treatment Center campus.

210.1 Sec. 18. Minnesota Statutes 2024, section 256I.05, subdivision 1s, is amended to read:

210.2 Subd. 1s. **Supplemental Supplementary rate; Douglas County.** ~~Notwithstanding the provisions of subdivisions 1a and 1e, beginning July 1, 2023,~~ A county agency shall negotiate a supplementary service rate in addition to the rate specified in subdivision 1, not to exceed ~~\$750 per month, including any legislatively authorized inflationary adjustments the maximum rate allowed under subdivision 1a,~~ for a housing support provider located in Douglas County that operates a long-term residential facility with a total of 74 beds that serve chemically dependent men and provide 24-hour-a-day supervision and other support services.

210.9 Sec. 19. Minnesota Statutes 2024, section 256I.05, subdivision 1t, is amended to read:

210.10 Subd. 1t. **Supplemental Supplementary rate; Crow Wing County.** ~~Notwithstanding the provisions of subdivisions 1a and 1e, beginning July 1, 2023,~~ A county agency shall negotiate a supplementary service rate in addition to the rate specified in subdivision 1, not to exceed ~~\$750 per month, including any legislatively authorized inflationary adjustments the maximum rate allowed under subdivision 1a,~~ for a housing support provider located in Crow Wing County that operates a long-term residential facility with a total of 90 beds that serves chemically dependent men and women and provides 24-hour-a-day supervision and other support services.

210.18 Sec. 20. Minnesota Statutes 2024, section 256I.05, subdivision 1u, is amended to read:

210.19 Subd. 1u. **Supplemental Supplementary rate; Douglas County.** ~~Notwithstanding the provisions in this section, beginning July 1, 2023,~~ A county agency shall negotiate a supplemental supplementary service rate for up to 20 beds in addition to the rate specified in subdivision 1, not to exceed the maximum rate allowed under subdivision 1a, ~~including any legislatively authorized inflationary adjustments,~~ for a housing support provider located in Douglas County that operates two facilities and provides room and board and supplementary services to adult males recovering from substance use disorder, mental illness, or housing instability.

210.27 Sec. 21. Minnesota Statutes 2024, section 256I.05, subdivision 2, is amended to read:

210.28 Subd. 2. **Monthly rates; exemptions.** ~~This subdivision applies to~~ A county agency shall negotiate a supplementary service rate in addition to the rate specified in subdivision 1, not to exceed the maximum rate under subdivision 1a, for a residence that on August 1, 1984, was licensed by the commissioner of health only as a boarding care home, certified by the commissioner of health as an intermediate care facility, and licensed by the commissioner

211.1 of human services under Minnesota Rules, parts 9520.0500 to 9520.0670. ~~Notwithstanding~~  
211.2 ~~the provisions of subdivision 1c, the rate paid to a facility reimbursed under this subdivision~~  
211.3 ~~shall be determined under chapter 256R, if the facility is accepted by the commissioner for~~  
211.4 ~~participation in the alternative payment demonstration project.~~ The rate paid to this facility  
211.5 shall also include adjustments to the room and board rate according to subdivision 1.

211.6 **Sec. 22. [256K.50] EMERGENCY SHELTER FACILITIES.**

211.7 Subdivision 1. Definitions. (a) For the purposes of this section, the following terms have  
211.8 the meanings given.

211.9 (b) "Commissioner" means the commissioner of human services.

211.10 (c) "Eligible applicant" means a statutory or home rule charter city, county, Tribal  
211.11 government, not-for-profit corporation under section 501(c)(3) of the Internal Revenue  
211.12 Code, or housing and redevelopment authority established under section 469.003.

211.13 (d) "Emergency shelter facility" or "facility" means a facility that provides a safe, sanitary,  
211.14 accessible, and suitable emergency shelter for individuals and families experiencing  
211.15 homelessness, regardless of whether the facility provides emergency shelter during the day,  
211.16 overnight, or both.

211.17 Subd. 2. Project criteria. The commissioner shall prioritize grants under this section  
211.18 for projects that improve or expand emergency shelter facility options by:

211.19 (1) adding additional emergency shelter facilities by renovating existing facilities not  
211.20 currently operating as emergency shelter facilities;

211.21 (2) adding additional emergency shelter facility beds by renovating existing emergency  
211.22 shelter facilities, including major projects that address an accumulation of deferred  
211.23 maintenance or repair or replacement of mechanical, electrical, and safety systems and  
211.24 components in danger of failure;

211.25 (3) adding additional emergency shelter facility beds through acquisition and construction  
211.26 of new emergency shelter facilities;

211.27 (4) improving the safety, sanitation, accessibility, and habitability of existing emergency  
211.28 shelter facilities, including major projects that address an accumulation of deferred  
211.29 maintenance or repair or replacement of mechanical, electrical, and safety systems and  
211.30 components in danger of failure; and

211.31 (5) improving access to emergency shelter facilities that provide culturally appropriate  
211.32 shelter and gender-inclusive shelter.

212.1      Subd. 3. Eligible uses of grant money. A grant under this section may be used to pay  
212.2      for 100 percent of total project capital expenditures or a specified project phase, up to  
212.3      \$500,000 per project.

212.4      Subd. 4. State and local building codes met. All projects funded with a grant under  
212.5      this section must meet all applicable state and local building codes at the time of project  
212.6      completion.

212.7      Subd. 5. Competitive request for proposal process; priority. (a) The commissioner  
212.8      must use a competitive request for proposal process to identify potential projects and eligible  
212.9      applicants on a statewide basis. At least 40 percent of the appropriation for this purpose  
212.10      must be awarded to projects located in greater Minnesota. If the commissioner does not  
212.11      receive sufficient eligible funding requests from greater Minnesota to award at least 40  
212.12      percent of the appropriation for this purpose to projects in greater Minnesota, the  
212.13      commissioner may award the remaining money to other eligible projects.

212.14      (b) For eligible applicants seeking funding under this section for the acquisition and  
212.15      construction of new emergency shelter facilities under subdivision 2, clause (3), the  
212.16      commissioner must give priority to projects in which the eligible applicant will provide at  
212.17      least ten percent of total project funding.

212.18      Sec. 23. **HOUSING SUPPORT BACKGROUND STUDY EVALUATION.**

212.19      (a) The commissioner of human services shall conduct an evaluation of background  
212.20      study requirements outlined in Minnesota Statutes, sections 245C.03, subdivision 10, and  
212.21      256I.04, subdivision 2c, to:

212.22      (1) assess the impact of eligibility, disqualifications, and processing times on supportive  
212.23      housing and emergency shelter providers;

212.24      (2) determine the applicability of alternative background study methods to protect the  
212.25      individuals served by supportive housing and emergency shelter programs; and

212.26      (3) make recommendations for reforms that address inefficiencies or weaknesses that  
212.27      prevent qualified individuals from providing services or securing employment.

212.28      (b) The commissioner shall contract with an independent contractor to complete the  
212.29      evaluation and submit a report to the Department of Human Services.

212.30      (c) Evaluation findings shall be summarized in a written report to the chairs and ranking  
212.31      minority members of the legislative committees with jurisdiction over supportive housing  
212.32      and human services licensing by December 1, 2027.

213.1 Sec. 24. **DIRECTION TO COMMISSIONER; HOUSING SUPPORT TEMPORARY**  
213.2 **SUPPLEMENTARY SERVICE RATES.**

213.3 The commissioner of human services shall increase housing support supplementary  
213.4 services rates under Minnesota Statutes, section 256I.05, subdivision 1a, within available  
213.5 appropriations for fiscal years 2026 and 2027.

213.6 Sec. 25. **DIRECTION TO COMMISSIONER; INDIAN HEALTH SERVICE**  
213.7 **ENCOUNTER RATE.**

213.8 The commissioner of human services must submit a state plan amendment to the Centers  
213.9 for Medicare and Medicaid Services authorizing housing services as a new service category  
213.10 eligible for reimbursement at the outpatient per-day rate approved by the Indian Health  
213.11 Service. This reimbursement is limited to services provided by facilities of the Indian Health  
213.12 Service and facilities owned or operated by a Tribe or Tribal organization. For the purposes  
213.13 of this section, "housing services" means housing stabilization services as described in  
213.14 Minnesota Statutes, section 256B.051, subdivision 5, paragraphs (a) to (d).

213.15 **ARTICLE 9**

213.16 **MISCELLANEOUS**

213.17 Section 1. Minnesota Statutes 2024, section 144.0724, subdivision 11, is amended to read:

213.18 Subd. 11. **Nursing facility level of care.** (a) For purposes of medical assistance payment  
213.19 of long-term care services, a recipient must be determined, using assessments defined in  
213.20 subdivision 4, to meet one of the following nursing facility level of care criteria:

- 213.21 (1) the person requires formal clinical monitoring at least once per day;
- 213.22 (2) the person needs the assistance of another person or constant supervision to begin  
213.23 and complete at least four of the following activities of living: bathing, bed mobility, dressing,  
213.24 eating, grooming, toileting, transferring, and walking;
- 213.25 (3) the person needs the assistance of another person or constant supervision to begin  
213.26 and complete toileting, transferring, or positioning and the assistance cannot be scheduled;
- 213.27 (4) the person has significant difficulty with memory, using information, daily decision  
213.28 making, or behavioral needs that require intervention;
- 213.29 (5) the person has had a qualifying nursing facility stay of at least 90 days;

- 213.30 (6) the person meets the nursing facility level of care criteria determined 90 days after  
213.31 admission or on the first quarterly assessment after admission, whichever is later; or

214.1       (7) the person is determined to be at risk for nursing facility admission or readmission  
214.2       through a face-to-face long-term care consultation assessment as specified in section  
214.3       256B.0911, subdivision 17 to 21, 23, 24, 27, or 28, by a county, tribe, or managed care  
214.4       organization under contract with the Department of Human Services. The person is  
214.5       considered at risk under this clause if the person currently lives alone or will live alone or  
214.6       be homeless without the person's current housing and also meets one of the following criteria:

214.7       (i) the person has experienced a fall resulting in a fracture;  
214.8       (ii) the person has been determined to be at risk of maltreatment or neglect, including  
214.9       self-neglect; or  
214.10       (iii) the person has a sensory impairment that substantially impacts functional ability  
214.11       and maintenance of a community residence.

214.12       (b) The assessment used to establish medical assistance payment for nursing facility  
214.13       services must be the most recent assessment performed under subdivision 4, paragraphs (b)  
214.14       and (c), that occurred no more than 90 calendar days before the effective date of medical  
214.15       assistance eligibility for payment of long-term care services. In no case shall medical  
214.16       assistance payment for long-term care services occur prior to the date of the determination  
214.17       of nursing facility level of care.

214.18       (c) The assessment used to establish medical assistance payment for long-term care  
214.19       services provided under chapter 256S and section 256B.49 and alternative care payment  
214.20       for services provided under section 256B.0913 must be the most recent face-to-face  
214.21       assessment performed under section 256B.0911, subdivisions 17 to 21, 23, 24, 27, or 28,  
214.22       that occurred no more than 60 one calendar days year before the effective date of medical  
214.23       assistance eligibility for payment of long-term care services.

214.24       Sec. 2. Minnesota Statutes 2024, section 245A.042, is amended by adding a subdivision  
214.25       to read:

214.26       Subd. 5. Technical assistance and legal referrals required. If requested by a license  
214.27       holder that is subject to an enforcement action under section 245A.06 or 245A.07 and  
214.28       operating a program licensed under this chapter and chapter 245D, the commissioner must  
214.29       provide the license holder with requested technical assistance or must comply with a request  
214.30       for a referral to legal assistance.

215.1 Sec. 3. Minnesota Statutes 2024, section 256.01, subdivision 34, is amended to read:

215.2 **Subd. 34. Federal administrative reimbursement dedicated.** Federal administrative  
215.3 reimbursement resulting from the following activities is appropriated to the commissioner  
215.4 for the designated purposes:

215.5 (1) reimbursement for the Minnesota senior health options project; and

215.6 (2) reimbursement related to prior authorization, review of medical necessity, and  
215.7 inpatient admission certification by a professional review organization. A portion of these  
215.8 funds must be used for activities to decrease unnecessary pharmaceutical costs in medical  
215.9 assistance; and

215.10 (3) reimbursement for capacity building and implementation grant expenditures for the  
215.11 medical assistance reentry demonstration waiver under section 256B.0761.

## 215.12 **ARTICLE 10**

### 215.13 **FORECAST ADJUSTMENTS**

215.14 Section 1. **DEPARTMENT OF HUMAN SERVICES FORECAST ADJUSTMENT.**

215.15 The dollar amounts shown in the columns marked "Appropriations" are added to or, if  
215.16 shown in parentheses, are subtracted from the appropriations in Laws 2023, chapter 70,  
215.17 article 20, from the general fund, or any other fund named, to the commissioner of human  
215.18 services for the purposes specified in this article, to be available for the fiscal year indicated  
215.19 for each purpose. The figure "2025" used in this article means that the appropriations listed  
215.20 are available for the fiscal year ending June 30, 2025.

#### 215.21 APPROPRIATIONS

#### 215.22 Available for the Year

215.23 215.24 Ending June 30

2025

215.25 Sec. 2. **COMMISSIONER OF HUMAN**  
215.26 **SERVICES**

215.27 Subdivision 1. Total Appropriation \$ 119,927,000

215.28 Appropriations by Fund

215.29 2025

215.30 General 136,895,000

215.31 Health Care Access (16,968,000)

215.32 Federal TANF (5,285,000)

216.1 **Subd. 2. Forecasted Programs**216.2 **(a) Minnesota Family**  
216.3 **Investment Program**  
216.4 **(MFIP)/Diversionary Work**  
216.5 **Program (DWP)**216.6 **Appropriations by Fund**216.7 **2025**216.8 **General** **(5,951,000)**216.9 **Federal TANF** **(5,285,000)**216.10 **(b) MFIP Child Care Assistance** **(62,336,000)**216.11 **(c) General Assistance** **3,737,000**216.12 **(d) Minnesota Supplemental Aid** **3,428,000**216.13 **(e) Housing Support** **11,923,000**216.14 **(f) Northstar Care for Children** **(9,526,000)**216.15 **(g) MinnesotaCare** **(16,525,000)**216.16 **This appropriation is from the health care**216.17 **access fund.**216.18 **(h) Medical Assistance**216.19 **Appropriations by Fund**216.20 **2025**216.21 **General** **59,692,000**216.22 **Health Care Access** **(443,000)**216.23 **(i) Behavioral Health Fund** **135,928,000**216.24 **Sec. 3. EFFECTIVE DATE.**216.25 **Sections 1 and 2 are effective the day following final enactment.**216.26 **ARTICLE 11**216.27 **DEPARTMENT OF HUMAN SERVICES APPROPRIATIONS**216.28 Section 1. **HUMAN SERVICES APPROPRIATIONS.**216.29 **The sums shown in the columns marked "Appropriations" are appropriated to the**  
216.30 **commissioner of human services and for the purposes specified in this article. The**  
216.31 **appropriations are from the general fund, or another named fund, and are available for the**  
216.32 **fiscal years indicated for each purpose. The figures "2026" and "2027" used in this article**

217.1 mean that the appropriations listed under them are available for the fiscal year ending June  
 217.2 30, 2026, or June 30, 2027, respectively. "The first year" is fiscal year 2026. "The second  
 217.3 year" is fiscal year 2027. "The biennium" is fiscal years 2026 and 2027.

	<b>APPROPRIATIONS</b>	
	<u>Available for the Year</u>	
	<u>Ending June 30</u>	
	<u>2026</u>	<u>2027</u>
217.8	Sec. 2. <b><u>TOTAL APPROPRIATION</u></b>	\$ <b><u>8,836,150,000</u></b> \$ <b><u>8,878,188,000</u></b>

217.9 **Subdivision 1. Appropriations by Fund**

217.10 **Appropriations by Fund**

	<u>2026</u>	<u>2027</u>
217.12	<u>General</u>	<u>8,782,674,000</u> <u>8,824,712,000</u>
217.13	<u>Lottery Prize</u>	<u>336,000</u> <u>336,000</u>
217.14	<u>State Government</u>	
217.15	<u>Special Revenue</u>	<u>4,218,000</u> <u>4,218,000</u>
217.16	<u>Family and Medical</u>	
217.17	<u>Benefit Insurance</u>	<u>530,000</u> <u>530,000</u>
217.18	<u>Health Care Access</u>	
217.19	<u>Fund</u>	<u>48,922,000</u> <u>48,922,000</u>

217.20 The amounts that may be spent for each  
 217.21 purpose are specified in the following sections.

217.22 **Subd. 2. Information Technology Appropriations**

217.23 **(a) IT Appropriations Generally**

217.24 This appropriation includes funds for  
 217.25 information technology projects, services, and  
 217.26 support. Funding for information technology  
 217.27 project costs must be incorporated into the  
 217.28 service-level agreement and paid to Minnesota  
 217.29 IT Services by the Department of Human  
 217.30 Services under the rates and mechanism  
 217.31 specified in that agreement.

217.32 **(b) Receipts for Systems Project**

217.33 Appropriations and federal receipts for  
 217.34 information technology systems projects for  
 217.35 MAXIS, PRISM, MMIS, ISDS, METS, and  
 217.36 SSIS must be deposited in the state systems

218.1 account authorized in Minnesota Statutes,  
218.2 section 256.014. Money appropriated for  
218.3 information technology projects approved by  
218.4 the commissioner of Minnesota IT Services,  
218.5 funded by the legislature, and approved by the  
218.6 commissioner of management and budget may  
218.7 be transferred from one project to another and  
218.8 from development to operations as the  
218.9 commissioner of human services deems  
218.10 necessary. Any unexpended balance in the  
218.11 appropriation for these projects does not  
218.12 cancel and is available for ongoing  
218.13 development and operations.

218.14 Sec. 3. CENTRAL OFFICE; OPERATIONS \$ 176,857,000 \$ 181,505,000

## Appropriations by Fund

218.16		<u>2026</u>	<u>2027</u>
218.17	<u>General</u>	<u>156,796,000</u>	<u>161,444,000</u>
218.18	<u>State Government</u>		
218.19	<u>Special Revenue</u>	<u>248,000</u>	<u>248,000</u>
218.20	<u>Health Care Access</u>		
218.21	<u>Fund</u>	<u>19,813,000</u>	<u>19,813,000</u>
218.22	<u>Paid Family Medical</u>		
218.23	<u>Leave</u>	<u>530,000</u>	<u>530,000</u>

218.24 The general fund base for this section is

218.25 \$159,091,000 in fiscal year 2028 and

218.26 \$158,483,000 in fiscal year 2029.

218.27 Sec. 4. CENTRAL OFFICE; HEALTH CARE \$ 66,861,000 \$ 62,728,000

### Appropriations by Fund

	<u>2026</u>	<u>2027</u>
218.30 <u>General</u>	<u>38,693,000</u>	<u>34,560,000</u>
218.31 <u>Health Care Access</u>		
218.32 Fund	28,168,000	28,168,000

218.33 Sec. 5. **CENTRAL OFFICE; AGING AND**  
218.34 **DISABILITY SERVICES** \$ **54,136,000** \$ **52,670,000**

### 218.35 Subdivision 1. Appropriations by Fund

219.1 Appropriations by Fund

	<u>2026</u>	<u>2027</u>
219.3 <u>General</u>	<u>54,011,000</u>	<u>52,545,000</u>
219.4 <u>State Government</u>		
219.5 <u>Special Revenue</u>	<u>125,000</u>	<u>125,000</u>

219.6 Subd. 2. Base Level Adjustment

219.7 The general fund base for this section is  
 219.8 \$51,279,000 in fiscal year 2028 and  
 219.9 \$51,079,000 in fiscal year 2029.

219.10 Sec. 6. CENTRAL OFFICE; BEHAVIORAL  
HEALTH

\$ 23,720,000 \$ 24,144,000

219.12 Appropriations by Fund

	<u>2026</u>	<u>2027</u>
219.14 <u>General</u>	<u>23,557,000</u>	<u>23,981,000</u>
219.15 <u>Lottery Prize</u>	<u>163,000</u>	<u>163,000</u>

219.16 The general fund base for this section is  
 219.17 \$24,046,000 in fiscal year 2028 and  
 219.18 \$24,046,000 in fiscal year 2029.

219.19 Sec. 7. CENTRAL OFFICE; HOMELESSNESS,  
HOUSING, AND SUPPORT SERVICES

\$ 6,980,000 \$ 6,424,000

219.21 The general fund base for this section is  
 219.22 \$6,469,000 in fiscal year 2028 and \$6,469,000  
 219.23 in fiscal year 2029.

219.24 Sec. 8. CENTRAL OFFICE; OFFICE OF  
INSPECTOR GENERAL

\$ 43,731,000 \$ 46,139,000

219.26 Appropriations by Fund

	<u>2026</u>	<u>2027</u>
219.28 <u>General</u>	<u>38,945,000</u>	<u>41,353,000</u>
219.29 <u>State Government</u>		
219.30 <u>Special Revenue</u>	<u>3,845,000</u>	<u>3,845,000</u>
219.31 <u>Health Care Access</u>		
219.32 <u>Fund</u>	<u>941,000</u>	<u>941,000</u>

219.33 The general fund base for this section is  
 219.34 \$41,150,000 in fiscal year 2028 and  
 219.35 \$41,096,000 in fiscal year 2029.

220.1	Sec. 9. <b><u>FORECASTED PROGRAMS;</u></b>			
220.2	<b><u>GENERAL ASSISTANCE GRANTS</u></b>	\$	<u>84,138,000</u>	<u>\$ 86,462,000</u>
220.3	Sec. 10. <b><u>FORECASTED PROGRAMS;</u></b>			
220.4	<b><u>MINNESOTA SUPPLEMENTAL AID</u></b>			
220.5	<b><u>GRANTS</u></b>	\$	<u>67,113,000</u>	<u>\$ 69,089,000</u>
220.6	Sec. 11. <b><u>FORECASTED PROGRAMS;</u></b>			
220.7	<b><u>HOUSING SUPPORT</u></b>	\$	<u>279,258,000</u>	<u>\$ 275,009,000</u>
220.8	Sec. 12. <b><u>FORECASTED PROGRAMS;</u></b>			
220.9	<b><u>MEDICAL ASSISTANCE</u></b>	\$	<u>7,466,606,000</u>	<u>\$ 7,574,281,000</u>
220.10	Sec. 13. <b><u>FORECASTED PROGRAMS;</u></b>			
220.11	<b><u>ALTERNATIVE CARE</u></b>	\$	<u>55,757,000</u>	<u>\$ 56,900,000</u>
220.12	<u>Any money allocated to the alternative care</u>			
220.13	<u>program that is not spent for the purposes</u>			
220.14	<u>indicated does not cancel but must be</u>			
220.15	<u>transferred to the medical assistance account.</u>			
220.16	Sec. 14. <b><u>FORECASTED PROGRAMS;</u></b>			
220.17	<b><u>BEHAVIORAL HEALTH FUND</u></b>	\$	<u>136,788,000</u>	<u>\$ 116,230,000</u>
220.18	<u>Appropriations by Fund</u>			
220.19		2026	2027	
220.20	<u>General</u>	<u>136,615,000</u>	<u>116,057,000</u>	
220.21	<u>Lottery</u>	<u>173,000</u>	<u>173,000</u>	
220.22	Sec. 15. <b><u>GRANT PROGRAMS; REFUGEE</u></b>			
220.23	<b><u>SERVICES GRANTS</u></b>	\$	<u>100,000</u>	<u>\$ 100,000</u>
220.24	Sec. 16. <b><u>GRANT PROGRAMS; HEALTH</u></b>			
220.25	<b><u>CARE GRANTS</u></b>	\$	<u>(100,000)</u>	<u>\$ (100,000)</u>
220.26	<u>This amount is subtracted from direct</u>			
220.27	<u>appropriations for this budget activity made</u>			
220.28	<u>by the 94th Legislature.</u>			
220.29	Sec. 17. <b><u>GRANT PROGRAMS; OTHER</u></b>			
220.30	<b><u>LONG-TERM CARE GRANTS</u></b>	\$	<u>3,543,000</u>	<u>\$ 2,721,000</u>
220.31	<u>(a) Supported-decision-making programs.</u>			
220.32	<u>\$796,000 in fiscal year 2026 and \$796,000 in</u>			
220.33	<u>fiscal year 2027 are for</u>			
220.34	<u>supported-decision-making grants under Laws</u>			
220.35	<u>2023, chapter 61, article 1, section 61,</u>			

221.1 subdivision 3. This is a onetime appropriation  
221.2 and is available until June 30, 2027.

221.3 **(b) Base level adjustment.** The general fund  
221.4 base for this appropriation is \$1,925,000 in  
221.5 fiscal year 2028 and \$1,925,000 in fiscal year  
221.6 2029.

221.7 Sec. 18. **GRANT PROGRAMS; AGING AND**  
221.8 **ADULT SERVICES GRANTS** \$ 42,054,000 \$ 41,055,000

221.9 **Subdivision 1. Senior Nutrition Programs**

221.10 \$1,538,000 in fiscal year 2026 and \$1,538,000  
221.11 in fiscal year 2027 are for senior nutrition  
221.12 programs under Minnesota Statutes, section  
221.13 256.9752. This is a onetime appropriation.

221.14 **Subd. 2. Dementia Grants**

221.15 \$1,000,000 in fiscal year 2026 is for regional  
221.16 and local dementia grants administered by the  
221.17 Minnesota Board on Aging under Minnesota  
221.18 Statutes, section 256.975, subdivision 11. This  
221.19 is a onetime appropriation and is available  
221.20 until June 20, 2027.

221.21 **Subd. 3. Base Level Adjustment**

221.22 The general fund base for this section is  
221.23 \$39,517,000 in fiscal year 2028 and  
221.24 \$39,517,000 in fiscal year 2029.

221.25 Sec. 19. **DEAF, DEAFBLIND, AND HARD OF**  
221.26 **HEARING GRANTS** \$ 2,886,000 \$ 2,886,000

221.27 Sec. 20. **GRANT PROGRAMS; DISABILITY**  
221.28 **GRANTS** \$ 64,530,000 \$ 26,353,000

221.29 **Subdivision 1. Self-Directed Bargaining**  
221.30 **Agreement; Orientation Start-Up Funds**

221.31 \$3,000,000 in fiscal year 2026 is for  
221.32 orientation program start-up costs as defined  
221.33 by the SEIU collective bargaining agreement.  
221.34 This is a onetime appropriation.

222.1 **Subd. 2. Self-Directed Bargaining Agreement;**  
222.2 **Orientation Ongoing Funds**

222.3 \$2,000,000 in fiscal year 2026 and \$500,000  
222.4 in fiscal year 2027 are for ongoing costs  
222.5 related to the orientation program as defined  
222.6 by the SEIU collective bargaining agreement.  
222.7 The base for this appropriation is \$500,000 in  
222.8 fiscal year 2028 and \$500,000 in fiscal year  
222.9 2029.

222.10 **Subd. 3. Self-Directed Bargaining Agreement;**  
222.11 **Training Stipends**

222.12 \$2,250,000 in fiscal year 2026 is for onetime  
222.13 stipends of \$750 for collective bargaining unit  
222.14 members for training. This is a onetime  
222.15 appropriation.

222.16 **Subd. 4. Self-Directed Bargaining Agreement;**  
222.17 **Retirement Trust Funds**

222.18 \$350,000 in fiscal year 2026 is for a vendor  
222.19 to create a retirement trust, as defined by the  
222.20 SEIU collective bargaining agreement. This  
222.21 is a onetime appropriation.

222.22 **Subd. 5. Self-Directed Bargaining Agreement;**  
222.23 **Health Care Stipends**

222.24 \$30,750,000 in fiscal year 2026 is for stipends  
222.25 of \$1,200 for collective bargaining unit  
222.26 members for retention and defraying any  
222.27 health insurance costs they may incur.  
222.28 Stipends are available once per fiscal year per  
222.29 member for fiscal year 2026 and fiscal year  
222.30 2027. Of this amount, \$30,000,000 in fiscal  
222.31 year 2026 is for stipends and \$750,000 in  
222.32 fiscal year 2026 is for administration. This is  
222.33 a onetime appropriation and is available until  
222.34 June 30, 2027.

223.1 **Subd. 6. Disability Service Technology and**  
223.2 **Advocacy Grant**

223.3 \$500,000 in fiscal year 2026 and \$500,000 in  
223.4 fiscal year 2027 are for the purposes of the  
223.5 disability services technology and advocacy  
223.6 grant under Minnesota Statutes, section  
223.7 256.4768. The general fund base appropriation  
223.8 for this purpose is set at \$500,000 in fiscal  
223.9 year 2028, \$500,000 in fiscal year 2029,  
223.10 \$500,000 in fiscal year 2030, and \$0 in fiscal  
223.11 year 2031.

223.12 **Sec. 21. GRANT PROGRAMS; HOUSING**  
223.13 **GRANTS**

\$ 99,998,000 \$ 100,098,000

223.14 **Subdivision 1. Minnesota Homeless Study**

223.15 (a) \$900,000 in fiscal year 2026 is for a grant  
223.16 to the Amherst H. Wilder Foundation for  
223.17 activities directly related to the triennial  
223.18 Minnesota homeless study. Notwithstanding  
223.19 Minnesota Statutes, section 16B.98,  
223.20 subdivision 14, the commissioner may use up  
223.21 to one percent of this appropriation for  
223.22 administrative costs.

223.23 (b) The Amherst H. Wilder Foundation must  
223.24 submit a copy of the Minnesota homeless  
223.25 study and a report that summarizes the  
223.26 findings of the study to the chairs and ranking  
223.27 minority members of the legislative  
223.28 committees with jurisdiction over housing and  
223.29 homelessness by March 1, 2028.

223.30 (c) Notwithstanding Minnesota Statutes,  
223.31 section 16A.28, any unencumbered balance  
223.32 in fiscal year 2026 does not cancel and is  
223.33 available in fiscal year 2027.

224.1 **Subd. 2. Emergency Shelter Facilities**

224.2 (a) \$3,000,000 in fiscal year 2026 is for grants  
224.3 to eligible applicants for the acquisition of  
224.4 property; site preparation, including  
224.5 demolition; predesign; design; construction;  
224.6 renovation; furnishing; and equipping of  
224.7 emergency shelter facilities in accordance with  
224.8 emergency shelter facilities grants.

224.9 (b) This is a onetime appropriation and is  
224.10 available until June 30, 2027.

224.11 **Subd. 3. Base Level Adjustment**

224.12 The general fund base for this section is  
224.13 \$97,098,000 in fiscal year 2028 and  
224.14 \$97,098,000 in fiscal year 2029.

224.15 **Sec. 22. GRANT PROGRAMS; ADULT**      \$      **112,352,000**      \$      **110,852,000**  
224.16 **MENTAL HEALTH GRANTS**

224.17 **Subdivision 1. Mobile Crisis Grants**

224.18 \$1,620,000 in fiscal year 2026 is for mobile  
224.19 crisis grants under Minnesota Statutes, section  
224.20 245.4661, subdivision 9, paragraph (b), clause  
224.21 (15). Money may be used by mobile crisis  
224.22 teams to purchase and renovate vehicles to  
224.23 provide protected transport under Minnesota  
224.24 Statutes, section 256B.0625, subdivision 17,  
224.25 paragraph (l), clause (6). This is a onetime  
224.26 appropriation.

224.27 **Subd. 2. Intensive Residential Treatment**  
224.28 **Services; Hennepin County**

224.29 \$1,500,000 in fiscal year 2026 is for a grant  
224.30 to the city of Brooklyn Park as start-up  
224.31 funding for an intensive residential treatment  
224.32 services and residential crisis stabilization  
224.33 services facility. This is a onetime

225.1 appropriation and is available until June 30,  
225.2 2027.

225.3 **Sec. 23. GRANT PROGRAMS; CHILDREN'S**  
225.4 **MENTAL HEALTH GRANTS** **\$** **37,375,000** **\$** **36,175,000**

225.5 **Subdivision 1. Clay County Psychiatric**  
225.6 **Residential Treatment Facility**

225.7 \$1,200,000 in fiscal year 2026 is for a grant  
225.8 to Clay County for costs related to the  
225.9 purchase of equipment and final redesign and  
225.10 remodeling for the conversion of the West  
225.11 Central Regional Juvenile Center nonsecure  
225.12 unit into an 18-bed psychiatric residential  
225.13 treatment facility for persons younger than 21  
225.14 years of age, pursuant to Minnesota Statutes,  
225.15 section 256B.0941. This is a onetime  
225.16 appropriation.

225.17 **Subd. 2. School-Linked Behavioral Health**  
225.18 **Grants**

225.19 \$1,250,000 in fiscal year 2026 and \$1,250,000  
225.20 in fiscal year 2027 are for school-linked  
225.21 behavioral health grants under Minnesota  
225.22 Statutes, section 245.4901.

225.23 **Sec. 24. GRANT PROGRAMS; CHEMICAL**  
225.24 **DEPENDENCY TREATMENT SUPPORT**  
225.25 **GRANTS** **\$** **3,247,000** **\$** **3,247,000**

225.26 **Sec. 25. GRANT PROGRAMS; HIV GRANTS** **\$** **8,220,000** **\$** **2,220,000**

225.27 **HIV/AIDS Supportive Services.** \$6,000,000  
225.28 in fiscal year 2026 is from the general fund to  
225.29 the commissioner of human services for grants  
225.30 to community-based HIV/AIDS supportive  
225.31 services providers as defined in Minnesota  
225.32 Statutes, section 256.01, subdivision 19, and  
225.33 for payment of allowed health care costs as  
225.34 defined in Minnesota Statutes, section

226.1 256.9365. This is a onetime appropriation and  
226.2 is available until June 30, 2027.

226.3 Sec. 26. Laws 2023, chapter 61, article 9, section 2, subdivision 14, as amended by Laws  
226.4 2024, chapter 127, article 53, section 13, is amended to read:

226.5 **Subd. 14. Grant Programs; Aging and Adult**  
226.6 **Services Grants** 164,626,000 34,795,000

226.7 **(a) Vulnerable Adult Act Redesign Phase**

226.8 **Two.** \$17,129,000 in fiscal year 2024 is for  
226.9 adult protection grants to counties and Tribes  
226.10 under Minnesota Statutes, section 256M.42.

226.11 Notwithstanding Minnesota Statutes, section  
226.12 16A.28, this appropriation is available until  
226.13 June 30, 2027. The base for this appropriation  
226.14 is \$866,000 in fiscal year 2026 and \$867,000  
226.15 in fiscal year 2027.

226.16 **(b) Caregiver Respite Services Grants.**

226.17 \$1,800,000 in fiscal year 2025 is for caregiver  
226.18 respite services grants under Minnesota  
226.19 Statutes, section 256.9756. This is a onetime  
226.20 appropriation. Notwithstanding Minnesota  
226.21 Statutes, section 16A.28, subdivision 3, this  
226.22 appropriation is available until June 30, 2027.

226.23 **(c) Live Well at Home Grants.** \$4,575,000

226.24 in fiscal year 2024 is for live well at home  
226.25 grants under Minnesota Statutes, section  
226.26 256.9754, subdivision 3f. This is a onetime  
226.27 appropriation and is available until June 30,  
226.28 2025.

226.29 **(d) Senior Nutrition Program.** \$10,552,000  
226.30 in fiscal year 2024 is for the senior nutrition  
226.31 program. Notwithstanding Minnesota Statutes,  
226.32 section 16A.28, this appropriation is available  
226.33 until June 30, 2027. This is a onetime  
226.34 appropriation.

227.1 **(e) Age-Friendly Community Grants.**

227.2 \$3,000,000 in fiscal year 2024 is for the  
227.3 continuation of age-friendly community grants  
227.4 under Laws 2021, First Special Session  
227.5 chapter 7, article 17, section 8, subdivision 1.  
227.6 Notwithstanding Minnesota Statutes, section  
227.7 16A.28, this is a onetime appropriation and is  
227.8 available until June 30, 2027.

227.9 **(f) Age-Friendly Technical Assistance**

227.10 **Grants.** \$1,725,000 in fiscal year 2024 is for  
227.11 the continuation of age-friendly technical  
227.12 assistance grants under Laws 2021, First  
227.13 Special Session chapter 7, article 17, section  
227.14 8, subdivision 2. Notwithstanding Minnesota  
227.15 Statutes, section 16A.28, this is a onetime  
227.16 appropriation and is available until June 30,  
227.17 2027.

227.18 **(g) Long-Term Services and Supports Loan**

227.19 **Program.** \$93,200,000 in fiscal year 2024 is  
227.20 for the long-term services and supports loan  
227.21 program under Minnesota Statutes, section  
227.22 256R.55, and is available as provided therein.

227.23 **(h) Base Level Adjustment.** The general fund  
227.24 base is \$33,861,000 in fiscal year 2026 and  
227.25 \$33,862,000 in fiscal year 2027.

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

227.27 Sec. 27. **TRANSFERS.**

227.28 **Subdivision 1. Grants.** The commissioner of human services, with the approval of the  
227.29 commissioner of management and budget, may transfer unencumbered appropriation balances  
227.30 for the biennium ending June 30, 2025, within fiscal years among general assistance, medical  
227.31 assistance, MinnesotaCare, the Minnesota supplemental aid program, the housing support  
227.32 program, and the entitlement portion of the behavioral health fund between fiscal years of  
227.33 the biennium. The commissioner shall report to the chairs and ranking minority members

228.1 of the legislative committees with jurisdiction over health and human services quarterly  
228.2 about transfers made under this subdivision.

228.3 Subd. 2. **Administration.** Positions, salary money, and nonsalary administrative money  
228.4 may be transferred within the Department of Human Services as the commissioners deem  
228.5 necessary, with the advance approval of the commissioner of management and budget. The  
228.6 commissioners shall report to the chairs and ranking minority members of the legislative  
228.7 committees with jurisdiction over health and human services finance quarterly about transfers  
228.8 made under this section.

228.9 Subd. 3. **State government special revenue fund.** The amounts below for the fiscal  
228.10 years indicated are transferred from the state government special revenue fund to the general  
228.11 fund:

228.12 (1) \$6,175,000 in fiscal year 2025;  
228.13 (2) \$12,349,000 in fiscal year 2026;  
228.14 (3) \$12,349,000 in fiscal year 2027; and  
228.15 (4) \$12,349,000 in fiscal year 2028.

228.16 Sec. 28. **CANCELLATIONS.**

228.17 Subdivision 1. **Local planning grants.** Local planning grants under Laws 2011, First  
228.18 Special Session chapter 9, article 10, section 3, subdivision 4, paragraph (k), are eliminated  
228.19 and the remaining balance is canceled to the general fund.

228.20 Subd. 2. **Direct care provider premiums through HCBS workforce incentive**  
228.21 **fund.** \$20,000,000 of the base appropriation in Laws 2023, chapter 59, article 3, section  
228.22 11, is canceled to the general fund.

228.23 Subd. 3. **Self-directed collective bargaining agreement; retention**  
228.24 **bonuses.** \$27,000,000 of the appropriation in Laws 2023, chapter 61, article 9, section 2,  
228.25 subdivision 16, paragraph (g), is canceled to the general fund.

228.26 Subd. 4. **Temporary grants for small customized living providers.** \$5,450,000 of the  
228.27 appropriation in Laws 2023, chapter 61, article 9, section 2, subdivision 16, paragraph (a),  
228.28 is canceled to the general fund.

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

229.1 Sec. 29. **APPROPRIATIONS GIVEN EFFECT ONCE.**229.2 If an appropriation, transfer, or cancellation in this article is enacted more than once229.3 during the 2025 regular session, the appropriation, transfer, or cancellation must be given229.4 effect once.229.5 Sec. 30. **EXPIRATION OF UNCODIFIED LANGUAGE.**229.6 All uncodified language contained in this article expires on June 30, 2027, unless a229.7 different expiration date is explicit.229.8 Sec. 31. **EFFECTIVE DATE.**229.9 This article is effective July 1, 2025, unless a different effective date is specified.229.10 **ARTICLE 12**229.11 **DIRECT CARE AND TREATMENT APPROPRIATIONS**229.12 Section 1. **DIRECT CARE AND TREATMENT APPROPRIATIONS.**229.13 The sums shown in the columns marked "Appropriations" are appropriated to the229.14 executive board of direct care and treatment and for the purposes specified in this article.229.15 The appropriations are from the general fund, or another named fund, and are available for229.16 the fiscal years indicated for each purpose. The figures "2026" and "2027" used in this229.17 article mean that the appropriations listed under them are available for the fiscal year ending229.18 June 30, 2026, or June 30, 2027, respectively. "The first year" is fiscal year 2026. "The229.19 second year" is fiscal year 2027. "The biennium" is fiscal years 2026 and 2027.

<u>APPROPRIATIONS</u>
<u>Available for the Year</u>
<u>Ending June 30</u>
<u>2026</u>
<u>2027</u>

229.24 Sec. 2. **EXECUTIVE BOARD OF DIRECT**  
 229.25 **CARE AND TREATMENT; TOTAL**  
 229.26 **APPROPRIATION** \$ 594,090,000 \$ 617,483,000

229.27 The amounts that may be spent for each  
 229.28 purpose are specified in the following sections.

229.29 Sec. 3. **MENTAL HEALTH AND SUBSTANCE**  
 229.30 **ABUSE** \$ 189,761,000 \$ 194,840,000

229.31 Sec. 4. **COMMUNITY-BASED SERVICES** \$ 13,927,000 \$ 14,170,000

229.32 Sec. 5. **FORENSIC SERVICES** \$ 160,239,000 \$ 164,094,000

229.33 Sec. 6. **SEX OFFENDER PROGRAM** \$ 128,050,000 \$ 131,351,000

230.1	Sec. 7. <b><u>ADMINISTRATION</u></b>	\$	<u>102,113,000</u>	\$	<u>113,028,000</u>
230.2	<b><u>Subdivision 1. Locked Psychiatric Residential</u></b>				
230.3	<b><u>Treatment Facility Report</u></b>				
230.4	\$100,000 in fiscal year 2026 is for planning a				
230.5	build-out of a locked psychiatric residential				
230.6	treatment facility (PRTF) operated by Direct				
230.7	Care and Treatment. This is a onetime				
230.8	appropriation and is available until June 30,				
230.9	2027. By March 1, 2026, the Direct Care and				
230.10	Treatment executive board must report to the				
230.11	chairs and ranking minority members of the				
230.12	legislative committees with jurisdiction over				
230.13	human services finance and policy on the plan				
230.14	developed under this section. The report must				
230.15	include but not be limited to:				
230.16	(1) the risks and benefits of locating the locked				
230.17	PRTF in a metropolitan or rural location;				
230.18	(2) the estimated cost for the build-out of the				
230.19	locked PRTF;				
230.20	(3) the estimated ongoing cost of maintaining				
230.21	the locked PRTF; and				
230.22	(4) the estimated amount of costs that can be				
230.23	recouped from medical assistance,				
230.24	MinnesotaCare, and private insurance				
230.25	payments.				
230.26	<b><u>Subd. 2. Miller Building</u></b>				
230.27	\$1,200,000 in fiscal year 2026 is to demolish				
230.28	the Miller Building and ancillary structures				
230.29	and to prepare the site for future construction				
230.30	on the Anoka-Metro Regional Treatment				
230.31	Center campus.				

231.1 **Subd. 3. Base Level Adjustment**231.2 The general fund base for this section is231.3 \$114,420,000 in fiscal year 2028 and231.4 \$114,420,000 in fiscal year 2029.

231.5 Sec. 8. Laws 2024, chapter 127, article 53, section 2, subdivision 19, is amended to read:

231.6 **Subd. 19. Direct Care and Treatment - Forensic  
Services**

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7,752,000

231.8 **(a) Employee incentives.** \$1,000,000 in fiscal231.9 year 2025 is for incentives related to the231.10 transition of CARE St. Peter to the forensic231.11 mental health program. Employee incentive231.12 payments under this paragraph must be made231.13 to all employees who transitioned from CARE231.14 St. Peter to another Direct Care and Treatment231.15 program, including employees who231.16 transitioned prior to the closure of CARE St.231.17 Peter. Employee incentive payments must total231.18 \$30,000 per transitioned employee, subject to231.19 the payment schedule and service requirements231.20 in this paragraph. The first incentive payment231.21 of \$4,000 must be made after the employee231.22 has completed six months of service as an231.23 employee of another Direct Care and231.24 Treatment program, followed by \$6,000 at 12231.25 months of completed service, \$8,000 at 18231.26 months of completed service, and \$12,000 at231.27 24 months of completed service. This is a231.28 onetime appropriation and is available until231.29 June 30, 2027.231.30 **(b) Base Level Adjustment.** The general fund

231.31 base is increased by \$6,612,000 in fiscal year

231.32 2026 and increased by \$6,612,000 in fiscal

231.33 year 2027.

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

**232.1 Sec. 9. TRANSFER AUTHORITY.**

232.2 (a) Money appropriated for budget programs in sections 3 to 7 may be transferred between  
232.3 budget programs and between years of the biennium with the approval of the commissioner  
232.4 of management and budget.

232.5 (b) The executive board of Direct Care and Treatment, with the approval of the  
232.6 commissioner of management and budget, may transfer money appropriated for Direct Care  
232.7 and Treatment into the special revenue account for security systems and information  
232.8 technology projects, services, and support.

232.9 (c) The Direct Care and Treatment executive board, with the approval of the commissioner  
232.10 of management and budget, may transfer money appropriated for Direct Care and Treatment  
232.11 into the special revenue account for facilities management.

232.12 (d) Positions, salary money, and nonsalary administrative money may be transferred  
232.13 within and between Direct Care and Treatment and the Department of Human Services as  
232.14 the executive board and commissioner consider necessary, with the advance approval of  
232.15 the commissioner of management and budget.

**232.16 Sec. 10. APPROPRIATIONS GIVEN EFFECT ONCE.**

232.17 If an appropriation, transfer, or cancellation in this article is enacted more than once  
232.18 during the 2025 regular session, the appropriation, transfer, or cancellation must be given  
232.19 effect once.

**232.20 Sec. 11. EXPIRATION OF UNCODIFIED LANGUAGE.**

232.21 All uncodified language contained in this article expires on June 30, 2027, unless a  
232.22 different expiration date is explicit.

**232.23 Sec. 12. EFFECTIVE DATE.**

232.24 This article is effective July 1, 2025, unless a different effective date is specified.

**232.25 ARTICLE 13****232.26 OTHER AGENCY APPROPRIATIONS****232.27 Section 1. HEALTH AND HUMAN SERVICES APPROPRIATIONS.**

232.28 The sums shown in the columns marked "Appropriations" are appropriated to the agencies  
232.29 and for the purposes specified in this article. The appropriations are from the general fund,  
232.30 or another named fund, and are available for the fiscal years indicated for each purpose.

233.1 The figures "2026" and "2027" used in this article mean that the appropriations listed under  
 233.2 them are available for the fiscal year ending June 30, 2026, or June 30, 2027, respectively.  
 233.3 "The first year" is fiscal year 2026. "The second year" is fiscal year 2027. "The biennium"  
 233.4 is fiscal years 2026 and 2027.

		<u>APPROPRIATIONS</u>	
		<u>Available for the Year</u>	
		<u>Ending June 30</u>	
		<u>2026</u>	<u>2027</u>
233.9	Sec. 2. <b><u>COMMISSIONER OF HEALTH</u></b>	\$ <u>1,625,000</u>	\$ <u>1,625,000</u>
233.10	Sec. 3. <b><u>COUNCIL ON DISABILITY</u></b>	\$ <u>2,432,000</u>	\$ <u>2,457,000</u>
233.11	Sec. 4. <b><u>OFFICE OF THE OMBUDSMAN FOR</u></b>		
233.12	<b><u>MENTAL HEALTH AND DEVELOPMENTAL</u></b>		
233.13	<b><u>DISABILITIES</u></b>	\$ <u>3,706,000</u>	\$ <u>3,765,000</u>

233.14 Sec. 5. **PROPERTY RATE INCREASE FOR CERTAIN NURSING FACILITIES;**  
 233.15 **MORATORIUM EXCEPTION FUNDING.**

233.16 Notwithstanding any other law to the contrary, the commissioner of health shall consider  
 233.17 the property rate increases for certain nursing facilities under Minnesota Statutes, section  
 233.18 256B.434, subdivision 4k, as moratorium exceptions and fund the rate increases with  
 233.19 moratorium exception funding under Minnesota Statutes, section 144A.073, subdivision  
 233.20 17.

233.21 Sec. 6. **APPROPRIATIONS GIVEN EFFECT ONCE.**

233.22 If an appropriation, transfer, or cancellation in this article is enacted more than once  
 233.23 during the 2025 regular session, the appropriation, transfer, or cancellation must be given  
 233.24 effect once.

233.25 Sec. 7. **EXPIRATION OF UNCODIFIED LANGUAGE.**

233.26 All uncodified language contained in this article expires on June 30, 2027, unless a  
 233.27 different expiration date is explicit.

233.28 Sec. 8. **EFFECTIVE DATE.**

233.29 This article is effective July 1, 2025, unless a different effective date is specified.

**APPENDIX**  
**Article locations for H2434-2**

ARTICLE 1	AGING SERVICES.....	Page.Ln 2.19
ARTICLE 2	DISABILITY SERVICES.....	Page.Ln 15.16
ARTICLE 3	HEALTH CARE.....	Page.Ln 73.25
ARTICLE 4	BEHAVIORAL HEALTH.....	Page.Ln 85.3
ARTICLE 5	BACKGROUND STUDIES.....	Page.Ln 150.3
ARTICLE 6	DEPARTMENT OF HUMAN SERVICES PROGRAM INTEGRITY..	Page.Ln 163.28
ARTICLE 7	DIRECT CARE AND TREATMENT.....	Page.Ln 194.16
ARTICLE 8	HOMELESSNESS, HOUSING, AND SUPPORT SERVICES.....	Page.Ln 202.25
ARTICLE 9	MISCELLANEOUS.....	Page.Ln 213.15
ARTICLE 10	FORECAST ADJUSTMENTS.....	Page.Ln 215.12
ARTICLE 11	DEPARTMENT OF HUMAN SERVICES APPROPRIATIONS.....	Page.Ln 216.26
ARTICLE 12	DIRECT CARE AND TREATMENT APPROPRIATIONS.....	Page.Ln 229.10
ARTICLE 13	OTHER AGENCY APPROPRIATIONS.....	Page.Ln 232.25

## **245G.01 DEFINITIONS.**

Subd. 20d. **Skilled treatment services.** "Skilled treatment services" has the meaning provided in section 254B.01, subdivision 10.

## **245G.07 TREATMENT SERVICE.**

Subd. 2. **Additional treatment service.** A license holder may provide or arrange the following additional treatment service as a part of the client's individual treatment plan:

- (1) relationship counseling provided by a qualified professional to help the client identify the impact of the client's substance use disorder on others and to help the client and persons in the client's support structure identify and change behaviors that contribute to the client's substance use disorder;
- (2) therapeutic recreation to allow the client to participate in recreational activities without the use of mood-altering chemicals and to plan and select leisure activities that do not involve the inappropriate use of chemicals;
- (3) stress management and physical well-being to help the client reach and maintain an appropriate level of health, physical fitness, and well-being;
- (4) living skills development to help the client learn basic skills necessary for independent living;
- (5) employment or educational services to help the client become financially independent;
- (6) socialization skills development to help the client live and interact with others in a positive and productive manner;
- (7) room, board, and supervision at the treatment site to provide the client with a safe and appropriate environment to gain and practice new skills; and
- (8) peer recovery support services must be provided by a recovery peer qualified according to section 245I.04, subdivision 18. Peer recovery support services must be provided according to sections 254B.05, subdivision 5, and 254B.052.

## **254B.01 DEFINITIONS.**

Subd. 5. **Local agency.** "Local agency" means the agency designated by a board of county commissioners, a local social services agency, or a human services board authorized under section 254B.03, subdivision 1, to determine financial eligibility for the behavioral health fund.

## **254B.04 ELIGIBILITY FOR BEHAVIORAL HEALTH FUND SERVICES.**

Subd. 2a. **Eligibility for room and board services for persons in outpatient substance use disorder treatment.** A person eligible for room and board services under section 254B.05, subdivision 5, paragraph (b), must score at level 4 on assessment dimensions related to readiness to change, relapse, continued use, or recovery environment in order to be assigned to services with a room and board component reimbursed under this section. Whether a treatment facility has been designated an institution for mental diseases under United States Code, title 42, section 1396d, shall not be a factor in making placements.

## **254B.181 SOBER HOMES.**

**Subdivision 1. Requirements.** All sober homes must comply with applicable state laws and regulations and local ordinances related to maximum occupancy, fire safety, and sanitation. In addition, all sober homes must:

- (1) maintain a supply of an opiate antagonist in the home in a conspicuous location and post information on proper use;
- (2) have written policies regarding access to all prescribed medications;
- (3) have written policies regarding evictions;
- (4) return all property and medications to a person discharged from the home and retain the items for a minimum of 60 days if the person did not collect them upon discharge. The owner must make an effort to contact persons listed as emergency contacts for the discharged person so that the items are returned;

**APPENDIX**  
Repealed Minnesota Statutes: H2434-2

(5) document the names and contact information for persons to contact in case of an emergency or upon discharge and notification of a family member, or other emergency contact designated by the resident under certain circumstances, including but not limited to death due to an overdose;

(6) maintain contact information for emergency resources in the community to address mental health and health emergencies;

(7) have policies on staff qualifications and prohibition against fraternization;

(8) permit residents to use, as directed by a licensed prescriber, legally prescribed and dispensed or administered pharmacotherapies approved by the United States Food and Drug Administration for the treatment of opioid use disorder;

(9) permit residents to use, as directed by a licensed prescriber, legally prescribed and dispensed or administered pharmacotherapies approved by the United States Food and Drug Administration to treat co-occurring substance use disorders and mental health conditions;

(10) have a fee schedule and refund policy;

(11) have rules for residents;

(12) have policies that promote resident participation in treatment, self-help groups, or other recovery supports;

(13) have policies requiring abstinence from alcohol and illicit drugs; and

(14) distribute the sober home bill of rights.

**Subd. 2. Bill of rights.** An individual living in a sober home has the right to:

(1) have access to an environment that supports recovery;

(2) have access to an environment that is safe and free from alcohol and other illicit drugs or substances;

(3) be free from physical and verbal abuse, neglect, financial exploitation, and all forms of maltreatment covered under the Vulnerable Adults Act, sections 626.557 to 626.5572;

(4) be treated with dignity and respect and to have personal property treated with respect;

(5) have personal, financial, and medical information kept private and to be advised of the sober home's policies and procedures regarding disclosure of such information;

(6) access, while living in the residence, to other community-based support services as needed;

(7) be referred to appropriate services upon leaving the residence, if necessary;

(8) retain personal property that does not jeopardize safety or health;

(9) assert these rights personally or have them asserted by the individual's representative or by anyone on behalf of the individual without retaliation;

(10) be provided with the name, address, and telephone number of the ombudsman for mental health, substance use disorder, and developmental disabilities and information about the right to file a complaint;

(11) be fully informed of these rights and responsibilities, as well as program policies and procedures; and

(12) not be required to perform services for the residence that are not included in the usual expectations for all residents.

**Subd. 3. Complaints; ombudsman for mental health and developmental disabilities.** Any complaints about a sober home may be made to and reviewed or investigated by the ombudsman for mental health and developmental disabilities, pursuant to sections 245.91 and 245.94.

**Subd. 4. Private right of action.** In addition to pursuing other remedies, an individual may bring an action to recover damages caused by a violation of this section.

*Laws 2021, First Special Session chapter 7, article 13, section 75, as amended Subdivisions 3, 3as amended by Laws 2024, chapter 108, article 1, section 28; 6, 6as amended by Laws 2024, chapter 108, article 1, section 28;*

**Sec. 75. DIRECTION TO COMMISSIONER OF HUMAN SERVICES; WAIVER REIMAGINE AND INFORMED CHOICE STAKEHOLDER CONSULTATION.**

Sec. 28. Laws 2021, First Special Session chapter 7, article 13, section 75, is amended to read:

**Sec. 75. DIRECTION TO COMMISSIONER OF HUMAN SERVICES; WAIVER REIMAGINE AND INFORMED CHOICE STAKEHOLDER CONSULTATION.**

**Subdivision 1. Stakeholder consultation; generally.** (a) The commissioner of human services must consult with and seek input and assistance from stakeholders concerning potential adjustments to the streamlined service menu from waiver reimagine phase I and to the existing rate exemption criteria and process.

(b) The commissioner of human services must consult with and, seek input and assistance from, and collaborate with stakeholders concerning the development and implementation of waiver reimagine phase II, including criteria and a process for individualized budget exemptions, and how waiver reimagine phase II can support and expand informed choice and informed decision making, including integrated employment, independent living, and self-direction, consistent with Minnesota Statutes, section 256B.4905.

(c) The commissioner of human services must consult with, seek input and assistance from, and collaborate with stakeholders concerning the implementation and revisions of the MnCHOICES 2.0 assessment tool.

**Subd. 2. Public stakeholder engagement.** The commissioner must offer a public method to regularly receive input and concerns from people with disabilities and their families about waiver reimagine phase II. The commissioner shall provide regular quarterly public updates on policy development and on how recent stakeholder input was used throughout the is being incorporated into the current development and implementation of waiver reimagine phase II.

**Subd. 3. Waiver Reimagine Advisory Committee.** (a) The commissioner must convene, at regular intervals throughout the development and implementation of waiver reimagine phase II, a Waiver Reimagine Advisory Committee that consists of a group of diverse, representative stakeholders. The commissioner must solicit and endeavor to include racially, ethnically, and geographically diverse membership from each of the following groups:

- (1) people with disabilities who use waiver services;
- (2) family members of people who use waiver services;
- (3) disability and behavioral health advocates;
- (4) lead agency representatives; and
- (5) waiver service providers.

(b) The assistant commissioner of aging and disability services must attend and participate in meetings of the Waiver Reimagine Advisory Committee.

(c) The Waiver Reimagine Advisory Committee must have the opportunity to assist collaborate in a meaningful way in developing and providing feedback on proposed plans for waiver reimagine components, including an individual budget methodology, criteria and a process for individualized budget exemptions, the consolidation of the four current home and community-based waiver service programs into two-waiver programs, the role of assessments and the MnCHOICES 2.0 assessment tool in determining service needs and individual budgets, and other aspects of waiver reimagine phase II.

(d) The Waiver Reimagine Advisory Committee must have an opportunity to assist in the development of and provide feedback on proposed adjustments and modifications to the streamlined menu of services and the existing rate exception criteria and process.

**Subd. 4. Required report.** Prior to seeking federal approval for any aspect of waiver reimagine phase II and in consultation collaboration with the Waiver Reimagine Advisory Committee, the

commissioner must submit to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over health and human services a report on plans for waiver reimagine phase II. The report must also include any plans to adjust or modify the streamlined menu of services ~~or, the existing rate exemption criteria or process, the proposed individual budget ranges, and the role of MnCHOICES 2.0 assessment tool in determining service needs and individual budget ranges.~~

**Subd. 5. Transition process.** (a) Prior to implementation of waiver reimagine phase II, the commissioner must establish a process to assist people who use waiver services and lead agencies transition to a two-waiver system with an individual budget methodology.

(b) The commissioner must ensure that the new waiver service menu and individual budgets allow people to live in their own home, family home, or any home and community-based setting of their choice. The commissioner must ensure, ~~within available resources and~~ subject to state and federal regulations and law, that waiver reimagine does not result in unintended service disruptions.

**Subd. 6. Online support planning tool.** The commissioner must develop an online support planning and tracking tool for people using disability waiver services that allows access to the total budget available to the person, the services for which they are eligible, and the services they have chosen and used. The commissioner must explore operability options that would facilitate real-time tracking of a person's remaining available budget throughout the service year. The online support planning tool must provide information in an accessible format to support the person's informed choice. The commissioner must seek input from people with disabilities about the online support planning tool prior to its implementation.

**Subd. 7. Curriculum and training.** The commissioner must develop and implement a curriculum and training plan to ensure all lead agency assessors and case managers have the knowledge and skills necessary to comply with informed decision making for people who used home and community-based disability waivers. Training and competency evaluations must be completed annually by all staff responsible for case management as described in Minnesota Statutes, sections 256B.092, subdivision 1a, paragraph (f), and 256B.49, subdivision 13, paragraph (e).

Sec. 28. Laws 2021, First Special Session chapter 7, article 13, section 75, is amended to read:

**Sec. 75. DIRECTION TO COMMISSIONER OF HUMAN SERVICES; WAIVER REIMAGINE AND INFORMED CHOICE STAKEHOLDER CONSULTATION.**

**Subdivision 1. Stakeholder consultation; generally.** (a) The commissioner of human services must consult with and seek input and assistance from stakeholders concerning potential adjustments to the streamlined service menu from waiver reimagine phase I and to the existing rate exemption criteria and process.

(b) The commissioner of human services must consult with ~~and~~, seek input and assistance from, and collaborate with stakeholders concerning the development and implementation of waiver reimagine phase II, including criteria and a process for individualized budget exemptions, and how waiver reimagine phase II can support and expand informed choice and informed decision making, including integrated employment, independent living, and self-direction, consistent with Minnesota Statutes, section 256B.4905.

(c) The commissioner of human services must consult with, seek input and assistance from, and collaborate with stakeholders concerning the implementation and revisions of the MnCHOICES 2.0 assessment tool.

**Subd. 2. Public stakeholder engagement.** The commissioner must offer a public method to regularly receive input and concerns from people with disabilities and their families about waiver reimagine phase II. The commissioner shall provide ~~regular~~ quarterly public updates on policy development and on how ~~recent~~ stakeholder input ~~was used throughout the~~ is being incorporated into the current development and implementation of waiver reimagine phase II.

**Subd. 3. Waiver Reimagine Advisory Committee.** (a) The commissioner must convene, at regular intervals throughout the development and implementation of waiver reimagine phase II, a Waiver Reimagine Advisory Committee that consists of a group of diverse, representative stakeholders. The commissioner must solicit and endeavor to include racially, ethnically, and geographically diverse membership from each of the following groups:

- (1) people with disabilities who use waiver services;
- (2) family members of people who use waiver services;

- (3) disability and behavioral health advocates;
- (4) lead agency representatives; and
- (5) waiver service providers.

(b) The assistant commissioner of aging and disability services must attend and participate in meetings of the Waiver Reimagine Advisory Committee.

(c) The Waiver Reimagine Advisory Committee must have the opportunity to assist collaborate in a meaningful way in developing and providing feedback on proposed plans for waiver reimagine components, including an individual budget methodology, criteria and a process for individualized budget exemptions, the consolidation of the four current home and community-based waiver service programs into two-waiver programs, the role of assessments and the MnCHOICES 2.0 assessment tool in determining service needs and individual budgets, and other aspects of waiver reimagine phase II.

(e) (d) The Waiver Reimagine Advisory Committee must have an opportunity to assist in the development of and provide feedback on proposed adjustments and modifications to the streamlined menu of services and the existing rate exception criteria and process.

**Subd. 4. Required report.** Prior to seeking federal approval for any aspect of waiver reimagine phase II and in ~~consultation~~ collaboration with the Waiver Reimagine Advisory Committee, the commissioner must submit to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over health and human services a report on plans for waiver reimagine phase II. The report must also include any plans to adjust or modify the streamlined menu of services ~~or, the existing rate exemption criteria or process, the proposed individual budget ranges, and the role of MnCHOICES 2.0 assessment tool in determining service needs and individual budget ranges.~~

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