

HOUSE OF REPRESENTATIVES

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
05/05/2025 Calendar for the Day, Amended
Read Third Time as Amended
Passed by the House as Amended and transmitted to the Senate to include Floor Amendments
05/07/2025 Passed by the Senate as Amended and returned to the House
Refused to concur and a Conference Committee was appointed
05/19/2025 Pursuant to Joint Rule 3.02(a), the Conference Committee was discharged and the bill was laid on the table

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; 245.735, subdivision 3; 245.91,

1.17 subdivision 4; 245A.03, by adding a subdivision; 245A.04, subdivisions 1, 7;

1.18 245A.042, by adding a subdivision; 245A.043, by adding a subdivision; 245A.05;

1.19 245A.07, subdivision 2; 245A.10, subdivisions 2, 3, 4, 8; 245C.02, subdivision 7;

1.20 245C.03, subdivisions 6, 13, 15; 245C.04, subdivision 6, by adding a subdivision;

1.21 245C.08, subdivision 5; 245C.10, by adding a subdivision; 245C.13, subdivision

1.22 2; 245C.14, by adding subdivisions; 245C.15, subdivisions 1, 4a; 245C.16,

1.23 subdivision 1; 245C.22, subdivisions 3, 8; 245D.091, subdivisions 2, 3; 245F.08,

1.24 subdivision 3; 245G.01, subdivision 13b, by adding subdivisions; 245G.02,

1.25 subdivision 2; 245G.07, subdivisions 1, 3, 4, by adding subdivisions; 245G.11,

1.26 subdivision 6, by adding a subdivision; 245G.22, subdivisions 11, 15; 246.54,

1.27 subdivisions 1a, 1b; 246B.10; 246C.091, subdivision 3; 252.27, by adding

1.28 subdivisions; 254A.19, subdivision 4; 254B.01, subdivisions 10, 11; 254B.02,

1.29 subdivision 5; 254B.03, subdivisions 1, 3, 4; 254B.04, subdivisions 1a, 5, 6, 6a;

1.30 254B.05, subdivisions 1, 1a, 5, by adding a subdivision; 254B.052, by adding a

1.31 subdivision; 254B.06, subdivision 2, by adding a subdivision; 254B.09, subdivision

1.32 2; 254B.19, subdivision 1; 256.01, subdivisions 29, 34; 256.043, subdivision 3;

1.33 256.9657, subdivisions 1, 7a; 256.9752, subdivision 3; 256.983, subdivision 4;

1.34 256B.051, subdivision 6, by adding a subdivision; 256B.0625, subdivisions 5m,

1.35 20; 256B.0659, subdivisions 17a, 21; 256B.0757, subdivision 4c; 256B.0761,

1.36 subdivision 4; 256B.0911, subdivisions 1, 10, 13, 14, 17, 24, 26, 30, by adding

1.37 subdivisions; 256B.0922, subdivision 1, by adding a subdivision; 256B.0924,

1.38 subdivision 6; 256B.0949, subdivisions 15, 16, 16a, by adding a subdivision;

256B.14, subdivision 2; 256B.19, subdivision 1; 256B.434, subdivision 4k; 256B.4912, subdivision 1; 256B.4914, subdivisions 3, 5, 5a, 5b, 6a, 6b, 6c, 8, 9, by adding subdivisions; 256B.766; 256B.85, subdivisions 7a, 8, 12, 16; 256B.851, subdivisions 5, 6, 7, by adding subdivisions; 256G.08, subdivisions 1, 2; 256G.09, subdivisions 1, 2; 256I.03, subdivision 11a; 256I.04, subdivision 2a; 256I.05, subdivisions 1d, 1e, 1f, 1g, 1h, 1i, 1j, 1k, 1l, 1m, 1n, 1p, 1q, 1r, 1s, 1t, 1u, 2; 256R.02, subdivision 19, by adding subdivisions; 256R.23, subdivisions 2, 3; 256R.24, subdivision 1; 256R.25; 260E.14, subdivision 1; 325F.725; 609A.015, subdivision 4; 609A.055, subdivision 3; 611.43, by adding a subdivision; 611.46, subdivision 1; 611.55, by adding a subdivision; 626.5572, subdivision 13; Laws 2021, First Special Session chapter 7, article 13, sections 73; 75, subdivision 4, as amended; Laws 2023, chapter 61, article 1, sections 5; 27; 30; 32; 47; 61, subdivision 4; 85; article 9, section 2, subdivisions 13, 14, as amended; Laws 2024, chapter 125, article 8, section 2, subdivision 19; proposing coding for new law in Minnesota Statutes, chapters 245A; 245D; 254B; 256; 256K; 256R; repealing Minnesota Statutes 2024, sections 245G.01, subdivision 20d; 245G.07, subdivision 2; 254B.01, subdivision 5; 254B.04, subdivision 2a; 254B.181; Laws 2021, First Special Session chapter 7, article 13, section 75, subdivisions 3, as amended, 6, as amended.

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

ARTICLE 1

AGING SERVICES

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

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

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

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

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

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

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

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

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

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

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

(1) state the amount of the delinquent surcharge;

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

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

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

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

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

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

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

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

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

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

Sec. 3. Minnesota Statutes 2024, section 256.9752, subdivision 3, is amended to read:

Subd. 3. **Nutrition support services.** (a) Funds allocated to an area agency on aging for nutrition support services may be used for the following:

(1) transportation of home-delivered meals and purchased food and medications to the residence of a senior citizen;

(2) expansion of home-delivered meals into unserved and underserved areas;

(3) transportation to supermarkets or delivery of groceries from supermarkets to homes;

(4) vouchers for food purchases at selected restaurants in isolated rural areas;

(5) the Supplemental Nutrition Assistance Program (SNAP) outreach;

(6) transportation of seniors to congregate dining sites;

(7) nutrition screening assessments and counseling as needed by individuals with special dietary needs, performed by a licensed dietitian or nutritionist; ~~and~~

(8) other appropriate services which support senior nutrition programs, including new service delivery models; and

(9) innovative models of providing healthy and nutritious meals to seniors, including through partnerships with schools, restaurants, and other community partners.

(b) An area agency on aging may transfer unused funding for nutrition support services to fund congregate dining services and home-delivered meals, but state money transferred under this paragraph is not subject to federal requirements.

Sec. 4. Minnesota Statutes 2024, section 256B.0922, subdivision 1, is amended to read:

Subdivision 1. **Essential community supports.** (a) The purpose of the essential community supports program is to provide targeted services to persons ~~age 65 and older~~ who need essential community support, but whose needs do not meet the level of care required for nursing facility placement under section 144.0724, subdivision 11, and who are either 60 years of age or older or are persons with dementia.

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

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

(2) is not eligible for medical assistance;

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

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

(5) has an assessment summary; and

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

(i) adult day services;

(ii) caregiver support;

(iii) homemaker support;

(iv) chores;

(v) a personal emergency response device or system;

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

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

(viii) respite care.

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

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

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

Sec. 5. Minnesota Statutes 2024, section 256B.0922, is amended by adding a subdivision to read:

Subd. 3. Financial eligibility criteria. (a) To be eligible for essential community supports, a person may have an income up to 400 percent of the federal poverty guidelines for the household size. When determining financial eligibility under this subdivision, the

7.1 commissioner must use the income methodology described in section 256B.056, subdivision
7.2 1a, paragraph (b).

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

7.4 Sec. 6. Minnesota Statutes 2024, section 256B.434, subdivision 4k, is amended to read:

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

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

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

7.13 (d) The commissioner shall increase the property rate of a nursing facility located in the
7.14 city of Chatfield at 1102 Liberty Street SE in Fillmore County by \$21.35 on January 1,
7.15 2025.

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

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

7.20 Sec. 7. Minnesota Statutes 2024, section 256R.02, subdivision 19, is amended to read:

7.21 Subd. 19. **External fixed costs.** "External fixed costs" means costs related to the nursing
7.22 home surcharge under section 256.9657, subdivision 1; licensure fees under section 144.122;
7.23 family advisory council fee under section 144A.33; scholarships under section 256R.37;
7.24 planned closure rate adjustments under section 256R.40; consolidation rate adjustments
7.25 under section 144A.071, subdivisions 4c, paragraph (a), clauses (5) and (6), and 4d;
7.26 single-bed room incentives under section 256R.41; property taxes, special assessments, and
7.27 payments in lieu of taxes; employer health insurance costs; quality improvement incentive
7.28 payment rate adjustments under section 256R.39; performance-based incentive payments
7.29 under section 256R.38; special dietary needs under section 256R.51; Public Employees
7.30 Retirement Association employer costs; ~~and~~ border city rate adjustments under section
7.31 256R.481; and the rate adjustment for nursing home wage standards under section 256R.495.

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

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

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

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

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

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

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

8.20 Sec. 10. Minnesota Statutes 2024, section 256R.02, is amended by adding a subdivision
8.21 to read:

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

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

8.25 Sec. 11. Minnesota Statutes 2024, section 256R.23, subdivision 2, is amended to read:

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

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

Sec. 12. Minnesota Statutes 2024, section 256R.23, subdivision 3, is amended to read:

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

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

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

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

Sec. 13. Minnesota Statutes 2024, section 256R.24, subdivision 1, is amended to read:

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

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

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

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

Sec. 14. Minnesota Statutes 2024, section 256R.25, is amended to read:

256R.25 EXTERNAL FIXED COSTS PAYMENT RATE.

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

10.1 Subd. 2. **Provider surcharges.** ~~(b)~~ For a facility licensed as a nursing home, the portion
10.2 related to the provider surcharge under section 256.9657 is equal to ~~\$8.86~~ \$19.02 per resident
10.3 day. For a facility licensed as both a nursing home and a boarding care home, the portion
10.4 related to the provider surcharge under section 256.9657 is equal to ~~\$8.86~~ \$19.02 per resident
10.5 day multiplied by the result of its number of nursing home beds divided by its total number
10.6 of licensed beds. The commissioner must decrease the portion related to the provider
10.7 surcharge as necessary to conform to decreases in the nursing home license surcharge fee
10.8 under section 256.9657.

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

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

10.14 Subd. 5. **Scholarships.** ~~(e)~~ The portion related to scholarships is determined under section
10.15 256R.37.

10.16 Subd. 6. **Planned closures.** ~~(f)~~ The portion related to planned closure rate adjustments
10.17 is as determined under section 256R.40, subdivision 5, and Minnesota Statutes 2010, section
10.18 256B.436.

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

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

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

10.31 Subd. 10. **Health insurance.** ~~(j)~~ The portion related to employer health insurance costs
10.32 is ~~the~~ calculated as follows:

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

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

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

11.7 Subd. 12. **Quality improvement incentives.** ~~(h)~~ The portion related to quality
 11.8 improvement incentive payment rate adjustments is the amount determined under section
 11.9 256R.39.

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

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

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

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

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

11.21 **EFFECTIVE DATE.** The amendments to subdivisions 1 and 17 are effective January
 11.22 1, 2026, or upon federal approval, whichever is later, and apply retroactively to the rate
 11.23 year beginning January 1, 2026. The amendments to subdivision 2 are effective January 1,
 11.24 2026, or the first day of the month following federal approval, whichever is later. The
 11.25 amendments to subdivision 10 are effective January 1, 2027, or upon federal approval,
 11.26 whichever is later, and apply retroactively to the rate year beginning January 1, 2027. The
 11.27 commissioner of human services shall notify the revisor of statutes when federal approval
 11.28 is obtained.

11.29 Sec. 15. **[256R.495] RATE ADJUSTMENT FOR NURSING HOME WAGE**
 11.30 **STANDARDS.**

11.31 Subdivision 1. **Nursing facility rate adjustment.** Effective for the rate years beginning
 11.32 January 1, 2026, and January 1, 2027, nursing facility rates under this chapter must include

12.1 a rate adjustment to pay for the nursing home wage standards promulgated by the Nursing
12.2 Home Workforce Standards Board and adopted as proposed on October 28, 2024. Each
12.3 nursing facility reimbursed under this chapter must report to the commissioner the wage
12.4 rate for every employee and contracted employee below the minimum wage standards
12.5 established by the board under section 181.212.

12.6 Subd. 2. **Application for January 1, 2026, and January 1, 2027, rate adjustments.** (a)
12.7 To receive a rate adjustment, a nursing facility must submit an application for each rate year
12.8 in which the rate adjustment under this section is in effect to the commissioner in a form
12.9 and manner determined by the commissioner. The application must include data for a period
12.10 beginning with the first pay period after July 1 of the year prior to the rate year in which
12.11 the rate adjustment takes effect, including at least three months of employee compensated
12.12 hours by wage rate and a spending plan that describes how the funds from the rate adjustment
12.13 will be allocated for compensation to employees as defined by Minnesota Rules, part
12.14 5200.2060, that are paid less than the general wage standards defined in Minnesota Rules,
12.15 part 5200.2080, and the wage standards for certain positions defined by Minnesota Rules,
12.16 part 5200.2090. The application must be submitted by October 1 of the year prior to the
12.17 rate year in which the rate adjustment takes effect. The commissioner may request any
12.18 additional information needed to determine the rate adjustment within 20 calendar days of
12.19 receiving a completed application. The nursing facility must provide any additional
12.20 information requested by the commissioner within 20 calendar days of receiving a request
12.21 from the commissioner for additional information. The commissioner may waive the
12.22 deadlines in this subdivision under extraordinary circumstances.

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

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

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

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

13.7 (3) for trained medication aides, the sum of the difference between \$23.50 and any hourly
13.8 wage rate of less than \$23.50 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 \$27 and any hourly
13.11 wage rate of less than \$27 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. 4. **January 1, 2027, rate adjustment calculation.** Based on the application in
13.17 subdivision 2, the commissioner shall calculate the annualized compensation costs by adding
13.18 the totals of clauses (1) to (5). The result must be divided by the resident days from the most
13.19 recently available cost report to determine a per diem amount, which must be included in
13.20 the external fixed costs payment rate under section 256R.25:

13.21 (1) for all nursing home workers, the sum of the difference between \$20.50 and any
13.22 hourly wage rate of less than \$20.50 multiplied by the number of compensated hours at that
13.23 wage rate;

13.24 (2) for certified nursing assistants, the sum of the difference between \$24 and any hourly
13.25 wage rate of less than \$24 multiplied by the number of compensated hours at that wage
13.26 rate;

13.27 (3) for trained medication aides, the sum of the difference between \$25 and any hourly
13.28 wage rate of less than \$25 multiplied by the number of compensated hours at that wage
13.29 rate;

13.30 (4) for licensed practical nurses, the sum of the difference between \$28.50 and any hourly
13.31 wage rate of less than \$28.50 multiplied by the number of compensated hours at that wage
13.32 rate; and

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

Subd. 5. **Rate adjustment timeline.** (a) For the rate year beginning January 1, 2026, nursing facilities that receive approval of the application in subdivision 2 must receive a rate adjustment according to subdivision 3. The rate adjustment must continue to be included in the external fixed costs payment rate under section 256R.25 until January 1, 2028.

(b) For the rate year beginning January 1, 2027, nursing facilities that receive approval of the application in subdivision 2 must receive a rate adjustment according to subdivision 4. The rate adjustment must continue to be included in the external fixed costs payment rate under section 256R.25 until January 1, 2029.

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

EFFECTIVE DATE. This section is effective July 1, 2025, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 16. **[256R.531] PATIENT DRIVEN PAYMENT MODEL PHASE-IN.**

Subdivision 1. **Model phase-in.** From October 1, 2025, to December 31, 2028, the commissioner shall determine an adjustment to the total payment rate for each facility as determined under sections 256R.21 and 256R.27 to phase in the direct care payment rate from the RUG-IV case mix classification system to the patient driven payment model (PDPM) case mix classification system.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

15.23 (2) the PDPM medical assistance case mix adjusted direct care payment rate determined
15.24 in subdivision 4 multiplied by the following percentages:

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

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

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

15.28 Subd. 6. **PDPM phase-in rate adjustment.** The commissioner shall determine a facility's
15.29 PDPM phase-in rate adjustment as the difference between:

15.30 (1) the blended medical assistance case mix adjusted direct care payment rate determined
15.31 in subdivision 5; and

16.1 (2) the PDPM medical assistance case mix adjusted direct care payment rate determined
16.2 in section 256R.23, subdivision 7.

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

16.4 **ARTICLE 2**

16.5 **DISABILITY SERVICES**

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

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

16.9 (a) "Assessment reference date" or "ARD" means the specific end point for look-back
16.10 periods in the MDS assessment process. This look-back period is also called the observation
16.11 or assessment period.

16.12 (b) "Case mix index" means the weighting factors assigned to the case mix reimbursement
16.13 classifications determined by an assessment.

16.14 (c) "Index maximization" means classifying a resident who could be assigned to more
16.15 than one category, to the category with the highest case mix index.

16.16 (d) "Minimum Data Set" or "MDS" means a core set of screening, clinical assessment,
16.17 and functional status elements, that include common definitions and coding categories
16.18 specified by the Centers for Medicare and Medicaid Services and designated by the
16.19 Department of Health.

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

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

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

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

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

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

17.2 ~~(4)~~ (3) state payment of alternative care services under section 256B.0913.

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

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

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

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

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

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

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

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

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

17.22 (7) the person is determined to be at risk for nursing facility admission or readmission
17.23 through a face-to-face long-term care consultation assessment as specified in section
17.24 256B.0911, subdivision 17 to 21, 23, 24, 27, or 28, by a county, tribe, or managed care
17.25 organization under contract with the Department of Human Services. The person is
17.26 considered at risk under this clause if the person currently lives alone or will live alone or
17.27 be homeless without the person's current housing and also meets one of the following criteria:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(b) The state must make financial contributions to the Minnesota Caregiver Retirement Fund Trust pursuant to a collective bargaining agreement negotiated under this section. The financial contributions by the state must be held in trust for the purpose of paying, from principal, income, or both, the costs associated with creating, implementing, and administering a defined contribution or other individual account retirement program for individual providers of direct support services working under a collective bargaining agreement and providing services through a covered program under section 256B.0711. A board of trustees composed of an equal number of trustees appointed by the governor and trustees appointed by the exclusive representative under this section must administer, manage, and otherwise jointly control the Minnesota Caregiver Retirement Fund Trust. The trust must not be an agent of either the state or the exclusive representative.

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

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

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

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

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

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

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

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

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

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

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

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

20.23 (2) investigate reports of maltreatment;

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

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

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

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

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

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

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

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

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

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

21.11 Subd. 5. **Reporting of maltreatment.** An EIDBI agency must comply with the
21.12 requirements of reporting maltreatment of vulnerable adults and minors under sections
21.13 245A.65, 245A.66, and 626.557 and chapter 260E.

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

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

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

21.20 (1) the agency's application has been suspended or denied under subdivision 2 or the
21.21 agency's provisional license has been revoked; and

21.22 (2) when the agency appealed the application suspension or denial or the provisional
21.23 license revocation, the commissioner has issued a final order on the appeal.

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

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

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

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

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

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

22.9 (1) the recency of the disqualifying characteristic;

22.10 (2) the recency of discharge from probation for the crimes;

22.11 (3) the number of disqualifying characteristics;

22.12 (4) the intrusiveness or violence of the disqualifying characteristic;

22.13 (5) the vulnerability of the victim involved in the disqualifying characteristic;

22.14 (6) the similarity of the victim to the persons served by the program where the individual
22.15 studied will have direct contact;

22.16 (7) whether the individual has a disqualification from a previous background study that
22.17 has not been set aside;

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

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

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

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

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

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

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

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

Subd. 2. **Positive support professional qualifications.** A positive support professional providing positive support services as identified in section 245D.03, subdivision 1, paragraph (c), clause (1), item (i), must have competencies in the following areas as required under the brain injury, community access for disability inclusion, community alternative care, and developmental disabilities waiver plans or successor plans:

(1) ethical considerations;

(2) functional assessment;

(3) functional analysis;

(4) measurement of behavior and interpretation of data;

(5) selecting intervention outcomes and strategies;

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

(7) data collection;

(8) staff and caregiver training;

- 24.1 (9) support plan monitoring;
- 24.2 (10) co-occurring mental disorders or neurocognitive disorder;
- 24.3 (11) demonstrated expertise with populations being served; and
- 24.4 (12) must be a:
- 24.5 (i) psychologist licensed under sections 148.88 to 148.98, who has stated to the Board
- 24.6 of Psychology competencies in the above identified areas;
- 24.7 (ii) clinical social worker licensed as an independent clinical social worker under chapter
- 24.8 148D, or a person with a master's degree in social work from an accredited college or
- 24.9 university, with at least 4,000 hours of post-master's supervised experience in the delivery
- 24.10 of clinical services in the areas identified in clauses (1) to (11);
- 24.11 (iii) physician licensed under chapter 147 and certified by the American Board of
- 24.12 Psychiatry and Neurology or eligible for board certification in psychiatry with competencies
- 24.13 in the areas identified in clauses (1) to (11);
- 24.14 (iv) licensed professional clinical counselor licensed under sections 148B.29 to 148B.39
- 24.15 with at least 4,000 hours of post-master's supervised experience in the delivery of clinical
- 24.16 services who has demonstrated competencies in the areas identified in clauses (1) to (11);
- 24.17 (v) person with a master's degree from an accredited college or university in one of the
- 24.18 behavioral sciences or related fields, with at least 4,000 hours of post-master's supervised
- 24.19 experience in the delivery of clinical services with demonstrated competencies in the areas
- 24.20 identified in clauses (1) to (11);
- 24.21 (vi) person with a master's degree or PhD in one of the behavioral sciences or related
- 24.22 fields with demonstrated expertise in positive support services, as determined by the person's
- 24.23 needs as outlined in the person's assessment summary; ~~or~~
- 24.24 (vii) registered nurse who is licensed under sections 148.171 to 148.285, and who is
- 24.25 certified as a clinical specialist or as a nurse practitioner in adult or family psychiatric and
- 24.26 mental health nursing by a national nurse certification organization, or who has a master's
- 24.27 degree in nursing or one of the behavioral sciences or related fields from an accredited
- 24.28 college or university or its equivalent, with at least 4,000 hours of post-master's supervised
- 24.29 experience in the delivery of clinical services; or
- 24.30 (viii) person who has completed a competency-based training program as determined
- 24.31 by the commissioner.

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

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

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

25.10 (2) meet the qualifications of a mental health practitioner as defined in section 245.462,
25.11 subdivision 17; ~~or~~

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

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

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

25.17 (1) have two years of supervised experience conducting functional behavior assessments
25.18 and designing, implementing, and evaluating effectiveness of positive practices behavior
25.19 support strategies for people who exhibit challenging behaviors as well as co-occurring
25.20 mental disorders and neurocognitive disorder;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

27.20 (3) the case manager's initial residential setting assessment and each residential assessment
27.21 completed thereafter; and

27.22 (4) the legal representative's approval of the residential setting before services are
27.23 provided and each year thereafter.

27.24 **EFFECTIVE DATE.** This section is effective January 1, 2026, or upon federal approval,
27.25 whichever is later. The commissioner of human services shall inform the revisor of statutes
27.26 when federal approval is obtained.

27.27 Sec. 10. **[256.4768] DISABILITY SERVICES TECHNOLOGY AND ADVOCACY**
27.28 **EXPANSION GRANT.**

27.29 Subdivision 1. **Establishment.** (a) A disability services technology and advocacy
27.30 expansion grant is established to:

(1) support the expansion of assistive technology and remote support services for people with disabilities; and

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

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

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

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

(2) have demonstrated knowledge of various forms of assistive technology and remote support for people with disabilities; and

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

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

(1) develop and deliver comprehensive training programs for lead agencies, disability service providers, schools, employment support agencies, and individuals with disabilities and their families to ensure effective use of assistive technology and remote support tools. Training must address specific challenges faced by individuals with disabilities, such as accessibility, independence, and health monitoring;

(2) provide resources and support to advocacy organizations that work with individuals with disabilities and service providers. Resources and support must be used to promote the use of assistive technology to increase self-determination and community participation;

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

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

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

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

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

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

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

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

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

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

29.17 Subd. 17a. **Enhanced rate.** (a) An enhanced rate of 107.5 percent of the rate paid for
29.18 personal care assistance services shall be paid for services provided to persons who qualify
29.19 for ten or more hours of personal care assistance services per day when provided by a
29.20 personal care assistant who meets the requirements of subdivision 11, paragraph (d). This
29.21 paragraph expires upon the effective date of paragraph (b).

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

29.27 ~~(b)~~ (c) A personal care assistance provider must use all additional revenue attributable
29.28 to the rate enhancements under this subdivision for the wages and wage-related costs of the
29.29 personal care assistants, including any corresponding increase in the employer's share of
29.30 FICA taxes, Medicare taxes, state and federal unemployment taxes, and workers'
29.31 compensation premiums. The agency must not use the additional revenue attributable to
29.32 any enhanced rate under this subdivision to pay for mileage reimbursement, health and

30.1 dental insurance, life insurance, disability insurance, long-term care insurance, uniform
30.2 allowance, contributions to employee retirement accounts, or any other employee benefits.

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

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

30.9 Sec. 12. Minnesota Statutes 2024, section 256B.0911, subdivision 1, is amended to read:

30.10 Subdivision 1. **Purpose and goal.** (a) The purpose of long-term care consultation services
30.11 is to assist persons with long-term or chronic care needs in making care decisions and
30.12 selecting support and service options that meet their needs and reflect their preferences.
30.13 The availability of, and access to, information and other types of assistance, including
30.14 long-term care consultation assessment and support planning, is also intended to prevent
30.15 or delay institutional placements and to provide access to transition assistance after
30.16 placement. Further, the goal of long-term care consultation services is to contain costs
30.17 associated with unnecessary institutional admissions. Long-term care consultation services
30.18 must be available to any person regardless of public program eligibility.

30.19 (b) The commissioner of human services shall seek to maximize use of available federal
30.20 and state funds and establish the broadest program possible within the funding available.

30.21 (c) Long-term care consultation services must be coordinated with long-term care options
30.22 counseling, long-term care options counseling ~~for assisted living~~ at critical care transitions,
30.23 the Disability Hub, and preadmission screening.

30.24 (d) A lead agency providing long-term care consultation services shall encourage the
30.25 use of volunteers from families, religious organizations, social clubs, and similar civic and
30.26 service organizations to provide community-based services.

30.27 Sec. 13. Minnesota Statutes 2024, section 256B.0911, subdivision 10, is amended to read:

30.28 Subd. 10. **Definitions.** (a) For purposes of this section, the following definitions apply.

30.29 (b) "Available service and setting options" or "available options," with respect to the
30.30 home and community-based waivers under chapter 256S and sections 256B.092 and 256B.49,
30.31 means all services and settings defined under the waiver plan for which a waiver applicant
30.32 or waiver participant is eligible.

31.1 (c) "Competitive employment" means work in the competitive labor market that is
31.2 performed on a full-time or part-time basis in an integrated setting, and for which an
31.3 individual is compensated at or above the minimum wage, but not less than the customary
31.4 wage and level of benefits paid by the employer for the same or similar work performed by
31.5 individuals without disabilities.

31.6 (d) "Cost-effective" means community services and living arrangements that cost the
31.7 same as or less than institutional care. For an individual found to meet eligibility criteria
31.8 for home and community-based service programs under chapter 256S or section 256B.49,
31.9 "cost-effectiveness" has the meaning found in the federally approved waiver plan for each
31.10 program.

31.11 (e) "Independent living" means living in a setting that is not controlled by a provider.

31.12 (f) "Informed choice" has the meaning given in section 256B.4905, subdivision 1a.

31.13 (g) "Lead agency" means a county administering or a Tribe or health plan under contract
31.14 with the commissioner to administer long-term care consultation services.

31.15 (h) "Long-term care consultation services" means the activities described in subdivision
31.16 11.

31.17 (i) "Long-term care options counseling" means the services provided by sections 256.01,
31.18 subdivision 24, and 256.975, subdivision 7, and also includes telephone assistance and
31.19 follow-up after a long-term care consultation assessment has been completed.

31.20 (j) "Long-term care options counseling ~~for assisted living at critical care transitions~~"
31.21 means the services provided under section 256.975, ~~subdivisions~~ subdivision 7e to 7g.

31.22 (k) "Minnesota health care programs" means the medical assistance program under this
31.23 chapter and the alternative care program under section 256B.0913.

31.24 (l) "Person-centered planning" is a process that includes the active participation of a
31.25 person in the planning of the person's services, including in making meaningful and informed
31.26 choices about the person's own goals, talents, and objectives, as well as making meaningful
31.27 and informed choices about the services the person receives, the settings in which the person
31.28 receives the services, and the setting in which the person lives.

31.29 (m) "Preadmission screening" means the services provided under section 256.975,
31.30 subdivisions 7a to 7c.

32.1 Sec. 14. Minnesota Statutes 2024, section 256B.0911, subdivision 13, is amended to read:

32.2 Subd. 13. **MnCHOICES assessor qualifications, training, and certification.** (a) The
32.3 commissioner shall develop and implement a curriculum and an assessor certification
32.4 process.

32.5 (b) MnCHOICES certified assessors must have received training and certification specific
32.6 to assessment and consultation for long-term care services in the state and either:

32.7 (1) ~~either have a bachelor's~~ at least an associate's degree in social work human services,
32.8 or other closely related field;

32.9 (2) have at least an associate's degree in nursing with a public health nursing certificate,
32.10 or other closely related field; or

32.11 (3) be a registered nurse; and.

32.12 ~~(2) have received training and certification specific to assessment and consultation for~~
32.13 ~~long-term care services in the state.~~

32.14 (c) Certified assessors shall demonstrate best practices in assessment and support
32.15 planning, including person-centered planning principles, and have a common set of skills
32.16 that ensures consistency and equitable access to services statewide.

32.17 (d) Certified assessors must be recertified every three years.

32.18 Sec. 15. Minnesota Statutes 2024, section 256B.0911, subdivision 14, is amended to read:

32.19 Subd. 14. **Use of MnCHOICES certified assessors required.** (a) Each lead agency
32.20 shall use MnCHOICES certified assessors who have completed MnCHOICES training and
32.21 the certification process determined by the commissioner in subdivision 13.

32.22 (b) Each lead agency must ensure that the lead agency has sufficient numbers of certified
32.23 assessors to provide long-term consultation assessment and support planning within the
32.24 timelines and parameters of the service.

32.25 (c) A lead agency may choose, according to departmental policies, to contract with a
32.26 qualified, certified assessor to conduct assessments and reassessments on behalf of the lead
32.27 agency.

32.28 (d) Tribes and health plans under contract with the commissioner must provide long-term
32.29 care consultation services as specified in the contract.

32.30 (e) A lead agency must provide the commissioner with an administrative contact for
32.31 communication purposes.

(f) A lead agency may contract under this subdivision with any hospital licensed under sections 144.50 to 144.56 to conduct assessments of patients in the hospital on behalf of the lead agency when the lead agency has failed to meet its obligations under subdivision 17. The contracted assessment must be conducted by a hospital employee who is a qualified, certified assessor. The hospital employees who perform assessments under the contract between the hospital and the lead agency may perform assessments in addition to other duties assigned to the employee by the hospital, except the hospital employees who perform the assessments under contract with the lead agency must not perform any waiver-related tasks other than assessments. Hospitals are not eligible for reimbursement under subdivision 33. The lead agency that enters into a contract with a hospital under this paragraph is responsible for oversight, compliance, and quality assurance for all assessments performed under the contract.

Sec. 16. Minnesota Statutes 2024, section 256B.0911, subdivision 17, is amended to read:

Subd. 17. **MnCHOICES assessments.** ~~(a) A person requesting long-term care consultation services must be visited by a long-term care consultation team~~ must begin an assessment of a person requesting long-term care consultation services or for whom long-term care consultation services were recommended, including an estimated timeline to full completion of the assessment, within 20 working days after the date on which an assessment was requested or recommended.

(b) Assessments must be conducted according to this subdivision and subdivisions 19 to 21, 23, 24, and 29 to 31.

~~(b)~~ (c) Lead agencies shall use certified assessors to conduct the assessment.

~~(e)~~ (d) For a person with complex health care needs, a public health or registered nurse from the team must be consulted.

~~(d)~~ (e) The lead agency must use the MnCHOICES assessment provided by the commissioner to complete a comprehensive, conversation-based, person-centered assessment. The assessment must include the health, psychological, functional, environmental, and social needs of the individual necessary to develop a person-centered assessment summary that meets the individual's needs and preferences.

~~(e)~~ (f) Except as provided in subdivision 24, an assessment must be conducted by a certified assessor in an in-person conversational interview with the person being assessed.

34.1 Sec. 17. Minnesota Statutes 2024, section 256B.0911, subdivision 24, is amended to read:

34.2 Subd. 24. **Remote reassessments.** (a) Assessments performed according to subdivisions
34.3 17 to 20 and 23 must be in person unless the assessment is a reassessment meeting the
34.4 requirements of this subdivision. Remote reassessments conducted by interactive video or
34.5 telephone may substitute for in-person reassessments.

34.6 (b) For services provided by the developmental disabilities waiver under section
34.7 256B.092, and the community access for disability inclusion, community alternative care,
34.8 and brain injury waiver programs under section 256B.49, remote reassessments may be
34.9 substituted for ~~two~~ four consecutive reassessments if followed by an in-person reassessment.

34.10 (c) For services provided by alternative care under section 256B.0913, essential
34.11 community supports under section 256B.0922, and the elderly waiver under chapter 256S,
34.12 remote reassessments may be substituted for one reassessment if followed by an in-person
34.13 reassessment.

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

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

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

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

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

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

35.1 Sec. 18. Minnesota Statutes 2024, section 256B.0911, is amended by adding a subdivision
35.2 to read:

35.3 Subd. 24a. **Verbal attestation or alternative to replace required reassessment**
35.4 **signatures.** (a) Effective January 1, 2026, or upon federal approval, whichever is later, the
35.5 commissioner shall allow for verbal attestation or another alternative to replace required
35.6 reassessment signatures for service initiation.

35.7 (b) Within 30 days of completion of a reassessment, an assessor must send a request for
35.8 written attestation via mail to obtain a signature from the service recipient.

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

35.10 Sec. 19. Minnesota Statutes 2024, section 256B.0911, is amended by adding a subdivision
35.11 to read:

35.12 Subd. 25a. **Attesting to no changes in needs or services.** (a) A person who is 22 to 64
35.13 years of age and receiving home and community-based waiver services under the
35.14 developmental disabilities waiver program under section 256B.092; community access for
35.15 disability inclusion, community alternative care, and brain injury waiver programs under
35.16 section 256B.49; and community first services and supports under section 256B.85 may
35.17 attest that the person has unchanged needs from the most recent prior assessment or
35.18 reassessment for up to two consecutive reassessments, if the lead agency provides informed
35.19 choice and the person being reassessed or the person's legal representative provides informed
35.20 consent. Lead agencies must document that informed choice was offered.

35.21 (b) The person or person's legal representative must attest, verbally or through alternative
35.22 communications, that the information provided in the previous assessment or reassessment
35.23 is still accurate and applicable and that no changes in the person's circumstances have
35.24 occurred that would require changes from the most recent prior assessment or reassessment.
35.25 The person or the person's legal representative may request a full reassessment at any time.

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

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

35.31 (1) verify current assessed support needs;

35.32 (2) confirm continued need for the currently assessed level of care;

36.1 (3) inform the person of alternative long-term services and supports available;

36.2 (4) provide informed choice of institutional or home and community-based services;

36.3 and

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

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

36.7 (f) The person has appeal rights under section 256.045, subdivision 3, upon denial of
36.8 attestation to no changes in needs or services.

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

36.12 Sec. 20. Minnesota Statutes 2024, section 256B.0911, subdivision 26, is amended to read:

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

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

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

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

36.27 Sec. 21. Minnesota Statutes 2024, section 256B.0911, subdivision 30, is amended to read:

36.28 Subd. 30. **Assessment and support planning; supplemental information.** The lead
36.29 agency must give the person receiving long-term care consultation services or the person's
36.30 legal representative materials and forms supplied by the commissioner containing the
36.31 following information:

- 37.1 (1) written recommendations for community-based services and consumer-directed
37.2 options;
- 37.3 (2) documentation that the most cost-effective alternatives available were offered to the
37.4 person;
- 37.5 (3) the need for and purpose of preadmission screening conducted by long-term care
37.6 options counselors according to section 256.975, subdivisions 7a to 7c, if the person selects
37.7 nursing facility placement. If the person selects nursing facility placement, the lead agency
37.8 shall forward information needed to complete the level of care determinations and screening
37.9 for developmental disability and mental illness collected during the assessment to the
37.10 long-term care options counselor using forms provided by the commissioner;
- 37.11 (4) the role of long-term care consultation assessment and support planning in eligibility
37.12 determination for waiver and alternative care programs and state plan home care, case
37.13 management, and other services as defined in subdivision 11, clauses (7) to (10);
- 37.14 (5) information about Minnesota health care programs;
- 37.15 (6) the person's freedom to accept or reject the recommendations of the team;
- 37.16 (7) the person's right to confidentiality under the Minnesota Government Data Practices
37.17 Act, chapter 13;
- 37.18 (8) the certified assessor's decision regarding the person's need for institutional level of
37.19 care as determined under criteria established in subdivision 26 and regarding eligibility for
37.20 all services and programs as defined in subdivision 11, clauses (7) to (10);
- 37.21 (9) the person's right to appeal the certified assessor's decision regarding eligibility for
37.22 all services and programs as defined in subdivision 11, clauses (5), (7) to (10), and (15),
37.23 and the decision regarding the need for institutional level of care, an attestation to no changes
37.24 in needs or services, or the lead agency's final decisions regarding public programs eligibility
37.25 according to section 256.045, subdivision 3. The certified assessor must verbally
37.26 communicate this appeal right to the person and must visually point out where in the
37.27 document the right to appeal is stated; and
- 37.28 (10) documentation that available options for employment services, independent living,
37.29 and self-directed services and supports were described to the person.

38.1 Sec. 22. Minnesota Statutes 2024, section 256B.0911, is amended by adding a subdivision
38.2 to read:

38.3 Subd. 34. **Dashboard on assessment completions.** (a) The commissioner shall maintain
38.4 a dashboard on the department's public website containing summary data on the completion
38.5 of assessments under this section. The commissioner must update the dashboard at least
38.6 twice per year.

38.7 (b) The dashboard must include:

38.8 (1) the total number of assessments performed since the previous reporting period, by
38.9 lead agency;

38.10 (2) the total number of initial assessments performed since the previous reporting period,
38.11 by lead agency;

38.12 (3) the total number of reassessments performed since the previous reporting period, by
38.13 lead agency;

38.14 (4) the number and percentage of assessments completed within the required timeline,
38.15 by lead agency;

38.16 (5) the average length of time to complete an assessment, by lead agency;

38.17 (6) summary data of the location in which the assessments were performed, by lead
38.18 agency; and

38.19 (7) other information the commissioner determines is valuable to assess the capacity of
38.20 lead agencies to complete assessments within the timelines prescribed by law.

38.21 Sec. 23. Minnesota Statutes 2024, section 256B.0924, subdivision 6, is amended to read:

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

38.30 (b) Except as provided under paragraph (m), payment for targeted case management
38.31 provided by county staff under this subdivision shall be based on the monthly rate
38.32 methodology under section 256B.094, subdivision 6, paragraph (b), calculated as one

combined average rate together with adult mental health case management under section 256B.0625, subdivision 20, except for calendar year 2002. In calendar year 2002, the rate for case management under this section shall be the same as the rate for adult mental health case management in effect as of December 31, 2001. Billing and payment must identify the recipient's primary population group to allow tracking of revenues.

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

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

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

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

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

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

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

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

(1) the last 180 days of the recipient's residency in that facility; or

(2) the limits and conditions which apply to federal Medicaid funding for this service.

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

(l) Any growth in targeted case management services and cost increases under this section shall be the responsibility of the counties.

(m) The commissioner may make payments for Tribes according to section 256B.0625, subdivision 34, or other relevant federally approved rate setting methodologies for vulnerable adult and developmental disability targeted case management provided by Indian health services and facilities operated by a Tribe or Tribal organization.

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

Sec. 24. Minnesota Statutes 2024, section 256B.0949, subdivision 15, is amended to read:

Subd. 15. **EIDBI provider qualifications.** (a) A QSP must be ~~employed by~~ an employee of an agency and be:

(1) a licensed mental health professional who has at least 2,000 hours of supervised clinical experience or training in examining or treating people with ASD or a related condition or equivalent documented coursework at the graduate level by an accredited university in ASD diagnostics, ASD developmental and behavioral treatment strategies, and typical child development; or

(2) a developmental or behavioral pediatrician who has at least 2,000 hours of supervised clinical experience or training in examining or treating people with ASD or a related condition or equivalent documented coursework at the graduate level by an accredited university in the areas of ASD diagnostics, ASD developmental and behavioral treatment strategies, and typical child development.

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

41.2 (1) have at least 2,000 hours of supervised clinical experience or training in examining
41.3 or treating people with ASD or a related condition or equivalent documented coursework
41.4 at the graduate level by an accredited university in ASD diagnostics, ASD developmental
41.5 and behavioral treatment strategies, and typical child development or an equivalent
41.6 combination of documented coursework or hours of experience; and

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

41.8 (i) a master's degree in behavioral health or child development or related fields including,
41.9 but not limited to, mental health, special education, social work, psychology, speech
41.10 pathology, or occupational therapy from an accredited college or university;

41.11 (ii) a bachelor's degree in a behavioral health, child development, or related field
41.12 including, but not limited to, mental health, special education, social work, psychology,
41.13 speech pathology, or occupational therapy, from an accredited college or university, and
41.14 advanced certification in a treatment modality recognized by the department;

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

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

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

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

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

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

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

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

42.9 (2) a person who has:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

43.9 Sec. 25. Minnesota Statutes 2024, section 256B.0949, subdivision 16, is amended to read:

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

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

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

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

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

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

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

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

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

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

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

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

44.11 (12) provide the person's legal representative with prompt notification if the person is
44.12 injured while being served by the agency. An incident report must be completed by the
44.13 agency staff member in charge of the person. A copy of all incident and injury reports must
44.14 remain on file at the agency for at least five years from the report of the incident; ~~and~~

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

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

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

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

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

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

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

Sec. 26. Minnesota Statutes 2024, section 256B.0949, is amended by adding a subdivision to read:

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

Sec. 27. Minnesota Statutes 2024, section 256B.19, subdivision 1, is amended to read:

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

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

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

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

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

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

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

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

Sec. 28. Minnesota Statutes 2024, section 256B.4914, subdivision 3, is amended to read:

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

(1) 24-hour customized living;

(2) adult day services;

(3) adult day services bath;

(4) community residential services;

(5) customized living;

(6) day support services;

(7) employment development services;

(8) employment exploration services;

(9) employment support services;

(10) family residential services;

(11) individualized home supports;

(12) individualized home supports with family training;

(13) individualized home supports with training;

(14) integrated community supports;

(15) life sharing;

(16) effective until the effective date of clauses (17) and (18), night supervision;

(17) effective January 1, 2026, or upon federal approval, whichever is later, awake night supervision;

47.1 (18) effective January 1, 2026, or upon federal approval, whichever is later, asleep night
 47.2 supervision;

47.3 ~~(17)~~ (19) positive support services;

47.4 ~~(18)~~ (20) prevocational services;

47.5 ~~(19)~~ (21) residential support services;

47.6 ~~(20)~~ (22) respite services;

47.7 ~~(21)~~ (23) transportation services; and

47.8 ~~(22)~~ (24) other services as approved by the federal government in the state home and
 47.9 community-based services waiver plan.

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

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

47.17 Sec. 29. Minnesota Statutes 2024, section 256B.4914, subdivision 5, is amended to read:

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

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

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

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

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

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

Sec. 30. Minnesota Statutes 2024, section 256B.4914, subdivision 5a, is amended to read:

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

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

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

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

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

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

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

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

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

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

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

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

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

49.14 (11) for individualized home supports with family training staff, 20 percent of the median
49.15 wage for nursing aide (SOC code 31-1131); 30 percent of the median wage for community
49.16 social service specialist (SOC code 21-1099); 40 percent of the median wage for social and
49.17 human services aide (SOC code 21-1093); and ten percent of the median wage for psychiatric
49.18 technician (SOC code 29-2053);

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

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

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

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

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

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

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

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

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

Sec. 31. Minnesota Statutes 2024, section 256B.4914, subdivision 5b, is amended to read:

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

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

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

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

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

51.4 Sec. 32. Minnesota Statutes 2024, section 256B.4914, subdivision 6a, is amended to read:

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

51.7 (1) competitive workforce factor: 6.7 percent;

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

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

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

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

51.12 (6) program-related expense ratio: 1.3 percent; ~~and.~~

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

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

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

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

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

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

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

51.27 (6) multiply the number of shared direct staffing and individual direct staffing hours
51.28 provided on site or through monitoring technology and nursing hours by the product of the
51.29 supervision span of control ratio and the appropriate supervisory staff wage in subdivision
51.30 5a, clause (1);

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

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

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

52.10 (10) for transportation, if provided, add \$1,742.62 divided by 365, or \$3,111.81 divided
52.11 by 365 if customized for adapted transport, based on the resident with the highest assessed
52.12 need. The commissioner shall update the amounts in this clause as specified in subdivision
52.13 5b;

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

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

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

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

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

52.26 Sec. 33. Minnesota Statutes 2024, section 256B.4914, subdivision 6b, is amended to read:

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

52.29 (1) competitive workforce factor: 6.7 percent;

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

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

- 53.1 (4) employee-related cost ratio: 23.6 percent;
- 53.2 (5) general administrative support ratio: 3.3 percent; and
- 53.3 (6) program-related expense ratio: 1.3 percent; and.
- 53.4 ~~(7) absence factor: 1.7 percent.~~
- 53.5 (b) Payments for family residential services must be calculated as follows:
- 53.6 (1) determine the number of shared direct staffing and individual direct staffing hours
- 53.7 to meet a recipient's needs provided on site or through monitoring technology;
- 53.8 (2) determine the appropriate hourly staff wage rates derived by the commissioner as
- 53.9 provided in subdivisions 5 and 5a;
- 53.10 (3) except for subdivision 5a, clauses (1) to (4), multiply the result of clause (2) by the
- 53.11 product of one plus the competitive workforce factor;
- 53.12 (4) for a recipient requiring customization for deaf and hard-of-hearing language
- 53.13 accessibility under subdivision 12, add the customization rate provided in subdivision 12
- 53.14 to the result of clause (3);
- 53.15 (5) multiply the number of shared direct staffing and individual direct staffing hours
- 53.16 provided on site or through monitoring technology and nursing hours by the appropriate
- 53.17 staff wages;
- 53.18 (6) multiply the number of shared direct staffing and individual direct staffing hours
- 53.19 provided on site or through monitoring technology and nursing hours by the product of the
- 53.20 supervisory span of control ratio and the appropriate supervisory staff wage in subdivision
- 53.21 5a, clause (1);
- 53.22 (7) combine the results of clauses (5) and (6), excluding any shared direct staffing and
- 53.23 individual direct staffing hours provided through monitoring technology, and multiply the
- 53.24 result by one plus the employee vacation, sick, and training allowance ratio. This is defined
- 53.25 as the direct staffing cost;
- 53.26 (8) for employee-related expenses, multiply the direct staffing cost, excluding any shared
- 53.27 and individual direct staffing hours provided through monitoring technology, by one plus
- 53.28 the employee-related cost ratio;
- 53.29 (9) for client programming and supports, add \$2,260.21 divided by 365. The
- 53.30 commissioner shall update the amount in this clause as specified in subdivision 5b;

54.1 (10) for transportation, if provided, add \$1,742.62 divided by 365, or \$3,111.81 divided
54.2 by 365 if customized for adapted transport, based on the resident with the highest assessed
54.3 need. The commissioner shall update the amounts in this clause as specified in subdivision
54.4 5b;

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

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

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

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

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

54.17 Sec. 34. Minnesota Statutes 2024, section 256B.4914, subdivision 6c, is amended to read:

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

54.20 (1) competitive workforce factor: 6.7 percent;

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

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

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

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

54.25 (6) program-related expense ratio: 1.3 percent; ~~and.~~

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

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

54.28 (1) determine the number of shared direct staffing and individual direct staffing hours
54.29 to meet a recipient's needs. The base shared direct staffing hours must be eight hours divided
54.30 by the number of people receiving support in the integrated community support setting, and

55.1 the individual direct staffing hours must be the average number of direct support hours
55.2 provided directly to the service recipient;

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

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

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

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

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

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

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

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

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

55.23 (11) add the standard general administrative support ratio; and the program-related
55.24 expense ratio; ~~and the absence and utilization factor ratio;~~

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

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

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

56.1 Sec. 35. Minnesota Statutes 2024, section 256B.4914, subdivision 8, is amended to read:

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

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

56.9 (1) competitive workforce factor: 6.7 percent;

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

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

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

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

56.14 (6) client programming and support ratio: 4.7 percent, updated as specified in subdivision
56.15 5b;

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

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

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

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

56.20 (d) Payments for unit-based services with programming must be calculated as follows,
56.21 unless the services are reimbursed separately as part of a residential support services or day
56.22 program payment rate:

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

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

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

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

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

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

57.4 (7) combine the results of clauses (5) and (6), and multiply the result by one plus the
57.5 employee vacation, sick, and training allowance ratio. This is defined as the direct staffing
57.6 rate;

57.7 (8) for program plan support, multiply the result of clause (7) by one plus the program
57.8 plan support ratio;

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

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

57.13 (11) this is the subtotal rate;

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

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

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

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

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

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

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

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

57.30 (e) Effective January 1, 2027, or upon federal approval, whichever is later, providers
57.31 may not bill more than eight hours per day for individualized home supports with training

58.1 and individualized home supports with family training. This maximum does not limit a
58.2 person's use of other disability waiver services.

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

58.4 Sec. 36. Minnesota Statutes 2024, section 256B.4914, subdivision 9, is amended to read:

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

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

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

58.17 (1) competitive workforce factor: 6.7 percent;

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

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

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

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

58.22 (6) client programming and support ratio: 2.3 percent, updated as specified in subdivision
58.23 5b;

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

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

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

58.27 ~~(c)~~ (d) A unit of service for unit-based services without programming is 15 minutes.

58.28 ~~(d)~~ (e) Payments for unit-based services without programming must be calculated as
58.29 follows unless the services are reimbursed separately as part of a residential support services
58.30 or day program payment rate:

- 59.1 (1) determine the number of units of service to meet a recipient's needs;
- 59.2 (2) determine the appropriate hourly staff wage rates derived by the commissioner as
59.3 provided in subdivisions 5 to 5a;
- 59.4 (3) except for subdivision 5a, clauses (1) to (4), multiply the result of clause (2) by the
59.5 product of one plus the competitive workforce factor;
- 59.6 (4) for a recipient requiring customization for deaf and hard-of-hearing language
59.7 accessibility under subdivision 12, add the customization rate provided in subdivision 12
59.8 to the result of clause (3);
- 59.9 (5) multiply the number of direct staffing hours by the appropriate staff wage;
- 59.10 (6) multiply the number of direct staffing hours by the product of the supervisory span
59.11 of control ratio and the appropriate supervisory staff wage in subdivision 5a, clause (1);
- 59.12 (7) combine the results of clauses (5) and (6), and multiply the result by one plus the
59.13 employee vacation, sick, and training allowance ratio. This is defined as the direct staffing
59.14 rate;
- 59.15 (8) for program plan support, multiply the result of clause (7) by one plus the program
59.16 plan support ratio;
- 59.17 (9) for employee-related expenses, multiply the result of clause (8) by one plus the
59.18 employee-related cost ratio;
- 59.19 (10) for client programming and supports, multiply the result of clause (9) by one plus
59.20 the client programming and support ratio;
- 59.21 (11) this is the subtotal rate;
- 59.22 (12) sum the standard general administrative support ratio, the program-related expense
59.23 ratio, and the absence and utilization factor ratio;
- 59.24 (13) divide the result of clause (11) by one minus the result of clause (12). This is the
59.25 total payment amount;
- 59.26 (14) for individualized home supports without training provided in a shared manner,
59.27 divide the total payment amount in clause (13) by the number of service recipients, not to
59.28 exceed three; and
- 59.29 (15) adjust the result of clause (14) by a factor to be determined by the commissioner
59.30 to adjust for regional differences in the cost of providing services.

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

60.1 Sec. 37. Minnesota Statutes 2024, section 256B.4914, is amended by adding a subdivision
60.2 to read:

60.3 Subd. 14a. **Limitations on rate exceptions for residential services.** (a) Effective July
60.4 1, 2026, the commissioner must implement limitations on the rate exceptions for community
60.5 residential services, customized living services, family residential services, and integrated
60.6 community supports.

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

60.8 (1) a documented behavioral diagnosis; or

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

60.11 (c) Community residential services rate exceptions must not include positive supports
60.12 costs.

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

60.15 (e) For the commissioner to approve a rate exception annual renewal, the person's most
60.16 recent assessment must indicate continued extraordinary needs in the areas cited in the
60.17 exception request. If a person's assessment continues to identify these extraordinary needs,
60.18 lead agencies requesting an annual renewal of rate exceptions must submit documentation
60.19 supporting the continuation of the exception. At a minimum, documentation must include:

60.20 (1) payroll records for direct care wages cited in the request;

60.21 (2) payment records or receipts for other costs cited in the request; and

60.22 (3) documentation of expenses paid that were identified as necessary for the initial rate
60.23 exception.

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

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

60.30 (1) the number and percentage of rate exceptions granted and denied;

60.31 (2) total spending on community residential setting services and rate exceptions;

61.1 (3) trends in the percentage of spending attributable to rate exceptions; and

61.2 (4) an evaluation of the effectiveness of the limitations in controlling spending growth.

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

61.4 Sec. 38. Minnesota Statutes 2024, section 256B.4914, is amended by adding a subdivision
61.5 to read:

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

61.8 Sec. 39. Minnesota Statutes 2024, section 256B.85, subdivision 7a, is amended to read:

61.9 Subd. 7a. **Enhanced rate.** (a) An enhanced rate of 107.5 percent of the rate paid for
61.10 CFSS must be paid for services provided to persons who qualify for ten or more hours of
61.11 CFSS per day when provided by a support worker who meets the requirements of subdivision
61.12 16, paragraph (e). This paragraph expires upon the effective date of paragraph (b).

61.13 (b) Effective January 1, 2026, or upon federal approval, whichever is later, an enhanced
61.14 rate of 112.5 percent of the rate paid for CFSS must be paid for services provided to persons
61.15 who qualify for ten or more hours of CFSS per day when provided by a support worker
61.16 who meets the requirements of subdivision 16, paragraph (e).

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

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

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

62.1 Sec. 40. Minnesota Statutes 2024, section 256B.85, subdivision 8, is amended to read:

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

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

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

62.13 (1) the total number of dependencies of activities of daily living;

62.14 (2) the presence of complex health-related needs; and

62.15 (3) the presence of Level I behavior.

62.16 (d) The methodology to determine the total service units for CFSS for each home care
62.17 rating is based on the median paid units per day for each home care rating from fiscal year
62.18 2007 data for the PCA program.

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

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

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

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

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

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

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

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

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

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

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

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

63.17 (1) 30 additional minutes per day for a dependency in each critical activity of daily
63.18 living;

63.19 (2) 30 additional minutes per day for each complex health-related need; and

63.20 (3) 30 additional minutes per day for each behavior under this clause that requires
63.21 assistance at least four times per week:

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

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

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

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

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

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

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

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

64.5 (2) an adjustment needed for administrative expenses.

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

64.7 Sec. 41. Minnesota Statutes 2024, section 256B.85, subdivision 16, is amended to read:

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

64.9 (1) enroll with the department as a support worker after a background study under chapter
64.10 245C has been completed and the support worker has received a notice from the
64.11 commissioner that the support worker:

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

64.13 (ii) is disqualified, but has received a set-aside of the disqualification under section
64.14 245C.22;

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

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

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

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

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

65.2 (7) not independently determine the medication dose or time for medications for the
65.3 participant.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

66.8 Sec. 42. Minnesota Statutes 2024, section 256B.851, subdivision 5, is amended to read:

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

- 66.11 (1) employee vacation, sick, and training factor, 8.71 percent;
66.12 (2) employer taxes and workers' compensation factor, 11.56 percent;
66.13 (3) employee benefits factor, 12.04 percent;
66.14 (4) client programming and supports factor, 2.30 percent;
66.15 (5) program plan support factor, 7.00 percent;
66.16 (6) general business and administrative expenses factor, 13.25 percent;
66.17 (7) program administration expenses factor, 2.90 percent; and
66.18 (8) absence and utilization factor, 3.90 percent.

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

- 66.21 ~~(1) personal care assistance services and CFSS: 88.19 percent;~~
66.22 ~~(2) enhanced rate personal care assistance services and enhanced rate CFSS: 88.19~~
66.23 ~~percent; and~~
66.24 ~~(3) qualified professional services and CFSS worker training and development: 88.19~~
66.25 ~~percent.~~

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

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

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

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

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

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

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

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

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

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

67.18 ~~(e)~~ (d) The commissioner shall define the appropriate worker retention component based
67.19 on the total number of units billed for services rendered by the individual provider since
67.20 July 1, 2017. The worker retention component must be determined by the commissioner
67.21 for each individual provider and is not subject to appeal.

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

67.23 Sec. 43. Minnesota Statutes 2024, section 256B.851, is amended by adding a subdivision
67.24 to read:

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

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

67.29 (2) enhanced rate personal care assistance services and enhanced rate CFSS: 92.20
67.30 percent; and

68.1 (3) qualified professional services and CFSS worker training and development: 92.20
68.2 percent.

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

68.4 Sec. 44. Minnesota Statutes 2024, section 256B.851, is amended by adding a subdivision
68.5 to read:

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

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

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

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

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

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

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

68.21 Sec. 45. Minnesota Statutes 2024, section 256B.851, is amended by adding a subdivision
68.22 to read:

68.23 Subd. 5c. **Payment rates; enhanced worker retention components.** Effective January
68.24 1, 2027, or upon federal approval, whichever is later, for purposes of implementation, the
68.25 commissioner shall use the following implementation components if a worker has completed
68.26 either the orientation for individual providers offered through the Home Care Orientation
68.27 Trust or an orientation defined and offered by the commissioner:

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

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

(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 8.11 percent;

(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 11.10 percent;
and

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

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

Sec. 46. Minnesota Statutes 2024, section 256B.851, subdivision 6, is amended to read:

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

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

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

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

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

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

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

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

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

70.3 (b) In processing personal care assistance provider agency and CFSS provider agency
70.4 claims, the commissioner shall incorporate the worker retention ~~component~~ components
70.5 specified in subdivision 5, 5b, or 5c, by multiplying one plus the total adjusted payment
70.6 rate by the appropriate worker retention component under subdivision 5, ~~paragraph (d)~~ 5b,
70.7 or 5c.

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

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

70.12 Sec. 47. Minnesota Statutes 2024, section 256B.851, subdivision 7, is amended to read:

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

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

70.23 Sec. 48. Minnesota Statutes 2024, section 256B.851, is amended by adding a subdivision
70.24 to read:

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

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

71.4 Sec. 49. Minnesota Statutes 2024, section 260E.14, subdivision 1, is amended to read:

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

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

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

71.18 (d) The Department of Education is the agency responsible for screening and investigating
71.19 allegations of maltreatment in a school as defined in section 120A.05, subdivisions 9, 11,
71.20 and 13, and chapter 124E. The Department of Education's responsibility to screen and
71.21 investigate includes allegations of maltreatment involving students 18 through 21 years of
71.22 age, including students receiving special education services, up to and including graduation
71.23 and the issuance of a secondary or high school diploma.

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

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

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

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

72.1 Sec. 50. Minnesota Statutes 2024, section 626.5572, subdivision 13, is amended to read:

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

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

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

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

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

72.23 Sec. 51. Laws 2021, First Special Session chapter 7, article 13, section 73, is amended to
72.24 read:

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

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

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

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

(1) the person is assessed to need the level of care delivered in a hospital setting as evidenced by the submission of the Department of Human Services form 7096, primary medical provider's documentation of medical monitoring and treatment needs;

(2) the person is assessed to receive a support range budget of E or H; and

(3) the person does not receive community residential services, family residential services, integrated community supports services, or customized living services.

(d) Home care nursing services funded through the budget exception developed under paragraph (c) must be ordered by a physician, physician assistant, or advanced practice registered nurse. If the participant chooses home care nursing, the home care nursing services must be performed by a registered nurse or licensed practical nurse practicing within the registered nurse's or licensed practical nurse's scope of practice as defined under Minnesota Statutes, sections 148.171 to 148.285. If after a person's annual reassessment under Minnesota Statutes, section 256B.0911, any requirements of this paragraph or paragraph (c) are no longer met, the commissioner must terminate the budget exception.

~~(e)~~ (e) The commissioner of human services may seek all federal authority necessary to implement this section.

~~(d)~~ (f) 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.

(g) No later than January 1, 2027, the commissioner must:

(1) develop and implement an online support planning and tracking tool to provide information in an accessible format to support informed choice for people using disability waiver services that allows access to the total budget available to a person, the services for which they are eligible, and the services they have chosen and used;

(2) explore operability options that facilitate real-time tracking of a person's remaining available budget throughout the service year; and

(3) seek input from people with disabilities about the online support planning tool prior to the tool's implementation.

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

Sec. 52. Laws 2021, First Special Session chapter 7, article 13, section 75, subdivision 4, as amended by Laws 2024, chapter 108, article 1, section 28, is amended to read:

Subd. 4. **Required report.** Prior to seeking federal approval for any aspect of waiver reimagine phase II and ~~in collaboration with the Waiver Reimagine Advisory Committee~~ no later than December 15, 2026, 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, as well as the actual Waiver Reimagine plan intended to be submitted for federal approval. The report must also include any plans to adjust or modify the streamlined menu of services, the existing rate or budget exemption criteria or process; the proposed individual budget ~~ranges~~, based on need and not location of services, including additional budget resources beyond the resources required to meet assessed need that may be necessary for the individual to live in the least restrictive environment; and the role of MnCHOICES 2.0 assessment tool in determining service needs and individual ~~budget ranges~~ budgets.

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

Sec. 53. Laws 2023, chapter 61, article 1, section 5, the effective date, is amended to read:

EFFECTIVE DATE. This section is effective January 1, ~~2026~~ 2028, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

75.1 Sec. 54. Laws 2023, chapter 61, article 1, section 27, the effective date, is amended to
75.2 read:

75.3 **EFFECTIVE DATE.** This section is effective January 1, ~~2026~~ 2028, or upon federal
75.4 approval, whichever is later, except that paragraph (b) is effective the day following final
75.5 enactment. The commissioner of human services shall notify the revisor of statutes when
75.6 federal approval is obtained.

75.7 Sec. 55. Laws 2023, chapter 61, article 1, section 30, the effective date, is amended to
75.8 read:

75.9 **EFFECTIVE DATE.** The amendment to clause (5), item (ii), the amendment to clause
75.10 (14), and the amendment striking clause (18) are effective January 1, 2024, or upon federal
75.11 approval, whichever is later. The amendment to clause (4) is effective January 1, ~~2026~~ 2028,
75.12 or upon federal approval, whichever is later. The commissioner of human services shall
75.13 notify the revisor of statutes when federal approval is obtained.

75.14 Sec. 56. Laws 2023, chapter 61, article 1, section 32, the effective date, is amended to
75.15 read:

75.16 **EFFECTIVE DATE.** This section is effective January 1, ~~2026~~ 2028, or upon federal
75.17 approval, whichever is later. The commissioner of human services shall notify the revisor
75.18 of statutes when federal approval is obtained.

75.19 Sec. 57. Laws 2023, chapter 61, article 1, section 47, the effective date, is amended to
75.20 read:

75.21 **EFFECTIVE DATE.** This section is effective January 1, ~~2026~~ 2028, or upon federal
75.22 approval, whichever is later. The commissioner of human services shall notify the revisor
75.23 of statutes when federal approval is obtained.

75.24 Sec. 58. Laws 2023, chapter 61, article 1, section 61, subdivision 4, is amended to read:

75.25 Subd. 4. **Evaluation and report.** By December 1, 2024, the commissioner must submit
75.26 to the chairs and ranking minority members of the legislative committees with jurisdiction
75.27 over human services finance and policy an interim report on the impact and outcomes of
75.28 the grants, including the number of grants awarded and the organizations receiving the
75.29 grants. The interim report must include any available evidence of how grantees were able
75.30 to increase utilization of supported decision making and reduce or avoid more restrictive
75.31 forms of decision making such as guardianship and conservatorship. By December 1, ~~2025~~

2027, the commissioner must submit to the chairs and ranking minority members of the legislative committees with jurisdiction over human services finance and policy a final report on the impact and outcomes of the grants, including any updated information from the interim report and the total number of people served by the grants. The final report must also detail how the money was used to achieve the requirements in subdivision 3, paragraph (b).

Sec. 59. Laws 2023, chapter 61, article 1, section 85, the effective date, is amended to read:

EFFECTIVE DATE. Paragraph (a) is effective January 1, 2024, or upon federal approval, whichever is later, and paragraph (b) is effective January 1, ~~2026~~ 2028, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 60. **POSITIVE SUPPORTS COMPETENCY PROGRAM.**

(a) The commissioner shall establish a positive supports competency program with the money appropriated for this purpose.

(b) When establishing the positive supports competency program, the commissioner must use a community partner driven process to:

(1) define the core activities associated with effective intervention services at the positive support specialist, positive support analyst, and positive support professional level;

(2) create tools providers may use to track whether the provider's positive support specialists, positive support analysts, and positive support professionals are competently performing the core activities associated with effective intervention services;

(3) align existing training systems funded through the Department of Human Services and develop free online modules for competency-based training to prepare positive support specialists, positive support analysts, and positive support professionals to provide effective intervention services;

(4) assist providers interested in utilizing a competency-based training model to create a career pathway for the positive support analysts and positive support specialists within the provider's organizations by using experienced professionals;

(5) create written guidelines, stories, and examples for providers that will be placed on Department of Human Services websites promoting capacity building; and

77.1 (6) disseminate resources and guidance to providers interested in meeting
77.2 competency-based qualifications for positive supports via preexisting regional networks of
77.3 experts, including communities of practice, and develop new avenues for disseminating
77.4 these resources and guidance, including through implementation of ECHO models.

77.5 Sec. 61. **ADVISORY TASK FORCE ON WAIVER REIMAGINE.**

77.6 Subdivision 1. **Membership; co-chairs.** (a) The Advisory Task Force on Waiver
77.7 Reimagine consists of the following members:

77.8 (1) one member of the house of representatives, appointed by the speaker of the house;

77.9 (2) one member of the house of representatives, appointed by the leader of the house of
77.10 representatives Democratic-Farmer-Labor caucus;

77.11 (3) one member of the senate, appointed by the senate majority leader;

77.12 (4) one member of the senate, appointed by the senate minority leader;

77.13 (5) four individuals currently receiving disability waiver services who are under the age
77.14 of 65, appointed by the governor;

77.15 (6) one county employee who conducts long-term care consultation services assessments
77.16 for persons under the age of 65, appointed by the Minnesota Association of County Social
77.17 Services Administrators;

77.18 (7) one representative of the Department of Human Services with knowledge of the
77.19 requirements for a provider to participate in disability waiver service programs and of the
77.20 administration of benefits, appointed by the commissioner of human services;

77.21 (8) one employee of the Minnesota Council on Disability, appointed by the Minnesota
77.22 Council on Disability;

77.23 (9) two representatives of disability advocacy organizations, appointed by the governor;

77.24 (10) two family members of individuals who are receiving disability waiver services,
77.25 appointed by the governor;

77.26 (11) two providers of disability waiver services for persons who are under the age of
77.27 65, appointed by the governor;

77.28 (12) one employee from the Office of Ombudsman for Mental Health and Developmental
77.29 Disabilities, appointed by the ombudsman;

77.30 (13) one employee from the Olmstead Implementation Office, appointed by the director
77.31 of the office;

78.1 (14) the assistant commissioner of the Department of Human Services administration
78.2 that oversees disability services; and

78.3 (15) a member of the Minnesota Disability Law Center, appointed by the executive
78.4 director of Mid-Minnesota Legal Aid.

78.5 (b) Each appointing authority must make appointments by September 30, 2025.
78.6 Appointments made by an agency or commissioner may also be made by a designee.

78.7 (c) In making task force appointments, the governor must ensure representation from
78.8 greater Minnesota.

78.9 (d) The Office of Collaboration and Dispute Resolution must convene the task force.

78.10 (e) The task force members must elect co-chairs from the membership of the task force
78.11 at the first task force meeting.

78.12 Subd. 2. **Meetings; administrative support.** (a) The first meeting of the task force must
78.13 be convened no later than November 30, 2025. The task force must meet at least quarterly.
78.14 Meetings are subject to Minnesota Statutes, chapter 13D. The task force may meet by
78.15 telephone or interactive technology consistent with Minnesota Statutes, section 13D.015.

78.16 (b) The Department of Human Services shall provide meeting space and administrative
78.17 and research support to the task force.

78.18 Subd. 3. **Duties.** (a) The task force must make findings and recommendations related
78.19 to Waiver Reimagine in Minnesota, including but not limited to the following:

78.20 (1) consolidation of the existing four disability home and community-based waiver
78.21 service programs into two waiver programs;

78.22 (2) budgets based on the needs of the individual that are not tied to location of services,
78.23 including additional resources beyond the resources required to meet assessed needs that
78.24 may be necessary for the individual to live in the least restrictive environment;

78.25 (3) criteria and processes for provider rate exceptions and individualized budget
78.26 exceptions;

78.27 (4) appropriate assessments, including the MnCHOICES 2.0 assessment tool, in
78.28 determining service needs and individualized budgets;

78.29 (5) covered services under each disability waiver program, including any proposed
78.30 adjustments to the menu of services;

78.31 (6) service planning and authorization processes for disability waiver services;

79.1 (7) a plan of support, financial and otherwise, to live in the person's own home and in
79.2 the most integrated setting as defined under Title 2 of the Americans with Disability Act
79.3 (ADA) Integration Mandate and in Minnesota's Olmstead Plan;

79.4 (8) intended and unintended outcomes of Waiver Reimagine; and

79.5 (9) other items related to Waiver Reimagine as necessary.

79.6 (b) The task force must seek input from the public, counties, persons receiving disability
79.7 waiver services, families of persons receiving disability waiver services, providers, state
79.8 agencies, and advocacy groups.

79.9 (c) The task force must hold public meetings to gather information to fulfill the purpose
79.10 of the task force. The meetings must be accessible by remote participants.

79.11 (d) The Department of Human Services shall provide relevant data and research to the
79.12 task force to facilitate the task force's work.

79.13 Subd. 4. **Compensation; expenses.** Members of the task force may receive compensation
79.14 and expense reimbursement as provided in Minnesota Statutes, section 15.059, subdivision
79.15 3.

79.16 Subd. 5. **Report.** (a) The task force shall submit a report to the chairs and ranking
79.17 minority members of the legislative committees with jurisdiction over disability waiver
79.18 services no later than January 15, 2027, that describes any concerns or recommendations
79.19 related to Waiver Reimagine as identified by the task force.

79.20 (b) The report required under Laws 2021, First Special Session chapter 7, article 13,
79.21 section 75, subdivision 4, as amended by Laws 2024, chapter 108, article 1, section 28,
79.22 must be presented to the task force prior to December 15, 2026.

79.23 Subd. 6. **Expiration.** The task force expires upon submission of the task force's report.

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

79.25 Sec. 62. **BUDGET INCREASE FOR CONSUMER-DIRECTED COMMUNITY**
79.26 **SUPPORTS.**

79.27 Effective January 1, 2026, or upon federal approval, whichever is later, the commissioner
79.28 must increase the consumer-directed community support budgets identified in the waiver
79.29 plans under Minnesota Statutes, sections 256B.092 and 256B.49, and chapter 256S; and
79.30 the alternative care program under Minnesota Statutes, section 256B.0913, by 0.13 percent.

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

80.1 Sec. 63. **ENHANCED BUDGET INCREASE FOR CONSUMER-DIRECTED**
80.2 **COMMUNITY SUPPORTS.**

80.3 Effective January 1, 2026, or upon federal approval, whichever is later, the commissioner
80.4 must increase the consumer-directed community supports budget enhancement percentage
80.5 identified in the waiver plans under Minnesota Statutes, sections 256B.092 and 256B.49,
80.6 and chapter 256S; and the alternative care program under Minnesota Statutes, section
80.7 256B.0913, from 7.5 to 12.5.

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

80.9 Sec. 64. **REPEALER.**

80.10 (a) Laws 2021, First Special Session chapter 7, article 13, section 75, subdivision 3, as
80.11 amended by Laws 2024, chapter 108, article 1, section 28, is repealed effective the day
80.12 following final enactment.

80.13 (b) Laws 2021, First Special Session chapter 7, article 13, section 75, subdivision 6, as
80.14 amended by Laws 2024, chapter 108, article 1, section 28, is repealed effective the day
80.15 following final enactment.

80.16 **ARTICLE 3**
80.17 **HEALTH CARE**

80.18 Section 1. Minnesota Statutes 2024, section 252.27, is amended by adding a subdivision
80.19 to read:

80.20 **Subd. 1b. Definitions.** (a) For purposes of this section, the following terms have the
80.21 meanings given.

80.22 (b) "Income" means the adjusted gross income of the natural or adoptive parents
80.23 determined according to the previous year's federal tax form, except that taxable capital
80.24 gains, to the extent the money has been used to purchase a home, shall not be counted as
80.25 income.

80.26 (c) "Insurance" means health and accident insurance coverage or enrollment in a nonprofit
80.27 health service plan, health maintenance organization, self-insured plan, or preferred provider
80.28 organization.

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

81.1 Sec. 2. Minnesota Statutes 2024, section 252.27, is amended by adding a subdivision to
81.2 read:

81.3 Subd. 7. **Parental responsibility.** Parents with household adjusted gross income equal
81.4 to or greater than 675 percent of the federal poverty guidelines are responsible for a portion
81.5 of the cost of services, according to subdivision 8, when:

81.6 (1) insurance or other health care benefits pay some but not all of the cost of services;
81.7 and

81.8 (2) no insurance or other health care benefits are available.

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

81.10 Sec. 3. Minnesota Statutes 2024, section 252.27, is amended by adding a subdivision to
81.11 read:

81.12 Subd. 8. **Contribution amount.** (a) The natural or adoptive parents of a minor child,
81.13 not including a child determined eligible for medical assistance without consideration of
81.14 parental income under the Tax Equity and Fiscal Responsibility Act (TEFRA) option or a
81.15 child accessing home and community-based waiver services, must contribute to the cost of
81.16 services used by making monthly payments on a sliding scale based on income, unless the
81.17 child is married or has been married, parental rights have been terminated, or the child's
81.18 adoption is subsidized according to chapter 259A or through Title IV-E of the Social Security
81.19 Act. The parental contribution is a partial or full payment for provided medical services
81.20 needed by a child with a chronic illness or disability, including diagnosis, therapy, cures,
81.21 treatment, mitigation, rehabilitation, maintenance, and personal care services.

81.22 (b) For households with adjusted gross income equal to or greater than 675 percent of
81.23 federal poverty guidelines, the commissioner shall compute the parental contribution by
81.24 applying the following schedule of rates to the adjusted gross income of the natural or
81.25 adoptive parents:

81.26 (1) if the adjusted gross income is equal to or greater than 675 percent of federal poverty
81.27 guidelines and less than 975 percent of federal poverty guidelines, the commissioner shall
81.28 determine the parental contribution using a sliding fee scale established by the commissioner
81.29 that begins at 4.5 percent of adjusted gross income at 675 percent of federal poverty
81.30 guidelines and increases to 5.99 percent of adjusted gross income for households with
81.31 adjusted gross income up to 975 percent of federal poverty guidelines; and

81.32 (2) if the adjusted gross income is equal to or greater than 975 percent of federal poverty
81.33 guidelines, the parental contribution is 7.49 percent of adjusted gross income.

82.1 (c) If the child lives with the parent, the commissioner shall reduce the annual adjusted
82.2 gross income by \$2,400 prior to calculating the parental contribution. If the child resides
82.3 in an institution specified in section 256B.35, the parent is responsible for the personal needs
82.4 allowance specified under that section in addition to the parental contribution determined
82.5 under this section. The parental contribution is reduced by any amount required to be paid
82.6 directly to the child pursuant to a court order, but only if actually paid.

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

82.8 Sec. 4. Minnesota Statutes 2024, section 252.27, is amended by adding a subdivision to
82.9 read:

82.10 Subd. 9. **Household size; contribution adjustments.** (a) The household size used in
82.11 determining the amount of contribution under subdivision 8 includes natural and adoptive
82.12 parents and their dependents, including the child receiving services.

82.13 (b) The commissioner shall implement adjustments in the contribution amount due to
82.14 annual changes in the federal poverty guidelines on the first day of July following publication
82.15 of the changes.

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

82.17 Sec. 5. Minnesota Statutes 2024, section 252.27, is amended by adding a subdivision to
82.18 read:

82.19 Subd. 10. **Contribution explained in writing.** (a) The commissioner shall explain the
82.20 contribution in writing to the parents at the time eligibility for services is determined. The
82.21 parents shall make the contribution on a monthly basis starting with the first month in which
82.22 the child receives services.

82.23 (b) Annually upon redetermination or at termination of eligibility, if the contribution
82.24 exceeded the cost of services provided, the local agency or the state shall reimburse the
82.25 excess amount to the parents, either by direct reimbursement if the parent is no longer
82.26 required to pay a contribution, or by a reduction in or waiver of parental fees until the excess
82.27 amount is exhausted. All reimbursements must include a notice that the amount reimbursed
82.28 may be taxable income if the parent paid for the parent's fees through an employer's health
82.29 care flexible spending account under the Internal Revenue Code, section 125, and that the
82.30 parent is responsible for paying the taxes owed on the amount reimbursed.

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

83.1 Sec. 6. Minnesota Statutes 2024, section 252.27, is amended by adding a subdivision to
83.2 read:

83.3 Subd. 11. **Annual review; written notice.** (a) The commissioner must review the monthly
83.4 contribution amount at least once every 12 months, when there is a change in household
83.5 size, and when there is a loss of or gain in income from one month to another in excess of
83.6 ten percent.

83.7 (b) The local agency shall mail a written notice 30 days in advance of the effective date
83.8 of a change in the contribution amount. A decrease in the contribution amount is effective
83.9 in the month that the parent verifies a reduction in income or change in household size.

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

83.11 Sec. 7. Minnesota Statutes 2024, section 252.27, is amended by adding a subdivision to
83.12 read:

83.13 Subd. 12. **Parents who do not live with each other; contribution.** Parents of a minor
83.14 child who do not live with each other shall each pay the contribution required under
83.15 subdivision 8. The commissioner shall deduct an amount equal to the annual court-ordered
83.16 child support payment actually paid on behalf of the child receiving services from the
83.17 adjusted gross income of the parent making the payment prior to calculating the parental
83.18 contribution under subdivision 8.

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

83.20 Sec. 8. Minnesota Statutes 2024, section 252.27, is amended by adding a subdivision to
83.21 read:

83.22 Subd. 13. **Parents with more than one child receiving services; contribution.** The
83.23 commissioner shall not require parents who have more than one child receiving services to
83.24 pay more than the amount for the child with the highest expenditures. The commissioner
83.25 shall not require the parent to pay a contribution in excess of the cost of the services provided
83.26 to the child, not counting payments made to school districts for education-related services.

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

84.1 Sec. 9. Minnesota Statutes 2024, section 252.27, is amended by adding a subdivision to
84.2 read:

84.3 Subd. 14. **Insurance coverage.** (a) The commissioner shall increase the contribution
84.4 under subdivision 8 by an additional five percent if the local agency determines that insurance
84.5 coverage is available but not obtained for the child.

84.6 (b) For purposes of this subdivision, "available" means insurance that is a benefit of
84.7 employment for a family member at an annual cost of no more than five percent of the
84.8 family's annual income.

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

84.10 Sec. 10. Minnesota Statutes 2024, section 252.27, is amended by adding a subdivision to
84.11 read:

84.12 Subd. 15. **Contribution reduction.** (a) The commissioner shall reduce the contribution
84.13 under subdivision 8 by \$300 per fiscal year if, in the 12 months prior to July 1:

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

84.15 (2) the insurer denied insurance;

84.16 (3) the parents submitted a complaint or appeal in writing to the insurer, submitted a
84.17 complaint or appeal in writing to the commissioner of health or the commissioner of
84.18 commerce, or litigated the complaint or appeal; and

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

84.20 (b) A parent who has requested a reduction in the contribution amount under this
84.21 subdivision must submit proof in the form and manner prescribed by the commissioner or
84.22 local agency, including but not limited to the insurer's denial of insurance, the written letter
84.23 or complaint of the parents, court documents, and the written response of the insurer
84.24 approving insurance. The determinations of the commissioner or local agency under this
84.25 subdivision are not rules subject to chapter 14.

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

84.27 Sec. 11. Minnesota Statutes 2024, section 252.27, is amended by adding a subdivision to
84.28 read:

84.29 Subd. 16. **Civil actions.** If the parent fails to make appropriate reimbursement as required
84.30 in subdivisions 7 and 8, the attorney general, at the request of the commissioner, may institute

85.1 or direct the appropriate county attorney to institute civil action to recover the required
85.2 reimbursement.

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

85.4 Sec. 12. Minnesota Statutes 2024, section 252.27, is amended by adding a subdivision to
85.5 read:

85.6 Subd. 17. **Order of payment.** If the parental contribution is for reimbursement for the
85.7 cost of services to both the local agency and the medical assistance program, the local agency
85.8 must be reimbursed for the agency's expenses first and the remainder must be deposited in
85.9 the medical assistance account.

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

85.11 Sec. 13. Minnesota Statutes 2024, section 252.27, is amended by adding a subdivision to
85.12 read:

85.13 Subd. 18. **Determination; redetermination; notice.** The commissioner shall mail a
85.14 determination order and written notice of parental fee to the parent at least annually, or more
85.15 frequently as provided in Minnesota Rules, parts 9550.6220 to 9550.6229. The determination
85.16 order and notice must contain the following information:

85.17 (1) the amount the parent is required to contribute;

85.18 (2) the notice of the right to a redetermination and appeal; and

85.19 (3) the telephone number of the division at the Department of Human Services that is
85.20 responsible for redeterminations.

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

85.22 Sec. 14. Minnesota Statutes 2024, section 252.27, is amended by adding a subdivision to
85.23 read:

85.24 Subd. 19. **Appeals.** (a) A parent may appeal the determination or redetermination of an
85.25 obligation to make a contribution under this section according to section 256.045. The parent
85.26 must make a request for a hearing in writing within 30 days of the date the commissioner
85.27 mails the determination or redetermination order, or within 90 days of the written notice if
85.28 the parent shows good cause why the request was not submitted within the 30-day time
85.29 limit. The commissioner must provide the parent with a written notice that acknowledges
85.30 receipt of the request and notifies the parent of the date of the hearing. While the appeal is

86.1 pending, the parent has the rights regarding making payment that are provided in Minnesota
86.2 Rules, part 9550.6235.

86.3 (b) If the commissioner's determination or redetermination is affirmed, the parent shall,
86.4 within 90 calendar days after the date an order is issued under section 256.045, subdivision
86.5 5, pay the total amount due from the effective date of the notice of determination or
86.6 redetermination that was appealed by the parent. If the commissioner's order under this
86.7 subdivision results in a decrease in the parental fee amount, the commissioner shall credit
86.8 any payments made by the parent that result in an overpayment to the parent as provided
86.9 in Minnesota Rules, part 9550.6235, subpart 3.

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

86.11 Sec. 15. Minnesota Statutes 2024, section 256.01, subdivision 29, is amended to read:

86.12 Subd. 29. **State medical review team.** (a) To ensure the timely processing of
86.13 determinations of disability by the commissioner's state medical review team under sections
86.14 256B.055, subdivisions 7, paragraph (b), and 12, and 256B.057, subdivision 9, the
86.15 commissioner shall review all medical evidence and seek information from providers,
86.16 applicants, and enrollees to support the determination of disability where necessary. Disability
86.17 shall be determined according to the rules of title XVI and title XIX of the Social Security
86.18 Act and pertinent rules and policies of the Social Security Administration.

86.19 (b) Medical assistance providers must grant the state medical review team access to
86.20 electronic health records held by the medical assistance providers, when available, to support
86.21 efficient and accurate disability determinations.

86.22 (c) Medicaid providers shall accept electronically signed authorizations to release medical
86.23 records provided by the state medical review team.

86.24 ~~(b)~~ (d) Prior to a denial or withdrawal of a requested determination of disability due to
86.25 insufficient evidence, the commissioner shall (1) ensure that the missing evidence is necessary
86.26 and appropriate to a determination of disability, and (2) assist applicants and enrollees to
86.27 obtain the evidence, including, but not limited to, medical examinations and electronic
86.28 medical records.

86.29 ~~(e)~~ (e) Any appeal made under section 256.045, subdivision 3, of a disability
86.30 determination made by the state medical review team must be decided according to the
86.31 timelines under section 256.0451, subdivision 22, paragraph (a). If a written decision is not
86.32 issued within the timelines under section 256.0451, subdivision 22, paragraph (a), the appeal
86.33 must be immediately reviewed by the chief human services judge.

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

87.2 Sec. 16. Minnesota Statutes 2024, section 256B.14, subdivision 2, is amended to read:

87.3 Subd. 2. **Actions to obtain payment.** (a) The state agency shall promulgate rules to
87.4 determine the ability of responsible relatives to contribute partial or complete payment or
87.5 repayment of medical assistance furnished to recipients for whom they are responsible. All
87.6 medical assistance exclusions shall be allowed, and a resource limit of \$10,000 for
87.7 nonexcluded resources shall be implemented. Above these limits, a contribution of one-third
87.8 of the excess resources shall be required. These rules shall not require payment or repayment
87.9 when payment would cause undue hardship to the responsible relative or that relative's
87.10 immediate family. These rules ~~do not apply to~~ must be consistent with the requirements of
87.11 section 252.27 for parents of children with household adjusted gross income equal to or
87.12 greater than 675 percent of the federal poverty guidelines whose eligibility for medical
87.13 assistance was determined without deeming of the parents' resources and income under the
87.14 Tax Equity and Fiscal Responsibility Act (TEFRA) option or ~~to parents of children accessing~~
87.15 access home and community-based waiver services. The county agency shall give the
87.16 responsible relative notice of the amount of the payment or repayment. If the state agency
87.17 or county agency finds that notice of the payment obligation was given to the responsible
87.18 relative, but that the relative failed or refused to pay, a cause of action exists against the
87.19 responsible relative for that portion of medical assistance granted after notice was given to
87.20 the responsible relative, which the relative was determined to be able to pay.

87.21 (b) The action may be brought by the state agency or the county agency in the county
87.22 where assistance was granted, for the assistance, together with the costs of disbursements
87.23 incurred due to the action.

87.24 (c) In addition to granting the county or state agency a money judgment, the court may,
87.25 upon a motion or order to show cause, order continuing contributions by a responsible
87.26 relative found able to repay the county or state agency. The order shall be effective only
87.27 for the period of time during which the recipient receives medical assistance from the county
87.28 or state agency.

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

88.1 Sec. 17. Minnesota Statutes 2024, section 256B.766, is amended to read:

88.2 **256B.766 REIMBURSEMENT FOR BASIC CARE SERVICES.**

88.3 Subdivision 1. **Payment reductions for base care services effective July 1, 2009.** ~~(a)~~

88.4 Effective for services provided on or after July 1, 2009, total payments for basic care services,
88.5 shall be reduced by three percent, except that for the period July 1, 2009, through June 30,
88.6 2011, total payments shall be reduced by 4.5 percent for the medical assistance and general
88.7 assistance medical care programs, prior to third-party liability and spenddown calculation.

88.8 Subd. 2. **Classification of therapies as basic care services.** ~~Effective July 1, 2010,~~ The
88.9 commissioner shall classify physical therapy services, occupational therapy services, and
88.10 speech-language pathology and related services as basic care services. The reduction in ~~this~~
88.11 ~~paragraph~~ subdivision 1 shall apply to physical therapy services, occupational therapy
88.12 services, and speech-language pathology and related services provided on or after July 1,
88.13 2010.

88.14 Subd. 3. **Payment reductions to managed care plans effective October 1, 2009.** ~~(b)~~

88.15 Payments made to managed care plans and county-based purchasing plans shall be reduced
88.16 for services provided on or after October 1, 2009, to reflect the reduction in subdivision 1
88.17 effective July 1, 2009, and payments made to the plans shall be reduced effective October
88.18 1, 2010, to reflect the reduction in subdivision 1 effective July 1, 2010.

88.19 Subd. 4. **Temporary payment reductions effective September 1, 2011.** ~~(e)~~ ~~(a)~~

88.20 for services provided on or after September 1, 2011, through June 30, 2013, total payments
88.21 for outpatient hospital facility fees shall be reduced by five percent from the rates in effect
88.22 on August 31, 2011.

88.23 ~~(d)~~ (b) Effective for services provided on or after September 1, 2011, through June 30,
88.24 2013, total payments for ambulatory surgery centers facility fees, medical supplies and
88.25 durable medical equipment not subject to a volume purchase contract, prosthetics and
88.26 orthotics, renal dialysis services, laboratory services, public health nursing services, physical
88.27 therapy services, occupational therapy services, speech therapy services, eyeglasses not
88.28 subject to a volume purchase contract, hearing aids not subject to a volume purchase contract,
88.29 and anesthesia services shall be reduced by three percent from the rates in effect on August
88.30 31, 2011.

88.31 Subd. 5. **Payment increases effective September 1, 2014.** ~~(e)~~ ~~(a)~~

88.32 provided on or after September 1, 2014, payments for ambulatory surgery centers facility
88.33 fees, hospice services, renal dialysis services, laboratory services, public health nursing
88.34 services, eyeglasses not subject to a volume purchase contract, and hearing aids not subject

89.1 to a volume purchase contract shall be increased by three percent and payments for outpatient
89.2 hospital facility fees shall be increased by three percent.

89.3 (b) Payments made to managed care plans and county-based purchasing plans shall not
89.4 be adjusted to reflect payments under this ~~paragraph~~ subdivision.

89.5 **Subd. 6. Temporary payment reductions effective July 1, 2014.** ~~(f)~~ Payments for
89.6 medical supplies and durable medical equipment not subject to a volume purchase contract,
89.7 and prosthetics and orthotics, provided on or after July 1, 2014, through June 30, 2015, shall
89.8 be decreased by .33 percent.

89.9 **Subd. 7. Payment increases effective July 1, 2015.** (a) Payments for medical supplies
89.10 and durable medical equipment not subject to a volume purchase contract, and prosthetics
89.11 and orthotics, provided on or after July 1, 2015, shall be increased by three percent from
89.12 the rates as determined under ~~paragraphs (i) and (j)~~ subdivisions 9 and 10.

89.13 ~~(g)~~ (b) Effective for services provided on or after July 1, 2015, payments for outpatient
89.14 hospital facility fees, medical supplies and durable medical equipment not subject to a
89.15 volume purchase contract, prosthetics, and orthotics to a hospital meeting the criteria specified
89.16 in section 62Q.19, subdivision 1, paragraph (a), clause (4), shall be increased by 90 percent
89.17 from the rates in effect on June 30, 2015.

89.18 (c) Payments made to managed care plans and county-based purchasing plans shall not
89.19 be adjusted to reflect payments under ~~this paragraph~~ (b).

89.20 **Subd. 8. Exempt services.** ~~(h)~~ This section does not apply to physician and professional
89.21 services, inpatient hospital services, family planning services, mental health services, dental
89.22 services, prescription drugs, medical transportation, federally qualified health centers, rural
89.23 health centers, Indian health services, and Medicare cost-sharing.

89.24 **Subd. 9. Individually priced items.** ~~(i)~~ (a) Effective for services provided on or after
89.25 July 1, 2015, the following categories of medical supplies and durable medical equipment
89.26 shall be individually priced items: customized and other specialized tracheostomy tubes
89.27 and supplies, electric patient lifts, and durable medical equipment repair and service.

89.28 (b) This ~~paragraph~~ subdivision does not apply to medical supplies and durable medical
89.29 equipment subject to a volume purchase contract, products subject to the preferred diabetic
89.30 testing supply program, and items provided to dually eligible recipients when Medicare is
89.31 the primary payer for the item.

89.32 (c) The commissioner shall not apply any medical assistance rate reductions to durable
89.33 medical equipment as a result of Medicare competitive bidding.

90.1 Subd. 10. Rate increases effective July 1, 2015. ~~(j)~~ (a) Effective for services provided
90.2 on or after July 1, 2015, medical assistance payment rates for durable medical equipment,
90.3 prosthetics, orthotics, or supplies shall be increased as follows:

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

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

90.11 ~~This (b) Paragraph (a)~~ does not apply to medical supplies and durable medical equipment
90.12 subject to a volume purchase contract, products subject to the preferred diabetic testing
90.13 supply program, items provided to dually eligible recipients when Medicare is the primary
90.14 payer for the item, and individually priced items identified in ~~paragraph (i)~~ subdivision 9.

90.15 (c) Payments made to managed care plans and county-based purchasing plans shall not
90.16 be adjusted to reflect the rate increases in this ~~paragraph~~ subdivision.

90.17 Subd. 11. Rates for ventilators. ~~(k)~~ (a) Effective for nonpressure support ventilators
90.18 provided on or after January 1, 2016, the rate shall be the lower of the submitted charge or
90.19 the Medicare fee schedule rate.

90.20 (b) Effective for pressure support ventilators provided on or after January 1, 2016, the
90.21 rate shall be the lower of the submitted charge or 47 percent above the Medicare fee schedule
90.22 rate.

90.23 (c) For payments made in accordance with this ~~paragraph~~ subdivision, if, and to the
90.24 extent that, the commissioner identifies that the state has received federal financial
90.25 participation for ventilators in excess of the amount allowed effective January 1, 2018,
90.26 under United States Code, title 42, section 1396b(i)(27), the state shall repay the excess
90.27 amount to the Centers for Medicare and Medicaid Services with state funds and maintain
90.28 the full payment rate under this ~~paragraph~~ subdivision.

90.29 Subd. 12. Rates subject to the upper payment limit. ~~(l)~~ Payment rates for durable
90.30 medical equipment, prosthetics, orthotics or supplies, that are subject to the upper payment
90.31 limit in accordance with section 1903(i)(27) of the Social Security Act, shall be paid the
90.32 Medicare rate. Rate increases provided in this chapter shall not be applied to the items listed
90.33 in this ~~paragraph~~ subdivision.

91.1 Subd. 13. Temporary rates for enteral nutrition and supplies. ~~(m)~~ (a) For dates of
91.2 service on or after July 1, 2023, through June 30, ~~2025~~ 2027, enteral nutrition and supplies
91.3 must be paid according to this ~~paragraph~~ subdivision. If sufficient data exists for a product
91.4 or supply, payment must be based upon the 50th percentile of the usual and customary
91.5 charges per product code submitted to the commissioner, using only charges submitted per
91.6 unit. Increases in rates resulting from the 50th percentile payment method must not exceed
91.7 150 percent of the previous fiscal year's rate per code and product combination. Data are
91.8 sufficient if: (1) the commissioner has at least 100 paid claim lines by at least ten different
91.9 providers for a given product or supply; or (2) in the absence of the data in clause (1), the
91.10 commissioner has at least 20 claim lines by at least five different providers for a product or
91.11 supply that does not meet the requirements of clause (1). If sufficient data are not available
91.12 to calculate the 50th percentile for enteral products or supplies, the payment rate must be
91.13 the payment rate in effect on June 30, 2023.

91.14 (b) This subdivision expires June 30, 2027.

91.15 Subd. 14. Rates for enteral nutrition and supplies. ~~(n)~~ For dates of service on or after
91.16 July 1, ~~2025~~ 2027, enteral nutrition and supplies must be paid according to this ~~paragraph~~
91.17 subdivision and updated annually each January 1. If sufficient data exists for a product or
91.18 supply, payment must be based upon the 50th percentile of the usual and customary charges
91.19 per product code submitted to the commissioner for the previous calendar year, using only
91.20 charges submitted per unit. Increases in rates resulting from the 50th percentile payment
91.21 method must not exceed 150 percent of the previous year's rate per code and product
91.22 combination. Data are sufficient if: (1) the commissioner has at least 100 paid claim lines
91.23 by at least ten different providers for a given product or supply; or (2) in the absence of the
91.24 data in clause (1), the commissioner has at least 20 claim lines by at least five different
91.25 providers for a product or supply that does not meet the requirements of clause (1). If
91.26 sufficient data are not available to calculate the 50th percentile for enteral products or
91.27 supplies, the payment must be the manufacturer's suggested retail price of that product or
91.28 supply minus 20 percent. If the manufacturer's suggested retail price is not available, payment
91.29 must be the actual acquisition cost of that product or supply plus 20 percent.

91.30 ARTICLE 4

91.31 BEHAVIORAL HEALTH

91.32 Section 1. Minnesota Statutes 2024, section 245.462, subdivision 20, is amended to read:

91.33 Subd. 20. **Mental illness.** (a) "Mental illness" means an organic disorder of the brain or
91.34 a clinically significant disorder of thought, mood, perception, orientation, memory, or

92.1 behavior that is detailed in a diagnostic codes list published by the commissioner, and that
92.2 seriously limits a person's capacity to function in primary aspects of daily living such as
92.3 personal relations, living arrangements, work, and recreation.

92.4 (b) An "adult with acute mental illness" means an adult who has a mental illness that is
92.5 serious enough to require prompt intervention.

92.6 (c) For purposes of enrolling in case management and community support services, a
92.7 "person with serious and persistent mental illness" means an adult who has a mental illness
92.8 and meets at least one of the following criteria:

92.9 (1) the adult has undergone ~~two~~ one or more episodes of inpatient, residential, or crisis
92.10 residential care for a mental illness within the preceding ~~24~~ 12 months;

92.11 (2) the adult has experienced a continuous psychiatric hospitalization or residential
92.12 treatment exceeding six months' duration within the preceding 12 months;

92.13 (3) the adult has been treated by a crisis team two or more times within the preceding
92.14 24 months;

92.15 (4) the adult:

92.16 (i) has a diagnosis of schizophrenia, bipolar disorder, major depression, schizoaffective
92.17 disorder, post-traumatic stress disorder, or borderline personality disorder;

92.18 (ii) indicates a significant impairment in functioning; and

92.19 (iii) has a written opinion from a mental health professional, in the last three years,
92.20 stating that the adult is reasonably likely to have future episodes requiring inpatient or
92.21 residential treatment, of a frequency described in clause (1) or (2), or the need for in-home
92.22 services to remain in one's home, unless ongoing case management or community support
92.23 services are provided;

92.24 (5) the adult has, in the last ~~three~~ five years, been committed by a court as a person ~~who~~
92.25 ~~is mentally ill~~ with a mental illness under chapter 253B, or the adult's commitment has been
92.26 stayed or continued; or

92.27 ~~(6) the adult (i) was eligible under clauses (1) to (5), but the specified time period has~~
92.28 ~~expired or the adult was eligible as a child under section 245.4871, subdivision 6; and (ii)~~
92.29 ~~has a written opinion from a mental health professional, in the last three years, stating that~~
92.30 ~~the adult is reasonably likely to have future episodes requiring inpatient or residential~~
92.31 ~~treatment, of a frequency described in clause (1) or (2), unless ongoing case management~~
92.32 ~~or community support services are provided; or~~

93.1 ~~(7)~~ (6) the adult was eligible as a child under section 245.4871, subdivision 6, and is
93.2 age 21 or younger.

93.3 (d) For purposes of enrolling in case management and community support services, a
93.4 "person with a complex post-traumatic stress disorder" or "person with a C-PTSD" means
93.5 an adult who has a mental illness and meets the following criteria:

93.6 (1) the adult has post-traumatic stress disorder (PTSD) symptoms that significantly
93.7 interfere with daily functioning related to intergenerational trauma, racial trauma, or
93.8 unresolved historical grief; and

93.9 (2) the adult has a written opinion from a mental health professional that includes
93.10 documentation of:

93.11 (i) culturally sensitive assessments or screenings and identification of intergenerational
93.12 trauma, racial trauma, or unresolved historical grief;

93.13 (ii) significant impairment in functioning due to the PTSD symptoms that meet C-PTSD
93.14 condition eligibility; and

93.15 (iii) increasing concerns within the last three years that indicate there is a reasonable
93.16 likelihood the adult will experience significant episodes of PTSD with increased frequency,
93.17 impacting daily functioning, unless mitigated by targeted case management or community
93.18 support services.

93.19 (e) Adults may continue to receive case management or community support services if,
93.20 in the written opinion of a mental health professional, the person needs case management
93.21 or community support services to maintain the person's recovery.

93.22 **EFFECTIVE DATE.** Paragraph (d) is effective upon federal approval. The commissioner
93.23 of human services shall notify the revisor of statutes when federal approval is obtained.

93.24 Sec. 2. Minnesota Statutes 2024, section 245.4661, subdivision 2, is amended to read:

93.25 Subd. 2. **Program design and implementation.** Adult mental health initiatives shall
93.26 be responsible for designing, planning, improving, and maintaining a mental health service
93.27 delivery system for adults with serious and persistent mental illness that would:

93.28 (1) provide an expanded array of services from which clients can choose services
93.29 appropriate to their needs;

93.30 (2) be based on purchasing strategies that improve access and coordinate services without
93.31 cost shifting;

(3) prioritize evidence-based services and implement services that are promising practices or theory-based practices so that the service can be evaluated according to subdivision 5a;

(4) incorporate existing state facilities and resources into the community mental health infrastructure through creative partnerships with local vendors; and

(5) ~~utilize existing categorical funding streams and reimbursement sources in combined and creative ways, except~~ adult mental health initiative funding only after all other eligible funding sources have been applied. Appropriations and all funds that are attributable to the operation of state-operated services under the control of the Direct Care and Treatment executive board are excluded unless appropriated specifically by the legislature for a purpose consistent with this section.

Sec. 3. Minnesota Statutes 2024, section 245.4661, subdivision 6, is amended to read:

Subd. 6. Duties of commissioner. (a) For purposes of adult mental health initiatives, the commissioner shall facilitate integration of funds or other resources as needed and requested by each adult mental health initiative. These resources may include:

(1) community support services funds administered under Minnesota Rules, parts 9535.1700 to 9535.1760;

(2) other mental health special project funds;

(3) medical assistance, MinnesotaCare, and housing support under chapter 256I if requested by the adult mental health initiative's managing entity and if the commissioner determines this would be consistent with the state's overall health care reform efforts; and

(4) regional treatment center resources, with consent from the Direct Care and Treatment executive board.

~~(b) The commissioner shall consider the following criteria in awarding grants for adult mental health initiatives:~~

~~(1) the ability of the initiatives to accomplish the objectives described in subdivision 2;~~

~~(2) the size of the target population to be served; and~~

~~(3) geographical distribution.~~

~~(e)~~ (b) The commissioner shall review overall status of the initiatives at least every two years and recommend any legislative changes needed by January 15 of each odd-numbered year.

95.1 ~~(d)~~ (c) The commissioner may waive administrative rule requirements that are
95.2 incompatible with the implementation of the adult mental health initiative.

95.3 ~~(e)~~ (d) The commissioner may exempt the participating counties from fiscal sanctions
95.4 for noncompliance with requirements in laws and rules that are incompatible with the
95.5 implementation of the adult mental health initiative.

95.6 ~~(f)~~ (e) The commissioner may award grants to an entity designated by a county board
95.7 or group of county boards to pay for start-up and implementation costs of the adult mental
95.8 health initiative.

95.9 Sec. 4. Minnesota Statutes 2024, section 245.4661, subdivision 7, is amended to read:

95.10 Subd. 7. **Duties of adult mental health initiative board.** The adult mental health
95.11 initiative board, or other entity which is approved to administer an adult mental health
95.12 initiative, shall:

95.13 (1) administer the initiative in a manner that is consistent with the objectives described
95.14 in subdivision 2 and the planning process described in subdivision 5;

95.15 (2) assure that no one is denied services that they would otherwise be eligible for; and

95.16 (3) provide the commissioner of human services with timely and pertinent information
95.17 through the following methods:

95.18 ~~(i) submission of mental health plans and plan amendments which are based on a format~~
95.19 ~~and timetable determined by the commissioner;~~

95.20 ~~(ii) submission of social services expenditure and grant reconciliation reports, based on~~
95.21 ~~a coding format to be determined by mutual agreement between the initiative's managing~~
95.22 ~~entity and the commissioner; and~~

95.23 ~~(iii) submission of data and participation in an evaluation of the adult mental health~~
95.24 ~~initiatives, to be designed cooperatively by the commissioner and the initiatives.~~ For services
95.25 provided to American Indians in Tribal nations or urban Indian communities, oral reports
95.26 using a system designed in partnership between the commissioner and the reporting
95.27 community satisfy the requirements of this clause.

95.28 Sec. 5. Minnesota Statutes 2024, section 245.467, subdivision 4, is amended to read:

95.29 Subd. 4. **Referral for case management.** Each provider of emergency services, day
95.30 treatment services, outpatient treatment, community support services, residential treatment,
95.31 acute care hospital inpatient treatment, or regional treatment center inpatient treatment must

inform each of its clients with serious and persistent mental illness or a complex post-traumatic stress disorder of the availability and potential benefits to the client of case management. If the client consents, the provider must refer the client by notifying the county employee designated by the county board to coordinate case management activities of the client's name and address and by informing the client of whom to contact to request case management. The provider must document compliance with this subdivision in the client's record.

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

Sec. 6. Minnesota Statutes 2024, section 245.4711, subdivision 1, is amended to read:

Subdivision 1. **Availability of case management services.** (a) ~~By January 1, 1989,~~ The county board shall provide case management services for all adults with serious and persistent mental illness or a complex post-traumatic stress disorder who are residents of the county and who request or consent to the services and to each adult for whom the court appoints a case manager. Staffing ratios must be sufficient to serve the needs of the clients. The case manager must meet the requirements in section 245.462, subdivision 4.

(b) Case management services provided to adults with serious and persistent mental illness or a complex post-traumatic stress disorder eligible for medical assistance must be billed to the medical assistance program under sections 256B.02, subdivision 8, and 256B.0625.

(c) Case management services are eligible for reimbursement under the medical assistance program. Costs associated with mentoring, supervision, and continuing education may be included in the reimbursement rate methodology used for case management services under the medical assistance program.

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

Sec. 7. Minnesota Statutes 2024, section 245.4711, subdivision 4, is amended to read:

Subd. 4. **Individual community support plan.** (a) The case manager must develop an individual community support plan for each adult that incorporates the client's individual treatment plan. The individual treatment plan may not be a substitute for the development of an individual community support plan. The individual community support plan must be developed within 30 days of client intake and reviewed at least every 180 days after it is

97.1 developed, unless the case manager receives a written request from the client or the client's
97.2 family for a review of the plan every 90 days after it is developed. The case manager is
97.3 responsible for developing the individual community support plan based on a diagnostic
97.4 assessment and a functional assessment and for implementing and monitoring the delivery
97.5 of services according to the individual community support plan. To the extent possible, the
97.6 adult with serious and persistent mental illness or a complex post-traumatic stress disorder,
97.7 the person's family, advocates, service providers, and significant others must be involved
97.8 in all phases of development and implementation of the individual community support plan.

97.9 (b) The client's individual community support plan must state:

97.10 (1) the goals of each service;

97.11 (2) the activities for accomplishing each goal;

97.12 (3) a schedule for each activity; and

97.13 (4) the frequency of face-to-face contacts by the case manager, as appropriate to client
97.14 need and the implementation of the individual community support plan.

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

97.17 Sec. 8. Minnesota Statutes 2024, section 245.4712, subdivision 1, is amended to read:

97.18 Subdivision 1. **Availability of community support services.** (a) County boards must
97.19 provide or contract for sufficient community support services within the county to meet the
97.20 needs of adults with serious and persistent mental illness or a complex post-traumatic stress
97.21 disorder who are residents of the county. Adults may be required to pay a fee according to
97.22 section 245.481. The community support services program must be designed to improve
97.23 the ability of adults with serious and persistent mental illness or a complex post-traumatic
97.24 stress disorder to:

97.25 (1) find and maintain competitive employment;

97.26 (2) handle basic activities of daily living;

97.27 (3) participate in leisure time activities;

97.28 (4) set goals and plans; and

97.29 (5) obtain and maintain appropriate living arrangements.

98.1 The community support services program must also be designed to reduce the need for
98.2 and use of more intensive, costly, or restrictive placements both in number of admissions
98.3 and length of stay.

98.4 (b) Community support services are those services that are supportive in nature and not
98.5 necessarily treatment oriented, and include:

98.6 (1) conducting outreach activities such as home visits, health and wellness checks, and
98.7 problem solving;

98.8 (2) connecting people to resources to meet their basic needs;

98.9 (3) finding, securing, and supporting people in their housing;

98.10 (4) attaining and maintaining health insurance benefits;

98.11 (5) assisting with job applications, finding and maintaining employment, and securing
98.12 a stable financial situation;

98.13 (6) fostering social support, including support groups, mentoring, peer support, and other
98.14 efforts to prevent isolation and promote recovery; and

98.15 (7) educating about mental illness, treatment, and recovery.

98.16 (c) Community support services shall use all available funding streams. The county shall
98.17 maintain the level of expenditures for this program, as required under section 245.4835.

98.18 County boards must continue to provide funds for those services not covered by other
98.19 funding streams and to maintain an infrastructure to carry out these services. The county is
98.20 encouraged to fund evidence-based practices such as Individual Placement and Supported
98.21 Employment and Illness Management and Recovery.

98.22 (d) The commissioner shall collect data on community support services programs,
98.23 including, but not limited to, demographic information such as age, sex, race, the number
98.24 of people served, and information related to housing, employment, hospitalization, symptoms,
98.25 and satisfaction with services.

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

98.28 Sec. 9. Minnesota Statutes 2024, section 245.4712, subdivision 3, is amended to read:

98.29 Subd. 3. **Benefits assistance.** The county board must offer to help adults with serious
98.30 and persistent mental illness or a complex post-traumatic stress disorder in applying for
98.31 state and federal benefits, including Supplemental Security Income, medical assistance,

99.1 Medicare, general assistance, and Minnesota supplemental aid. The help must be offered
99.2 as part of the community support program available to adults with serious and persistent
99.3 mental illness or a complex post-traumatic stress disorder for whom the county is financially
99.4 responsible and who may qualify for these benefits.

99.5 Sec. 10. Minnesota Statutes 2024, section 245.4871, subdivision 5, is amended to read:

99.6 Subd. 5. **Child.** "Child" means a person under 18 years of age, or a person 18 years of
99.7 age or older and under 21 years of age receiving continuous children's mental health targeted
99.8 case management services under section 245.4881.

99.9 Sec. 11. Minnesota Statutes 2024, section 245.735, subdivision 3, is amended to read:

99.10 Subd. 3. **Certified community behavioral health clinics.** (a) The commissioner shall
99.11 establish state certification and recertification processes for certified community behavioral
99.12 health clinics (CCBHCs) that satisfy all federal requirements necessary for CCBHCs certified
99.13 under this section to be eligible for reimbursement under medical assistance, without service
99.14 area limits based on geographic area or region. The commissioner shall consult with CCBHC
99.15 stakeholders before establishing and implementing changes in the certification or
99.16 recertification process and requirements. Any changes to the certification or recertification
99.17 process or requirements must be consistent with the most recently issued Certified
99.18 Community Behavioral Health Clinic Certification Criteria published by the Substance
99.19 Abuse and Mental Health Services Administration. The commissioner must allow a transition
99.20 period for CCBHCs to meet the revised criteria on or before January 1, 2025. The
99.21 commissioner is authorized to amend the state's Medicaid state plan or the terms of the
99.22 demonstration to comply with federal requirements.

99.23 (b) As part of the state CCBHC certification and recertification processes, the
99.24 commissioner shall provide to entities applying for certification or requesting recertification
99.25 the standard requirements of the community needs assessment and the staffing plan that are
99.26 consistent with the most recently issued Certified Community Behavioral Health Clinic
99.27 Certification Criteria published by the Substance Abuse and Mental Health Services
99.28 Administration.

99.29 (c) The commissioner shall schedule a certification review that includes a site visit within
99.30 90 calendar days of receipt of an application for certification or recertification.

99.31 (d) Entities that choose to be CCBHCs must:

100.1 (1) complete a community needs assessment and complete a staffing plan that is
100.2 responsive to the needs identified in the community needs assessment and update both the
100.3 community needs assessment and the staffing plan no less frequently than every 36 months;

100.4 (2) comply with state licensing requirements and other requirements issued by the
100.5 commissioner;

100.6 (3) employ or contract with a medical director. A medical director must be a physician
100.7 licensed under chapter 147 and either certified by the American Board of Psychiatry and
100.8 Neurology, certified by the American Osteopathic Board of Neurology and Psychiatry, or
100.9 eligible for board certification in psychiatry. A registered nurse who is licensed under
100.10 sections 148.171 to 148.285 and is certified as a nurse practitioner in adult or family
100.11 psychiatric and mental health nursing by a national nurse certification organization may
100.12 serve as the medical director when a CCBHC is unable to employ or contract a qualified
100.13 physician;

100.14 (4) employ or contract for clinic staff who have backgrounds in diverse disciplines,
100.15 including licensed mental health professionals and licensed alcohol and drug counselors,
100.16 and staff who are culturally and linguistically trained to meet the needs of the population
100.17 the clinic serves;

100.18 (5) ensure that clinic services are available and accessible to individuals and families of
100.19 all ages and genders with access on evenings and weekends and that crisis management
100.20 services are available 24 hours per day;

100.21 (6) establish fees for clinic services for individuals who are not enrolled in medical
100.22 assistance using a sliding fee scale that ensures that services to patients are not denied or
100.23 limited due to an individual's inability to pay for services;

100.24 (7) comply with quality assurance reporting requirements and other reporting
100.25 requirements included in the most recently issued Certified Community Behavioral Health
100.26 Clinic Certification Criteria published by the Substance Abuse and Mental Health Services
100.27 Administration;

100.28 (8) provide crisis mental health and substance use services, withdrawal management
100.29 services, emergency crisis intervention services, and stabilization services through existing
100.30 mobile crisis services; screening, assessment, and diagnosis services, including risk
100.31 assessments and level of care determinations; person- and family-centered treatment planning;
100.32 outpatient mental health and substance use services; targeted case management; psychiatric
100.33 rehabilitation services; peer support and counselor services and family support services;
100.34 and intensive community-based mental health services, including mental health services

101.1 for members of the armed forces and veterans. CCBHCs must directly provide the majority
101.2 of these services to enrollees, but may coordinate some services with another entity through
101.3 a collaboration or agreement, pursuant to subdivision 3a;

101.4 (9) provide coordination of care across settings and providers to ensure seamless
101.5 transitions for individuals being served across the full spectrum of health services, including
101.6 acute, chronic, and behavioral needs;

101.7 (10) be certified as a mental health clinic under section 245I.20;

101.8 (11) comply with standards established by the commissioner relating to CCBHC
101.9 screenings, assessments, and evaluations that are consistent with this section;

101.10 (12) be licensed to provide substance use disorder treatment under chapter 245G;

101.11 (13) be certified to provide children's therapeutic services and supports under section
101.12 256B.0943;

101.13 (14) be certified to provide adult rehabilitative mental health services under section
101.14 256B.0623;

101.15 (15) be enrolled to provide mental health crisis response services under section
101.16 256B.0624;

101.17 (16) be enrolled to provide mental health targeted case management under section
101.18 256B.0625, subdivision 20;

101.19 (17) provide services that comply with the evidence-based practices described in
101.20 subdivision 3d;

101.21 (18) provide peer services as defined in sections 256B.0615, 256B.0616, and 245G.07,
101.22 subdivision ~~2~~ 2a, paragraph (b), clause ~~(8)~~ (2), as applicable when peer services are provided;
101.23 and

101.24 (19) inform all clients upon initiation of care of the full array of services available under
101.25 the CCBHC model.

101.26 Sec. 12. Minnesota Statutes 2024, section 245.91, subdivision 4, is amended to read:

101.27 Subd. 4. **Facility or program.** "Facility" or "program" means a nonresidential or
101.28 residential program as defined in section 245A.02, subdivisions 10 and 14, and any agency,
101.29 facility, or program that provides services or treatment for mental illness, developmental
101.30 disability, substance use disorder, or emotional disturbance that is required to be licensed,
101.31 certified, or registered by the commissioner of human services, health, or education; a ~~sober~~

102.1 ~~home~~ recovery residence as defined in section 254B.01, subdivision 11; peer recovery
102.2 support services provided by a recovery community organization as defined in section
102.3 254B.01, subdivision 8; and an acute care inpatient facility that provides services or treatment
102.4 for mental illness, developmental disability, substance use disorder, or emotional disturbance.

102.5 **EFFECTIVE DATE.** This section is effective January 1, 2027.

102.6 Sec. 13. Minnesota Statutes 2024, section 245F.08, subdivision 3, is amended to read:

102.7 Subd. 3. **Peer recovery support services.** Peer recovery support services must meet the
102.8 requirements in section 245G.07, subdivision 2 2a, paragraph (b), clause ~~(8)~~ (2), and must
102.9 be provided by a person who is qualified according to the requirements in section 245F.15,
102.10 subdivision 7.

102.11 Sec. 14. Minnesota Statutes 2024, section 245G.01, subdivision 13b, is amended to read:

102.12 Subd. 13b. **Guest speaker.** "Guest speaker" means an individual who is not an alcohol
102.13 and drug counselor qualified according to section 245G.11, subdivision 5; is not qualified
102.14 according to the commissioner's list of professionals under section 245G.07, subdivision 3,
102.15 clause (1); and who works under the direct observation of an alcohol and drug counselor to
102.16 present to clients on topics in which the guest speaker has expertise and that the license
102.17 holder has determined to be beneficial to a client's recovery. Tribally licensed programs
102.18 have autonomy to identify the qualifications of their guest speakers.

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. 15. Minnesota Statutes 2024, section 245G.01, is amended by adding a subdivision
102.23 to read:

102.24 Subd. 13d. **Individual counseling.** "Individual counseling" means professionally led
102.25 psychotherapeutic treatment for substance use disorders that is delivered in a one-to-one
102.26 setting or in a setting with the client and the client's family and other natural supports.

102.27 **EFFECTIVE DATE.** This section is effective July 1, 2026, or upon federal approval,
102.28 whichever is later. The commissioner of human services shall notify the revisor of statutes
102.29 when federal approval is obtained.

103.1 Sec. 16. Minnesota Statutes 2024, section 245G.01, is amended by adding a subdivision
103.2 to read:

103.3 Subd. 20f. **Psychoeducation.** "Psychoeducation" means the services described in section
103.4 245G.07, subdivision 1a, clause (2).

103.5 **EFFECTIVE DATE.** This section is effective July 1, 2026, or upon federal approval,
103.6 whichever is later. The commissioner of human services shall notify the revisor of statutes
103.7 when federal approval is obtained.

103.8 Sec. 17. Minnesota Statutes 2024, section 245G.01, is amended by adding a subdivision
103.9 to read:

103.10 Subd. 20g. **Psychosocial treatment services.** "Psychosocial treatment services" means
103.11 the services described in section 245G.07, subdivision 1a.

103.12 **EFFECTIVE DATE.** This section is effective July 1, 2026, or upon federal approval,
103.13 whichever is later. The commissioner of human services shall notify the revisor of statutes
103.14 when federal approval is obtained.

103.15 Sec. 18. Minnesota Statutes 2024, section 245G.01, is amended by adding a subdivision
103.16 to read:

103.17 Subd. 20h. **Recovery support services.** "Recovery support services" means the services
103.18 described in section 245G.07, subdivision 2a, paragraph (b), clause (1).

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. 19. Minnesota Statutes 2024, section 245G.01, is amended by adding a subdivision
103.23 to read:

103.24 Subd. 26a. **Treatment coordination.** "Treatment coordination" means the services
103.25 described in section 245G.07, subdivision 1b.

103.26 **EFFECTIVE DATE.** This section is effective July 1, 2026, or upon federal approval,
103.27 whichever is later. The commissioner of human services shall notify the revisor of statutes
103.28 when federal approval is obtained.

104.1 Sec. 20. Minnesota Statutes 2024, section 245G.02, subdivision 2, is amended to read:

104.2 Subd. 2. **Exemption from license requirement.** This chapter does not apply to a county
104.3 or recovery community organization that is providing a service for which the county or
104.4 recovery community organization is an eligible vendor under section 254B.05. This chapter
104.5 does not apply to an organization whose primary functions are information, referral,
104.6 diagnosis, case management, and assessment for the purposes of client placement, education,
104.7 support group services, or self-help programs. This chapter does not apply to the activities
104.8 of a licensed professional in private practice. A license holder providing the initial set of
104.9 substance use disorder services allowable under section 254A.03, subdivision 3, paragraph
104.10 (c), to an individual referred to a licensed nonresidential substance use disorder treatment
104.11 program after a positive screen for alcohol or substance misuse is exempt from sections
104.12 245G.05; 245G.06, subdivisions 1, 1a, and 4; 245G.07, ~~subdivisions 1, paragraph (a), clauses~~
104.13 ~~(2) to (4), and 2, clauses (1) to (7)~~ subdivision 1a, clause (2); and 245G.17.

104.14 **EFFECTIVE DATE.** This section is effective July 1, 2026, or upon federal approval,
104.15 whichever is later. The commissioner of human services shall notify the revisor of statutes
104.16 when federal approval is obtained.

104.17 Sec. 21. Minnesota Statutes 2024, section 245G.07, subdivision 1, is amended to read:

104.18 Subdivision 1. **Treatment service.** (a) A licensed ~~residential~~ treatment program must
104.19 offer the treatment services in ~~clauses (1) to (5)~~ subdivisions 1a and 1b and may offer the
104.20 treatment services in subdivision 2 to each client, unless clinically inappropriate and the
104.21 justifying clinical rationale is documented. ~~A nonresidential~~ The treatment program must
104.22 ~~offer all treatment services in clauses (1) to (5) and document in the individual treatment~~
104.23 ~~plan the specific services for which a client has an assessed need and the plan to provide~~
104.24 ~~the services;~~

104.25 ~~(1) individual and group counseling to help the client identify and address needs related~~
104.26 ~~to substance use and develop strategies to avoid harmful substance use after discharge and~~
104.27 ~~to help the client obtain the services necessary to establish a lifestyle free of the harmful~~
104.28 ~~effects of substance use disorder;~~

104.29 ~~(2) client education strategies to avoid inappropriate substance use and health problems~~
104.30 ~~related to substance use and the necessary lifestyle changes to regain and maintain health.~~
104.31 ~~Client education must include information on tuberculosis education on a form approved~~
104.32 ~~by the commissioner, the human immunodeficiency virus according to section 245A.19,~~
104.33 ~~other sexually transmitted diseases, drug and alcohol use during pregnancy, and hepatitis;~~

105.1 ~~(3) a service to help the client integrate gains made during treatment into daily living~~
105.2 ~~and to reduce the client's reliance on a staff member for support;~~

105.3 ~~(4) a service to address issues related to co-occurring disorders, including client education~~
105.4 ~~on symptoms of mental illness, the possibility of comorbidity, and the need for continued~~
105.5 ~~medication compliance while recovering from substance use disorder. A group must address~~
105.6 ~~co-occurring disorders, as needed. When treatment for mental health problems is indicated,~~
105.7 ~~the treatment must be integrated into the client's individual treatment plan; and~~

105.8 ~~(5) treatment coordination provided one-to-one by an individual who meets the staff~~
105.9 ~~qualifications in section 245G.11, subdivision 7. Treatment coordination services include:~~

105.10 ~~(i) assistance in coordination with significant others to help in the treatment planning~~
105.11 ~~process whenever possible;~~

105.12 ~~(ii) assistance in coordination with and follow up for medical services as identified in~~
105.13 ~~the treatment plan;~~

105.14 ~~(iii) facilitation of referrals to substance use disorder services as indicated by a client's~~
105.15 ~~medical provider, comprehensive assessment, or treatment plan;~~

105.16 ~~(iv) facilitation of referrals to mental health services as identified by a client's~~
105.17 ~~comprehensive assessment or treatment plan;~~

105.18 ~~(v) assistance with referrals to economic assistance, social services, housing resources,~~
105.19 ~~and prenatal care according to the client's needs;~~

105.20 ~~(vi) life skills advocacy and support accessing treatment follow-up, disease management,~~
105.21 ~~and education services, including referral and linkages to long-term services and supports~~
105.22 ~~as needed; and~~

105.23 ~~(vii) documentation of the provision of treatment coordination services in the client's~~
105.24 ~~file.~~

105.25 (b) A treatment service provided to a client must be provided according to the individual
105.26 treatment plan and must consider cultural differences and special needs of a client.

105.27 (c) A supportive service alone does not constitute a treatment service. Supportive services
105.28 include:

105.29 (1) milieu management or supervising or monitoring clients without also providing a
105.30 treatment service identified in subdivision 1a, 1b, or 2a;

105.31 (2) transporting clients;

106.1 (3) waiting with clients for appointments at social service agencies, court hearings, and
106.2 similar activities; and

106.3 (4) collecting urinalysis samples.

106.4 (d) A treatment service provided in a group setting must be provided in a cohesive
106.5 manner and setting that allows every client receiving the service to interact and receive the
106.6 same service at the same time.

106.7 **EFFECTIVE DATE.** This section is effective July 1, 2026, or upon federal approval,
106.8 whichever is later. The commissioner of human services shall notify the revisor of statutes
106.9 when federal approval is obtained.

106.10 Sec. 22. Minnesota Statutes 2024, section 245G.07, is amended by adding a subdivision
106.11 to read:

106.12 Subd. 1a. **Psychosocial treatment service.** Psychosocial treatment services must be
106.13 provided according to the hours identified in section 254B.19 for the ASAM level of care
106.14 provided to the client. A license holder must provide the following psychosocial treatment
106.15 services as a part of the client's individual treatment:

106.16 (1) counseling services that provide a client with professional assistance in managing
106.17 substance use disorder and co-occurring conditions, either individually or in a group setting.
106.18 Counseling must:

106.19 (i) use evidence-based techniques to help a client modify behavior, overcome obstacles,
106.20 and achieve and sustain recovery through techniques such as active listening, guidance,
106.21 discussion, feedback, and clarification;

106.22 (ii) help the client to identify and address needs related to substance use, develop
106.23 strategies to avoid harmful substance use, and establish a lifestyle free of the harmful effects
106.24 of substance use disorder; and

106.25 (iii) work to improve well-being and mental health, resolve or mitigate symptomatic
106.26 behaviors, beliefs, compulsions, thoughts, and emotions, and enhance relationships and
106.27 social skills, while addressing client-centered psychological and emotional needs; and

106.28 (2) psychoeducation services to provide a client with information about substance use
106.29 and co-occurring conditions, either individually or in a group setting. Psychoeducation
106.30 includes structured presentations, interactive discussions, and practical exercises to help
106.31 clients understand and manage their conditions effectively. Topics include but are not limited
106.32 to:

- 107.1 (i) the causes of substance use disorder and co-occurring disorders;
- 107.2 (ii) behavioral techniques that help a client change behaviors, thoughts, and feelings;
- 107.3 (iii) the importance of maintaining mental health, including understanding symptoms
- 107.4 of mental illness;
- 107.5 (iv) medications for addiction and psychiatric disorders and the importance of medication
- 107.6 adherence;
- 107.7 (v) the importance of maintaining physical health, health-related risk factors associated
- 107.8 with substance use disorder, and specific health education on tuberculosis, HIV, other
- 107.9 sexually transmitted diseases, drug and alcohol use during pregnancy, and hepatitis; and
- 107.10 (vi) harm-reduction strategies.
- 107.11 **EFFECTIVE DATE.** This section is effective July 1, 2026, or upon federal approval,
- 107.12 whichever is later. The commissioner of human services shall notify the revisor of statutes
- 107.13 when federal approval is obtained.
- 107.14 Sec. 23. Minnesota Statutes 2024, section 245G.07, is amended by adding a subdivision
- 107.15 to read:
- 107.16 Subd. 1b. **Treatment coordination.** (a) Treatment coordination must be provided to a
- 107.17 single client by an individual who meets the staff qualifications in section 245G.11,
- 107.18 subdivision 7. Treatment coordination services include:
- 107.19 (1) coordinating directly with others involved in the client's treatment and recovery,
- 107.20 including the referral source, family or natural supports, social services agencies, and external
- 107.21 care providers;
- 107.22 (2) providing clients with training and facilitating connections to community resources
- 107.23 that support recovery;
- 107.24 (3) assisting clients in obtaining necessary resources and services such as financial
- 107.25 assistance, housing, food, clothing, medical care, education, harm reduction services,
- 107.26 vocational support, and recreational services that promote recovery;
- 107.27 (4) assisting clients in navigating economic assistance and Minnesota health care
- 107.28 programs under chapters 256B and 256L;
- 107.29 (5) helping clients connect and engage with self-help support groups and expand social
- 107.30 support networks with family, friends, and organizations; and

108.1 (6) assisting clients in transitioning between levels of care, including providing direct
108.2 connections to ensure continuity of care.

108.3 (b) Treatment coordination does not include coordinating services or communicating
108.4 with staff members within the licensed program.

108.5 (c) Treatment coordination may be provided in a setting with the individual client and
108.6 others involved in the client's treatment and recovery.

108.7 **EFFECTIVE DATE.** This section is effective July 1, 2026, or upon federal approval,
108.8 whichever is later. The commissioner of human services shall notify the revisor of statutes
108.9 when federal approval is obtained.

108.10 Sec. 24. Minnesota Statutes 2024, section 245G.07, is amended by adding a subdivision
108.11 to read:

108.12 Subd. 2a. **Ancillary treatment service.** (a) A license holder may provide ancillary
108.13 services in addition to the hours of psychosocial treatment services identified in section
108.14 254B.19 for the ASAM level of care provided to the client.

108.15 (b) A license holder may provide the following ancillary treatment services as a part of
108.16 the client's individual treatment:

108.17 (1) recovery support services provided individually or in a group setting, that include:

108.18 (i) supporting clients in restoring daily living skills, such as health and health care
108.19 navigation and self-care to enhance personal well-being;

108.20 (ii) providing resources and assistance to help clients restore life skills, including effective
108.21 parenting, financial management, pro-social behavior, education, employment, and nutrition;

108.22 (iii) assisting clients in restoring daily functioning and routines affected by substance
108.23 use and supporting them in developing skills for successful community integration; and

108.24 (iv) helping clients respond to or avoid triggers that threaten their community stability,
108.25 assisting the client in identifying potential crises and developing a plan to address them,
108.26 and providing support to restore the client's stability and functioning; and

108.27 (2) peer recovery support services provided according to sections 254B.05, subdivision
108.28 5, and 254B.052.

108.29 **EFFECTIVE DATE.** This section is effective July 1, 2026, or upon federal approval,
108.30 whichever is later. The commissioner of human services shall notify the revisor of statutes
108.31 when federal approval is obtained.

109.1 Sec. 25. Minnesota Statutes 2024, section 245G.07, subdivision 3, is amended to read:

109.2 Subd. 3. **Counselors Treatment service providers.** (a) All treatment services, ~~except~~
109.3 ~~peer recovery support services and treatment coordination,~~ must be provided by an alcohol
109.4 ~~and drug counselor qualified according to section 245G.11, subdivision 5, unless the~~
109.5 individual ~~providing the service~~ is specifically qualified according to the accepted credential
109.6 required to provide the service. ~~The commissioner shall maintain a current list of~~
109.7 ~~professionals qualified to provide treatment services.~~

109.8 (b) Psychosocial treatment services must be provided by an alcohol and drug counselor
109.9 qualified according to section 245G.11, subdivision 5, unless the individual providing the
109.10 service is specifically qualified according to the accepted credential required to provide the
109.11 service. The commissioner shall maintain a current list of professionals qualified to provide
109.12 psychosocial treatment services.

109.13 (c) Treatment coordination must be provided by a treatment coordinator qualified
109.14 according to section 245G.11, subdivision 7.

109.15 (d) Recovery support services must be provided by a behavioral health practitioner
109.16 qualified according to section 245G.11, subdivision 12.

109.17 (e) Peer recovery support services must be provided by a recovery peer qualified
109.18 according to section 245I.04, subdivision 18.

109.19 **EFFECTIVE DATE.** This section is effective July 1, 2026, or upon federal approval,
109.20 whichever is later. The commissioner of human services shall notify the revisor of statutes
109.21 when federal approval is obtained.

109.22 Sec. 26. Minnesota Statutes 2024, section 245G.07, subdivision 4, is amended to read:

109.23 Subd. 4. **Location of service provision.** (a) The license holder must provide all treatment
109.24 services a client receives at one of the license holder's substance use disorder treatment
109.25 licensed locations or at a location allowed under paragraphs (b) to (f). If the services are
109.26 provided at the locations in paragraphs (b) to (d), the license holder must document in the
109.27 client record the location services were provided.

109.28 (b) The license holder may provide nonresidential individual treatment services at a
109.29 client's home or place of residence.

109.30 (c) If the license holder provides treatment services by telehealth, the services must be
109.31 provided according to this paragraph:

110.1 (1) the license holder must maintain a licensed physical location in Minnesota where
110.2 the license holder must offer all treatment services in subdivision 1, ~~paragraph (a), clauses~~
110.3 ~~(1) to (4),~~ 1a physically in-person to each client;

110.4 (2) the license holder must meet all requirements for the provision of telehealth in sections
110.5 254B.05, subdivision 5, paragraph (f), and 256B.0625, subdivision 3b. The license holder
110.6 must document all items in section 256B.0625, subdivision 3b, paragraph (c), for each client
110.7 receiving services by telehealth, regardless of payment type or whether the client is a medical
110.8 assistance enrollee;

110.9 (3) the license holder may provide treatment services by telehealth to clients individually;

110.10 (4) the license holder may provide treatment services by telehealth to a group of clients
110.11 that are each in a separate physical location;

110.12 (5) the license holder must not provide treatment services remotely by telehealth to a
110.13 group of clients meeting together in person, unless permitted under clause (7);

110.14 (6) clients and staff may join an in-person group by telehealth if a staff member qualified
110.15 to provide the treatment service is physically present with the group of clients meeting
110.16 together in person; and

110.17 (7) the qualified professional providing a residential group treatment service by telehealth
110.18 must be physically present on-site at the licensed residential location while the service is
110.19 being provided. If weather conditions or short-term illness prohibit a qualified professional
110.20 from traveling to the residential program and another qualified professional is not available
110.21 to provide the service, a qualified professional may provide a residential group treatment
110.22 service by telehealth from a location away from the licensed residential location. In such
110.23 circumstances, the license holder must ensure that a qualified professional does not provide
110.24 a residential group treatment service by telehealth from a location away from the licensed
110.25 residential location for more than one day at a time, must ensure that a staff person who
110.26 qualifies as a paraprofessional is physically present with the group of clients, and must
110.27 document the reason for providing the remote telehealth service in the records of clients
110.28 receiving the service. The license holder must document the dates that residential group
110.29 treatment services were provided by telehealth from a location away from the licensed
110.30 residential location in a central log and must provide the log to the commissioner upon
110.31 request.

110.32 (d) The license holder may provide the ~~additional~~ ancillary treatment services under
110.33 subdivision 2, ~~clauses (2) to (6) and (8),~~ 2a away from the licensed location at a suitable
110.34 location appropriate to the treatment service.

(e) Upon written approval from the commissioner for each satellite location, the license holder may provide nonresidential treatment services at satellite locations that are in a school, jail, or nursing home. A satellite location may only provide services to students of the school, inmates of the jail, or residents of the nursing home. Schools, jails, and nursing homes are exempt from the licensing requirements in section 245A.04, subdivision 2a, to document compliance with building codes, fire and safety codes, health rules, and zoning ordinances.

(f) The commissioner may approve other suitable locations as satellite locations for nonresidential treatment services. The commissioner may require satellite locations under this paragraph to meet all applicable licensing requirements. The license holder may not have more than two satellite locations per license under this paragraph.

(g) The license holder must provide the commissioner access to all files, documentation, staff persons, and any other information the commissioner requires at the main licensed location for all clients served at any location under paragraphs (b) to (f).

(h) Notwithstanding sections 245A.65, subdivision 2, and 626.557, subdivision 14, a program abuse prevention plan is not required for satellite or other locations under paragraphs (b) to (e). An individual abuse prevention plan is still required for any client that is a vulnerable adult as defined in section 626.5572, subdivision 21.

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

Sec. 27. Minnesota Statutes 2024, section 245G.11, subdivision 6, is amended to read:

Subd. 6. **Paraprofessionals.** A paraprofessional must have knowledge of client rights, according to section 148F.165, and staff member responsibilities. A paraprofessional may not make decisions to admit, transfer, or discharge a client but may perform tasks related to intake and orientation. A paraprofessional may be the responsible ~~for the delivery of treatment service~~ staff member according to section 245G.10, subdivision 3. A paraprofessional must not provide a treatment service unless qualified to do so according to section 245G.07, subdivision 3.

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

112.1 Sec. 28. Minnesota Statutes 2024, section 245G.11, is amended by adding a subdivision
112.2 to read:

112.3 Subd. 12. **Behavioral health practitioners.** (a) A behavioral health practitioner must
112.4 meet the qualifications in section 245I.04, subdivision 4.

112.5 (b) A behavioral health practitioner working within a substance use disorder treatment
112.6 program licensed under this chapter has the following scope of practice:

112.7 (1) a behavioral health practitioner may provide clients with recovery support services,
112.8 as defined in section 245G.07, subdivision 2a, paragraph (b), clause (1); and

112.9 (2) a behavioral health practitioner must not provide treatment supervision to other staff
112.10 persons.

112.11 (c) A behavioral health practitioner working within a substance use disorder treatment
112.12 program licensed under this chapter must receive at least one hour of supervision per month
112.13 on individual service delivery from an alcohol and drug counselor or a mental health
112.14 professional who has substance use treatment and assessments within the scope of their
112.15 practice.

112.16 **EFFECTIVE DATE.** This section is effective July 1, 2026, or upon federal approval,
112.17 whichever is later. The commissioner of human services shall notify the revisor of statutes
112.18 when federal approval is obtained.

112.19 Sec. 29. Minnesota Statutes 2024, section 245G.22, subdivision 11, is amended to read:

112.20 Subd. 11. **Waiting list.** An opioid treatment program must have a waiting list system.
112.21 If the person seeking admission cannot be admitted within 14 days of the date of application,
112.22 each person seeking admission must be placed on the waiting list, unless the person seeking
112.23 admission is assessed by the program and found ineligible for admission according to this
112.24 chapter and Code of Federal Regulations, title 42, part 1, subchapter A, section 8.12 (e),
112.25 and title 45, parts 160 to 164. The waiting list must assign a unique client identifier for each
112.26 person seeking treatment while awaiting admission. A person seeking admission on a waiting
112.27 list who receives no services under section 245G.07, subdivision 4 1a or 1b, must not be
112.28 considered a client as defined in section 245G.01, subdivision 9.

112.29 **EFFECTIVE DATE.** This section is effective July 1, 2026, or upon federal approval,
112.30 whichever is later. The commissioner of human services shall notify the revisor of statutes
112.31 when federal approval is obtained.

113.1 Sec. 30. Minnesota Statutes 2024, section 245G.22, subdivision 15, is amended to read:

113.2 Subd. 15. **Nonmedication treatment services; documentation.** (a) The program must
113.3 offer at least ~~50 consecutive minutes~~ four units of individual or group therapy treatment
113.4 services as defined in section 245G.07, subdivision 1, ~~paragraph (a) 1a, clause (1), per week,~~
113.5 for the first ten weeks following the day of service initiation, and at least ~~50 consecutive~~
113.6 ~~minutes~~ four units per month thereafter. ~~As clinically appropriate, the program may offer~~
113.7 ~~these services cumulatively and not consecutively in increments of no less than 15 minutes~~
113.8 ~~over the required time period, and for a total of 60 minutes of treatment services over the~~
113.9 ~~time period, and must document the reason for providing services cumulatively in the client's~~
113.10 ~~record.~~ The program may offer additional levels of service when deemed clinically necessary.

113.11 (b) Notwithstanding the requirements of comprehensive assessments in section 245G.05,
113.12 the assessment must be completed within 21 days from the day of service initiation.

113.13 **EFFECTIVE DATE.** This section is effective July 1, 2026, or upon federal approval,
113.14 whichever is later. The commissioner of human services shall notify the revisor of statutes
113.15 when federal approval is obtained.

113.16 Sec. 31. Minnesota Statutes 2024, section 254A.19, subdivision 4, is amended to read:

113.17 Subd. 4. **Civil commitments.** For the purposes of determining level of care, a
113.18 comprehensive assessment does not need to be completed for an individual being committed
113.19 as a chemically dependent person, as defined in section 253B.02, and for the duration of a
113.20 civil commitment under section 253B.09 or 253B.095 in order for ~~a county~~ the individual
113.21 to access be eligible for the behavioral health fund under section 254B.04. ~~The county~~
113.22 commissioner must determine if the individual meets the financial eligibility requirements
113.23 for the behavioral health fund under section 254B.04.

113.24 **EFFECTIVE DATE.** This section is effective July 1, 2026.

113.25 Sec. 32. Minnesota Statutes 2024, section 254B.01, subdivision 10, is amended to read:

113.26 Subd. 10. **Skilled Psychosocial treatment services.** ~~"Skilled Psychosocial treatment~~
113.27 ~~services" includes the treatment services described in section 245G.07, subdivisions 1,~~
113.28 ~~paragraph (a), clauses (1) to (4), and 2, clauses (1) to (6). Skilled~~ subdivision 1a. Psychosocial
113.29 treatment services must be provided by qualified professionals as identified in section
113.30 245G.07, subdivision 3, paragraph (b).

114.1 **EFFECTIVE DATE.** This section is effective July 1, 2026, or upon federal approval,
114.2 whichever is later. The commissioner of human services shall notify the revisor of statutes
114.3 when federal approval is obtained.

114.4 Sec. 33. Minnesota Statutes 2024, section 254B.01, subdivision 11, is amended to read:

114.5 Subd. 11. ~~Sober home~~ **Recovery residence.** A ~~sober home~~ recovery residence is a
114.6 cooperative living residence, a room and board residence, an apartment, or any other living
114.7 accommodation that:

114.8 (1) provides temporary housing to persons with substance use disorders;

114.9 (2) stipulates that residents must abstain from using alcohol or other illicit drugs or
114.10 substances not prescribed by a physician;

114.11 (3) charges a fee for living there;

114.12 (4) does not provide counseling or treatment services to residents;

114.13 (5) promotes sustained recovery from substance use disorders; and

114.14 (6) follows the sober living guidelines published by the federal Substance Abuse and
114.15 Mental Health Services Administration.

114.16 **EFFECTIVE DATE.** This section is effective January 1, 2027.

114.17 Sec. 34. Minnesota Statutes 2024, section 254B.02, subdivision 5, is amended to read:

114.18 Subd. 5. ~~Local agency~~ **Tribal allocation.** The commissioner may make payments to
114.19 ~~local agencies~~ Tribal Nation servicing agencies from money allocated under this section to
114.20 support individuals with substance use disorders and determine eligibility for behavioral
114.21 health fund payments. The payment must not be less than 133 percent of the ~~local agency~~
114.22 Tribal Nations payment for the fiscal year ending June 30, 2009, adjusted in proportion to
114.23 the statewide change in the appropriation for this chapter.

114.24 **EFFECTIVE DATE.** This section is effective July 1, 2026.

114.25 Sec. 35. Minnesota Statutes 2024, section 254B.03, subdivision 1, is amended to read:

114.26 Subdivision 1. ~~Local agency duties~~ **Financial eligibility determinations.** (a) ~~Every~~
114.27 ~~local agency~~ The commissioner of human services or Tribal Nation servicing agencies must
114.28 determine financial eligibility for substance use disorder services and provide substance
114.29 use disorder services to persons residing within its jurisdiction who meet criteria established
114.30 by the commissioner. Substance use disorder money must be administered by the local

115.1 agencies according to law and rules adopted by the commissioner under sections 14.001 to
115.2 14.69.

115.3 (b) In order to contain costs, the commissioner of human services shall select eligible
115.4 vendors of substance use disorder services who can provide economical and appropriate
115.5 treatment. ~~Unless the local agency is a social services department directly administered by~~
115.6 ~~a county or human services board, the local agency shall not be an eligible vendor under~~
115.7 ~~section 254B.05.~~ The commissioner may approve proposals from county boards to provide
115.8 services in an economical manner or to control utilization, with safeguards to ensure that
115.9 necessary services are provided. If a county implements a demonstration or experimental
115.10 medical services funding plan, the commissioner shall transfer the money as appropriate.

115.11 (c) An individual may choose to obtain a comprehensive assessment as provided in
115.12 section 245G.05. Individuals obtaining a comprehensive assessment may access any enrolled
115.13 provider that is licensed to provide the level of service authorized pursuant to section
115.14 254A.19, subdivision 3. If the individual is enrolled in a prepaid health plan, the individual
115.15 must comply with any provider network requirements or limitations.

115.16 ~~(d) Beginning July 1, 2022, local agencies shall not make placement location~~
115.17 ~~determinations.~~

115.18 **EFFECTIVE DATE.** This section is effective July 1, 2026.

115.19 Sec. 36. Minnesota Statutes 2024, section 254B.03, subdivision 3, is amended to read:

115.20 Subd. 3. ~~Local agencies~~ **Counties** to pay state for county share. ~~Local agencies~~
115.21 **Counties** shall pay the state for the county share of the services authorized by the ~~local~~
115.22 ~~agency commissioner~~, except when the payment is made according to section 254B.09,
115.23 subdivision 8.

115.24 **EFFECTIVE DATE.** This section is effective July 1, 2026.

115.25 Sec. 37. Minnesota Statutes 2024, section 254B.03, subdivision 4, is amended to read:

115.26 Subd. 4. **Division of costs.** (a) Except for services provided by a county under section
115.27 254B.09, subdivision 1, or services provided under section 256B.69, the county shall, out
115.28 of local money, pay the state for ~~22.95~~ 50 percent of the cost of substance use disorder
115.29 services, except for ~~those~~ individuals living in carceral settings. The county shall pay the
115.30 state 22.95 percent of the cost of substance use disorder services for individuals in carceral
115.31 settings. Services provided to persons enrolled in medical assistance under chapter 256B
115.32 and room and board services under section 254B.05, subdivision 5, paragraph (b), are

116.1 exempted from county contributions. Counties may use the indigent hospitalization levy
116.2 for treatment and hospital payments made under this section.

116.3 (b) ~~22.95~~ 50 percent of any state collections from private or third-party pay, less 15
116.4 percent for the cost of payment and collections, must be distributed to the county that paid
116.5 for a portion of the treatment under this section.

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

116.7 Sec. 38. Minnesota Statutes 2024, section 254B.04, subdivision 1a, is amended to read:

116.8 Subd. 1a. **Client eligibility.** (a) Persons eligible for benefits under Code of Federal
116.9 Regulations, title 25, part 20, who meet the income standards of section 256B.056,
116.10 subdivision 4, and are not enrolled in medical assistance, are entitled to behavioral health
116.11 fund services. State money appropriated for this paragraph must be placed in a separate
116.12 account established for this purpose.

116.13 (b) Persons with dependent children who are determined to be in need of substance use
116.14 disorder treatment pursuant to an assessment under section 260E.20, subdivision 1, or in
116.15 need of chemical dependency treatment pursuant to a case plan under section 260C.201,
116.16 subdivision 6, or 260C.212, shall be assisted by the ~~local agency~~ commissioner to access
116.17 needed treatment services. Treatment services must be appropriate for the individual or
116.18 family, which may include long-term care treatment or treatment in a facility that allows
116.19 the dependent children to stay in the treatment facility. The county shall pay for out-of-home
116.20 placement costs, if applicable.

116.21 (c) Notwithstanding paragraph (a), any person enrolled in medical assistance or
116.22 MinnesotaCare is eligible for room and board services under section 254B.05, subdivision
116.23 5, paragraph (b), clause (9).

116.24 (d) A client is eligible to have substance use disorder treatment paid for with funds from
116.25 the behavioral health fund when the client:

116.26 (1) is eligible for MFIP as determined under chapter 142G;

116.27 (2) is eligible for medical assistance as determined under Minnesota Rules, parts
116.28 9505.0010 to ~~9505.0150~~ 9505.140;

116.29 (3) is eligible for general assistance, general assistance medical care, or work readiness
116.30 as determined under Minnesota Rules, parts 9500.1200 to ~~9500.1318~~ 9500.1272; or

116.31 (4) has income that is within current household size and income guidelines for entitled
116.32 persons, as defined in this subdivision and subdivision 7.

117.1 (e) Clients who meet the financial eligibility requirement in paragraph (a) and who have
117.2 a third-party payment source are eligible for the behavioral health fund if the third-party
117.3 payment source pays less than 100 percent of the cost of treatment services for eligible
117.4 clients.

117.5 (f) A client is ineligible to have substance use disorder treatment services paid for with
117.6 behavioral health fund money if the client:

117.7 (1) has an income that exceeds current household size and income guidelines for entitled
117.8 persons as defined in this subdivision and subdivision 7; or

117.9 (2) has an available third-party payment source that will pay the total cost of the client's
117.10 treatment.

117.11 (g) A client who is disenrolled from a state prepaid health plan during a treatment episode
117.12 is eligible for continued treatment service that is paid for by the behavioral health fund until
117.13 the treatment episode is completed or the client is re-enrolled in a state prepaid health plan
117.14 if the client:

117.15 (1) continues to be enrolled in MinnesotaCare, medical assistance, or general assistance
117.16 medical care; or

117.17 (2) is eligible according to paragraphs (a) and (b) and is determined eligible by a local
117.18 agency the commissioner under section 254B.04.

117.19 (h) When a county commits a client under chapter 253B to a regional treatment center
117.20 for substance use disorder services and the client is ineligible for the behavioral health fund,
117.21 the county is responsible for the payment to the regional treatment center according to
117.22 section 254B.05, subdivision 4.

117.23 (i) Persons enrolled in MinnesotaCare are eligible for room and board services when
117.24 provided through intensive residential treatment services and residential crisis services under
117.25 section 256B.0622.

117.26 (j) A person is eligible for one 60-consecutive-calendar-day period per year. A person
117.27 may submit a request for additional eligibility to the commissioner. A person denied
117.28 additional eligibility under this paragraph may request a state agency hearing under section
117.29 256.045.

117.30 **EFFECTIVE DATE.** Paragraph (d) is effective July 1, 2025. Paragraphs (b), (g), and
117.31 (j) are effective July 1, 2026.

118.1 Sec. 39. Minnesota Statutes 2024, section 254B.04, subdivision 5, is amended to read:

118.2 Subd. 5. **Local agency Commissioner responsibility to provide administrative**
118.3 **services.** The ~~local agency commissioner of human services~~ may employ individuals to
118.4 conduct administrative activities and facilitate access to substance use disorder treatment
118.5 services.

118.6 **EFFECTIVE DATE.** This section is effective July 1, 2026.

118.7 Sec. 40. Minnesota Statutes 2024, section 254B.04, subdivision 6, is amended to read:

118.8 Subd. 6. **Local agency Commissioner to determine client financial eligibility.** (a)
118.9 The ~~local agency commissioner~~ shall determine a client's financial eligibility for the
118.10 behavioral health fund according to section 254B.04, subdivision 1a, with the income
118.11 calculated prospectively for one year from the date of request. The ~~local agency commissioner~~
118.12 shall pay for eligible clients according to chapter 256G. Client eligibility must be determined
118.13 using only forms prescribed by the commissioner ~~unless the local agency has a reasonable~~
118.14 ~~basis for believing that the information submitted on a form is false.~~ To determine a client's
118.15 eligibility, the ~~local agency commissioner~~ must determine the client's income, the size of
118.16 the client's household, the availability of a third-party payment source, and a responsible
118.17 relative's ability to pay for the client's substance use disorder treatment.

118.18 (b) A client who is a minor child must not be deemed to have income available to pay
118.19 for substance use disorder treatment, unless the minor child is responsible for payment under
118.20 section 144.347 for substance use disorder treatment services sought under section 144.343,
118.21 subdivision 1.

118.22 (c) The ~~local agency commissioner~~ must determine the client's household size as follows:

118.23 (1) if the client is a minor child, the household size includes the following persons living
118.24 in the same dwelling unit:

118.25 (i) the client;

118.26 (ii) the client's birth or adoptive parents; and

118.27 (iii) the client's siblings who are minors; and

118.28 (2) if the client is an adult, the household size includes the following persons living in
118.29 the same dwelling unit:

118.30 (i) the client;

118.31 (ii) the client's spouse;

119.1 (iii) the client's minor children; and

119.2 (iv) the client's spouse's minor children.

119.3 For purposes of this paragraph, household size includes a person listed in clauses (1) and
119.4 (2) who is in an out-of-home placement if a person listed in clause (1) or (2) is contributing
119.5 to the cost of care of the person in out-of-home placement.

119.6 (d) The ~~local agency~~ commissioner must determine the client's current prepaid health
119.7 plan enrollment, the availability of a third-party payment source, including the availability
119.8 of total payment, partial payment, and amount of co-payment.

119.9 ~~(e) The local agency must provide the required eligibility information to the department~~
119.10 ~~in the manner specified by the department.~~

119.11 ~~(f)~~ (e) The ~~local agency~~ commissioner shall require the client and policyholder to
119.12 conditionally assign to the department the client and policyholder's rights and the rights of
119.13 minor children to benefits or services provided to the client if the department is required to
119.14 collect from a third-party pay source.

119.15 ~~(g)~~ (f) The ~~local agency~~ commissioner must ~~redetermine~~ determine a client's eligibility
119.16 for the behavioral health fund ~~every 12 months~~ for a 60-consecutive-calendar-day period
119.17 per calendar year.

119.18 ~~(h)~~ (g) A client, responsible relative, and policyholder must provide income or wage
119.19 verification, household size verification, and must make an assignment of third-party payment
119.20 rights under paragraph ~~(f)~~ (e). If a client, responsible relative, or policyholder does not
119.21 comply with the provisions of this subdivision, the client is ineligible for behavioral health
119.22 fund payment for substance use disorder treatment, and the client and responsible relative
119.23 must be obligated to pay for the full cost of substance use disorder treatment services
119.24 provided to the client.

119.25 **EFFECTIVE DATE.** This section is effective July 1, 2026.

119.26 Sec. 41. Minnesota Statutes 2024, section 254B.04, subdivision 6a, is amended to read:

119.27 Subd. 6a. **Span of eligibility.** The ~~local agency~~ commissioner must enter the financial
119.28 eligibility span within five business days of a request. If the comprehensive assessment is
119.29 completed within the timelines required under chapter 245G, then the span of eligibility
119.30 must begin on the date services were initiated. If the comprehensive assessment is not
119.31 completed within the timelines required under chapter 245G, then the span of eligibility
119.32 must begin on the date the comprehensive assessment was completed.

120.1 **EFFECTIVE DATE.** This section is effective July 1, 2026.

120.2 Sec. 42. Minnesota Statutes 2024, section 254B.05, subdivision 1, is amended to read:

120.3 Subdivision 1. **Licensure or certification required.** (a) Programs licensed by the
120.4 commissioner are eligible vendors. Hospitals may apply for and receive licenses to be
120.5 eligible vendors, notwithstanding the provisions of section 245A.03. American Indian
120.6 programs that provide substance use disorder treatment, extended care, transitional residence,
120.7 or outpatient treatment services, and are licensed by tribal government are eligible vendors.

120.8 (b) A licensed professional in private practice as defined in section 245G.01, subdivision
120.9 17, who meets the requirements of section 245G.11, subdivisions 1 and 4, is an eligible
120.10 vendor of a comprehensive assessment provided according to section 254A.19, subdivision
120.11 3, and treatment services provided according to sections 245G.06 and 245G.07, ~~subdivision~~
120.12 ~~1, paragraphs (a), clauses (1) to (5), and (b); and subdivision 2, clauses (1) to (6); subdivisions~~
120.13 1, 1a, and 1b.

120.14 (c) A county is an eligible vendor for a comprehensive assessment when provided by
120.15 an individual who meets the staffing credentials of section 245G.11, subdivisions 1 and 5,
120.16 and completed according to the requirements of section 254A.19, subdivision 3. A county
120.17 is an eligible vendor of ~~care~~ treatment coordination services when provided by an individual
120.18 who meets the staffing credentials of section 245G.11, subdivisions 1 and 7, and provided
120.19 according to the requirements of section 245G.07, subdivision 1, ~~paragraph (a), clause (5).~~
120.20 1b. A county is an eligible vendor of peer recovery services when the services are provided
120.21 by an individual who meets the requirements of section 245G.11, subdivision 8, and
120.22 according to section 254B.052.

120.23 (d) A recovery community organization that meets the requirements of clauses (1) to
120.24 (14), complies with the training requirements in section 254B.052, subdivision 4, and meets
120.25 certification or accreditation requirements of the Alliance for Recovery Centered
120.26 Organizations, the Council on Accreditation of Peer Recovery Support Services, or a
120.27 Minnesota statewide recovery organization identified by the commissioner is an eligible
120.28 vendor of peer recovery support services. A Minnesota statewide recovery organization
120.29 identified by the commissioner must update recovery community organization applicants
120.30 for certification or accreditation on the status of the application within 45 days of receipt.
120.31 If the approved statewide recovery organization denies an application, it must provide a
120.32 written explanation for the denial to the recovery community organization. Eligible vendors
120.33 under this paragraph must:

121.1 (1) be nonprofit organizations under section 501(c)(3) of the Internal Revenue Code, be
121.2 free from conflicting self-interests, and be autonomous in decision-making, program
121.3 development, peer recovery support services provided, and advocacy efforts for the purpose
121.4 of supporting the recovery community organization's mission;

121.5 (2) be led and governed by individuals in the recovery community, with more than 50
121.6 percent of the board of directors or advisory board members self-identifying as people in
121.7 personal recovery from substance use disorders;

121.8 (3) have a mission statement and conduct corresponding activities indicating that the
121.9 organization's primary purpose is to support recovery from substance use disorder;

121.10 (4) demonstrate ongoing community engagement with the identified primary region and
121.11 population served by the organization, including individuals in recovery and their families,
121.12 friends, and recovery allies;

121.13 (5) be accountable to the recovery community through documented priority-setting and
121.14 participatory decision-making processes that promote the engagement of, and consultation
121.15 with, people in recovery and their families, friends, and recovery allies;

121.16 (6) provide nonclinical peer recovery support services, including but not limited to
121.17 recovery support groups, recovery coaching, telephone recovery support, skill-building,
121.18 and harm-reduction activities, and provide recovery public education and advocacy;

121.19 (7) have written policies that allow for and support opportunities for all paths toward
121.20 recovery and refrain from excluding anyone based on their chosen recovery path, which
121.21 may include but is not limited to harm reduction paths, faith-based paths, and nonfaith-based
121.22 paths;

121.23 (8) maintain organizational practices to meet the needs of Black, Indigenous, and people
121.24 of color communities, LGBTQ+ communities, and other underrepresented or marginalized
121.25 communities. Organizational practices may include board and staff training, service offerings,
121.26 advocacy efforts, and culturally informed outreach and services;

121.27 (9) use recovery-friendly language in all media and written materials that is supportive
121.28 of and promotes recovery across diverse geographical and cultural contexts and reduces
121.29 stigma;

121.30 (10) establish and maintain a publicly available recovery community organization code
121.31 of ethics and grievance policy and procedures;

121.32 (11) not classify or treat any recovery peer hired on or after July 1, 2024, as an
121.33 independent contractor;

122.1 (12) not classify or treat any recovery peer as an independent contractor on or after
122.2 January 1, 2025;

122.3 (13) provide an orientation for recovery peers that includes an overview of the consumer
122.4 advocacy services provided by the Ombudsman for Mental Health and Developmental
122.5 Disabilities and other relevant advocacy services; and

122.6 (14) provide notice to peer recovery support services participants that includes the
122.7 following statement: "If you have a complaint about the provider or the person providing
122.8 your peer recovery support services, you may contact the Minnesota Alliance of Recovery
122.9 Community Organizations. You may also contact the Office of Ombudsman for Mental
122.10 Health and Developmental Disabilities." The statement must also include:

122.11 (i) the telephone number, website address, email address, and mailing address of the
122.12 Minnesota Alliance of Recovery Community Organizations and the Office of Ombudsman
122.13 for Mental Health and Developmental Disabilities;

122.14 (ii) the recovery community organization's name, address, email, telephone number, and
122.15 name or title of the person at the recovery community organization to whom problems or
122.16 complaints may be directed; and

122.17 (iii) a statement that the recovery community organization will not retaliate against a
122.18 peer recovery support services participant because of a complaint.

122.19 (e) A recovery community organization approved by the commissioner before June 30,
122.20 2023, must have begun the application process as required by an approved certifying or
122.21 accrediting entity and have begun the process to meet the requirements under paragraph (d)
122.22 by September 1, 2024, in order to be considered as an eligible vendor of peer recovery
122.23 support services.

122.24 (f) A recovery community organization that is aggrieved by an accreditation, certification,
122.25 or membership determination and believes it meets the requirements under paragraph (d)
122.26 may appeal the determination under section 256.045, subdivision 3, paragraph (a), clause
122.27 (14), for reconsideration as an eligible vendor. If the human services judge determines that
122.28 the recovery community organization meets the requirements under paragraph (d), the
122.29 recovery community organization is an eligible vendor of peer recovery support services.

122.30 (g) All recovery community organizations must be certified or accredited by an entity
122.31 listed in paragraph (d) by June 30, 2025.

122.32 (h) Detoxification programs licensed under Minnesota Rules, parts 9530.6510 to
122.33 9530.6590, are not eligible vendors. Programs that are not licensed as a residential or

123.1 nonresidential substance use disorder treatment or withdrawal management program by the
123.2 commissioner or by tribal government or do not meet the requirements of subdivisions 1a
123.3 and 1b are not eligible vendors.

123.4 (i) Hospitals, federally qualified health centers, and rural health clinics are eligible
123.5 vendors of a comprehensive assessment when the comprehensive assessment is completed
123.6 according to section 254A.19, subdivision 3, and by an individual who meets the criteria
123.7 of an alcohol and drug counselor according to section 245G.11, subdivision 5. The alcohol
123.8 and drug counselor must be individually enrolled with the commissioner and reported on
123.9 the claim as the individual who provided the service.

123.10 (j) Any complaints about a recovery community organization or peer recovery support
123.11 services may be made to and reviewed or investigated by the ombudsperson for behavioral
123.12 health and developmental disabilities under sections 245.91 and 245.94.

123.13 **EFFECTIVE DATE.** This section is effective July 1, 2026, or upon federal approval,
123.14 whichever is later. The commissioner of human services shall notify the revisor of statutes
123.15 when federal approval is obtained.

123.16 Sec. 43. Minnesota Statutes 2024, section 254B.05, subdivision 1a, is amended to read:

123.17 Subd. 1a. **Room and board provider requirements.** (a) Vendors of room and board
123.18 are eligible for behavioral health fund payment if the vendor:

123.19 (1) has rules prohibiting residents bringing chemicals into the facility or using chemicals
123.20 while residing in the facility and provide consequences for infractions of those rules;

123.21 (2) is determined to meet applicable health and safety requirements;

123.22 (3) is not a jail or prison;

123.23 (4) is not concurrently receiving funds under chapter 256I for the recipient;

123.24 (5) admits individuals who are 18 years of age or older;

123.25 (6) is registered as a board and lodging or lodging establishment according to section
123.26 157.17;

123.27 (7) has awake staff on site whenever a client is present;

123.28 (8) has staff who are at least 18 years of age and meet the requirements of section
123.29 245G.11, subdivision 1, paragraph (b);

123.30 (9) has emergency behavioral procedures that meet the requirements of section 245G.16;

124.1 (10) meets the requirements of section 245G.08, subdivision 5, if administering
124.2 medications to clients;

124.3 (11) meets the abuse prevention requirements of section 245A.65, including a policy on
124.4 fraternization and the mandatory reporting requirements of section 626.557;

124.5 (12) documents coordination with the treatment provider to ensure compliance with
124.6 section 254B.03, subdivision 2;

124.7 (13) protects client funds and ensures freedom from exploitation by meeting the
124.8 provisions of section 245A.04, subdivision 13;

124.9 (14) has a grievance procedure that meets the requirements of section 245G.15,
124.10 subdivision 2; and

124.11 (15) has sleeping and bathroom facilities for men and women separated by a door that
124.12 is locked, has an alarm, or is supervised by awake staff.

124.13 (b) Programs licensed according to Minnesota Rules, chapter 2960, are exempt from
124.14 paragraph (a), clauses (5) to (15).

124.15 (c) Programs providing children's mental health crisis admissions and stabilization under
124.16 section 245.4882, subdivision 6, are eligible vendors of room and board.

124.17 (d) Programs providing children's residential services under section 245.4882, except
124.18 services for individuals who have a placement under chapter 260C or 260D, are eligible
124.19 vendors of room and board.

124.20 (e) Licensed programs providing intensive residential treatment services or residential
124.21 crisis stabilization services pursuant to section 256B.0622 or 256B.0624 are eligible vendors
124.22 of room and board and are exempt from paragraph (a), clauses (6) to (15).

124.23 (f) A vendor that is not licensed as a residential treatment program must have a policy
124.24 to address staffing coverage when a client may unexpectedly need to be present at the room
124.25 and board site.

124.26 (g) No new vendors for room and board services may be approved after June 30, 2025,
124.27 to receive payments from the behavioral health fund, under the provisions of section 254B.04,
124.28 subdivision 2a. Room and board vendors that were approved and operating prior to July 1,
124.29 2025, may continue to receive payments from the behavioral health fund for services provided
124.30 until June 30, 2027. Room and board vendors providing services in accordance with section
124.31 254B.04, subdivision 2a, will no longer be eligible to claim reimbursement for room and
124.32 board services provided on or after July 1, 2027.

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

125.2 Sec. 44. Minnesota Statutes 2024, section 254B.05, subdivision 5, is amended to read:

125.3 Subd. 5. **Rate requirements.** (a) Subject to the requirements of subdivision 6, the
125.4 commissioner shall establish rates for the following substance use disorder treatment services
125.5 ~~and service enhancements~~ funded under this chapter.:

125.6 ~~(b) Eligible substance use disorder treatment services include:~~

125.7 (1) those licensed, as applicable, according to chapter 245G or applicable Tribal license
125.8 and provided according to the following ASAM levels of care:

125.9 (i) ASAM level 0.5 early intervention services provided according to section 254B.19,
125.10 subdivision 1, clause (1);

125.11 (ii) ASAM level 1.0 outpatient services provided according to section 254B.19,
125.12 subdivision 1, clause (2);

125.13 (iii) ASAM level 2.1 intensive outpatient services provided according to section 254B.19,
125.14 subdivision 1, clause (3);

125.15 (iv) ASAM level 2.5 partial hospitalization services provided according to section
125.16 254B.19, subdivision 1, clause (4);

125.17 (v) ASAM level 3.1 clinically managed low-intensity residential services provided
125.18 according to section 254B.19, subdivision 1, clause (5). ~~The commissioner shall use the~~
125.19 ~~base payment rate of \$79.84 per day for services provided under this item;~~

125.20 (vi) ASAM level 3.1 clinically managed low-intensity residential services provided
125.21 according to section 254B.19, subdivision 1, clause (5), at 15 or more hours of skilled
125.22 treatment services each week. ~~The commissioner shall use the base payment rate of \$166.13~~
125.23 ~~per day for services provided under this item;~~

125.24 (vii) ASAM level 3.3 clinically managed population-specific high-intensity residential
125.25 services provided according to section 254B.19, subdivision 1, clause (6). ~~The commissioner~~
125.26 ~~shall use the specified base payment rate of \$224.06 per day for services provided under~~
125.27 ~~this item; and~~

125.28 (viii) ASAM level 3.5 clinically managed high-intensity residential services provided
125.29 according to section 254B.19, subdivision 1, clause (7). ~~The commissioner shall use the~~
125.30 ~~specified base payment rate of \$224.06 per day for services provided under this item;~~

125.31 (2) comprehensive assessments provided according to section 254A.19, subdivision 3;

126.1 (3) treatment coordination services provided according to section 245G.07, subdivision
126.2 1, paragraph (a), clause (5);

126.3 (4) peer recovery support services provided according to section 245G.07, subdivision
126.4 ~~2~~ 2a, paragraph (b), clause ~~(8)~~(2);

126.5 (5) withdrawal management services provided according to chapter 245F;

126.6 (6) hospital-based treatment services that are licensed according to sections 245G.01 to
126.7 245G.17 or applicable Tribal license and licensed as a hospital under sections 144.50 to
126.8 144.56;

126.9 (7) substance use disorder treatment services with medications for opioid use disorder
126.10 provided in an opioid treatment program licensed according to sections 245G.01 to 245G.17
126.11 and 245G.22, or under an applicable Tribal license;

126.12 (8) medium-intensity residential treatment services that provide 15 hours of skilled
126.13 treatment services each week and are licensed according to sections 245G.01 to 245G.17
126.14 and 245G.21 or applicable Tribal license;

126.15 (9) adolescent treatment programs that are licensed as outpatient treatment programs
126.16 according to sections 245G.01 to 245G.18 or as residential treatment programs according
126.17 to Minnesota Rules, parts 2960.0010 to 2960.0220, and 2960.0430 to 2960.0490, or
126.18 applicable Tribal license;

126.19 (10) ASAM 3.5 clinically managed high-intensity residential services that are licensed
126.20 according to sections 245G.01 to 245G.17 and 245G.21 or applicable Tribal license, which
126.21 provide ASAM level of care 3.5 according to section 254B.19, subdivision 1, clause (7),
126.22 and are provided by a state-operated vendor or to clients who have been civilly committed
126.23 to the commissioner, present the most complex and difficult care needs, and are a potential
126.24 threat to the community; and

126.25 (11) room and board facilities that meet the requirements of subdivision 1a.

126.26 ~~(e)~~ (b) The commissioner shall establish higher rates for programs that meet the
126.27 requirements of paragraph ~~(b)~~ (a) and ~~one of the following additional requirements: the~~
126.28 requirements of one clause in this paragraph.

126.29 (1) Programs that serve parents with their children are eligible for an enhanced payment
126.30 rate if the program:

126.31 (i) provides on-site child care during the hours of treatment activity that:

127.1 (A) is licensed under chapter 245A as a child care center under Minnesota Rules, chapter
127.2 9503; or

127.3 (B) is licensed under chapter 245A and sections 245G.01 to 245G.19; or

127.4 (ii) arranges for off-site child care during hours of treatment activity at a facility that is
127.5 licensed under chapter 245A as:

127.6 (A) a child care center under Minnesota Rules, chapter 9503; or

127.7 (B) a family child care home under Minnesota Rules, chapter 9502;

127.8 In order to be eligible for a higher rate under this clause, a program that provides
127.9 arrangements for off-site child care must maintain current documentation at the substance
127.10 use disorder facility of the child care provider's current licensure to provide child care
127.11 services.

127.12 (2) Culturally specific or culturally responsive programs as defined in section 254B.01,
127.13 subdivision 4a, are eligible for an enhanced payment rate.

127.14 (3) Disability responsive programs as defined in section 254B.01, subdivision 4b, are
127.15 eligible for an enhanced payment rate.

127.16 (4) Programs that offer medical services delivered by appropriately credentialed health
127.17 care staff in an amount equal to one hour per client per week are eligible for an enhanced
127.18 payment rate if the medical needs of the client and the nature and provision of any medical
127.19 services provided are documented in the client file; ~~or.~~

127.20 (5) Programs that offer services to individuals with co-occurring mental health and
127.21 substance use disorder problems are eligible for an enhanced payment rate if:

127.22 (i) the program meets the co-occurring requirements in section 245G.20;

127.23 (ii) the program employs a mental health professional as defined in section 245I.04,
127.24 subdivision 2;

127.25 (iii) clients scoring positive on a standardized mental health screen receive a mental
127.26 health diagnostic assessment within ten days of admission;

127.27 (iv) the program has standards for multidisciplinary case review that include a monthly
127.28 review for each client that, at a minimum, includes a licensed mental health professional
127.29 and licensed alcohol and drug counselor, and their involvement in the review is documented;

127.30 (v) family education is offered that addresses mental health and substance use disorder
127.31 and the interaction between the two; and

128.1 (vi) co-occurring counseling staff shall receive eight hours of co-occurring disorder
128.2 training annually.

128.3 ~~(d) In order to be eligible for a higher rate under paragraph (c), clause (1), a program~~
128.4 ~~that provides arrangements for off-site child care must maintain current documentation at~~
128.5 ~~the substance use disorder facility of the child care provider's current licensure to provide~~
128.6 ~~child care services.~~

128.7 (e) Adolescent residential programs that meet the requirements of Minnesota Rules, parts
128.8 2960.0430 to 2960.0490 and 2960.0580 to 2960.0690, are exempt from the requirements
128.9 in ~~paragraph (c), clause (5)~~; items (i) to (iv).

128.10 ~~(f)~~ (c) Substance use disorder services that are otherwise covered as direct face-to-face
128.11 services may be provided via telehealth as defined in section 256B.0625, subdivision 3b.
128.12 The use of telehealth to deliver services must be medically appropriate to the condition and
128.13 needs of the person being served. Reimbursement shall be at the same rates and under the
128.14 same conditions that would otherwise apply to direct face-to-face services.

128.15 ~~(g)~~ (d) For the purpose of reimbursement under this section, substance use disorder
128.16 treatment services provided in a group setting without a group participant maximum or
128.17 maximum client to staff ratio under chapter 245G shall not exceed a client to staff ratio of
128.18 48 to one. At least one of the attending staff must meet the qualifications as established
128.19 under this chapter for the type of treatment service provided. A recovery peer may not be
128.20 included as part of the staff ratio.

128.21 ~~(h)~~ (e) Payment for outpatient substance use disorder services that are licensed according
128.22 to sections 245G.01 to 245G.17 is limited to six hours per day or 30 hours per week unless
128.23 prior authorization of a greater number of hours is obtained from the commissioner.

128.24 ~~(i)~~ (f) Payment for substance use disorder services under this section must start from the
128.25 day of service initiation, when the comprehensive assessment is completed within the
128.26 required timelines.

128.27 ~~(j)~~ (g) A license holder that is unable to provide all residential treatment services because
128.28 a client missed services remains eligible to bill for the client's intensity level of services
128.29 under this paragraph if the license holder can document the reason the client missed services
128.30 and the interventions done to address the client's absence.

128.31 ~~(k)~~ (h) Hours in a treatment week may be reduced in observance of federally recognized
128.32 holidays.

128.33 ~~(l)~~ (i) Eligible vendors of peer recovery support services must:

129.1 (1) submit to a review by the commissioner of up to ten percent of all medical assistance
129.2 and behavioral health fund claims to determine the medical necessity of peer recovery
129.3 support services for entities billing for peer recovery support services individually and not
129.4 receiving a daily rate; and

129.5 (2) limit an individual client to 14 hours per week for peer recovery support services
129.6 from an individual provider of peer recovery support services.

129.7 ~~(m)~~ (j) Peer recovery support services not provided in accordance with section 254B.052
129.8 are subject to monetary recovery under section 256B.064 as money improperly paid.

129.9 Sec. 45. Minnesota Statutes 2024, section 254B.05, is amended by adding a subdivision
129.10 to read:

129.11 Subd. 6. **Rate adjustments.** (a) Effective for services provided on or after January 1,
129.12 2026, the commissioner must implement the following base payment rates for substance
129.13 use disorder treatment services under subdivision 5, paragraph (a):

129.14 (1) for low-intensity residential services, 100 percent of the modeled rate included in
129.15 the final report required by Laws 2021, First Special Session chapter 7, article 17, section
129.16 18;

129.17 (2) for high-intensity residential services, the rates in effect on December 31, 2025; and

129.18 (3) for all other services not included in clause (1) or (2), 72 percent of the modeled rate
129.19 included in the final report required by Laws 2021, First Special Session chapter 7, article
129.20 17, section 18.

129.21 (b) Effective January 1, 2027, and annually thereafter, the commissioner of human
129.22 services must adjust the payment rates under paragraph (a) according to the change from
129.23 the midpoint of the previous rate year to the midpoint of the rate year for which the rate is
129.24 being determined using the Centers for Medicare and Medicaid Services Medicare Economic
129.25 Index as forecasted in the fourth quarter of the calendar year before the rate year.

129.26 (c) Notwithstanding paragraph (a), the commissioner must not implement a base payment
129.27 rate for a substance use disorder treatment service that is lower than the rate in effect for
129.28 the service on December 31, 2025.

130.1 Sec. 46. Minnesota Statutes 2024, section 254B.052, is amended by adding a subdivision
130.2 to read:

130.3 Subd. 4. **Recovery community organization vendor compliance training.** (a) Effective
130.4 January 1, 2027, in order to enroll as an eligible vendor of peer recovery support services,
130.5 a recovery community organization must require all owners active in day-to-day management
130.6 and operations of the organization and managerial and supervisory employees to complete
130.7 compliance training before applying for enrollment and every three years thereafter.
130.8 Mandatory compliance training format and content must be determined by the commissioner,
130.9 and must include the following topics:

130.10 (1) state and federal program billing, documentation, and service delivery requirements;

130.11 (2) eligible vendor enrollment requirements;

130.12 (3) provider program integrity, including fraud prevention, fraud detection, and penalties;

130.13 (4) fair labor standards;

130.14 (5) workplace safety requirements; and

130.15 (6) recent changes in service requirements.

130.16 (b) Any new owners active in day-to-day management and operations of the organization
130.17 and managerial and supervisory employees must complete the training under this subdivision
130.18 in order to be employed by or conduct management and operations activities for the
130.19 organization. If the individual moves to another recovery community organization and
130.20 serves in a similar ownership or employment capacity, the individual is not required to
130.21 repeat the training required under this subdivision if the individual documents completion
130.22 of the training within the past three years.

130.23 (c) By July 1, 2026, the commissioner must make the training required under this
130.24 subdivision available in person, online, or by electronic remote connection.

130.25 (d) A recovery community organization enrolled as an eligible vendor before January
130.26 1, 2027, must document completion of the compliance training as required under this
130.27 subdivision by January 1, 2028, and every three years thereafter.

130.28 Sec. 47. Minnesota Statutes 2024, section 254B.06, subdivision 2, is amended to read:

130.29 Subd. 2. **Allocation of collections.** The commissioner shall allocate ~~77.05~~ 50 percent
130.30 of patient payments and third-party payments to the special revenue account and ~~22.95~~ 50
130.31 percent to the county financially responsible for the patient.

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

131.2 Sec. 48. Minnesota Statutes 2024, section 254B.09, subdivision 2, is amended to read:

131.3 Subd. 2. **American Indian agreements.** The commissioner may enter into agreements
131.4 with federally recognized Tribal units to pay for substance use disorder treatment services
131.5 provided under Laws 1986, chapter 394, sections 8 to 20. The agreements must clarify how
131.6 the governing body of the Tribal unit fulfills ~~local agency~~ the Tribal unit's responsibilities
131.7 regarding the form and manner of invoicing.

131.8 **EFFECTIVE DATE.** This section is effective July 1, 2026.

131.9 Sec. 49. Minnesota Statutes 2024, section 254B.19, subdivision 1, is amended to read:

131.10 Subdivision 1. **Level of care requirements.** (a) For each client assigned an ASAM level
131.11 of care, eligible vendors must implement the standards set by the ASAM for the respective
131.12 level of care. Additionally, vendors must meet the following requirements:

131.13 (1) For ASAM level 0.5 early intervention targeting individuals who are at risk of
131.14 developing a substance-related problem but may not have a diagnosed substance use disorder,
131.15 early intervention services may include individual or group counseling, treatment
131.16 coordination, peer recovery support, screening brief intervention, and referral to treatment
131.17 provided according to section 254A.03, subdivision 3, paragraph (c).

131.18 (2) For ASAM level 1.0 outpatient clients, adults must receive up to eight hours per
131.19 week of ~~skilled~~ psychosocial treatment services and adolescents must receive up to five
131.20 hours per week. Services must be licensed according to section 245G.20 and meet
131.21 requirements under section 256B.0759. ~~Peer recovery~~ Ancillary services and treatment
131.22 coordination may be provided beyond the hourly ~~skilled~~ psychosocial treatment service
131.23 hours allowable per week.

131.24 (3) For ASAM level 2.1 intensive outpatient clients, adults must receive nine to 19 hours
131.25 per week of ~~skilled~~ psychosocial treatment services and adolescents must receive six or
131.26 more hours per week. Vendors must be licensed according to section 245G.20 and must
131.27 meet requirements under section 256B.0759. ~~Peer recovery~~ Ancillary services and treatment
131.28 coordination may be provided beyond the hourly ~~skilled~~ psychosocial treatment service
131.29 hours allowable per week. If clinically indicated on the client's treatment plan, this service
131.30 may be provided in conjunction with room and board according to section 254B.05,
131.31 subdivision 1a.

(4) For ASAM level 2.5 partial hospitalization clients, adults must receive 20 hours or more of ~~skilled~~ psychosocial treatment services. Services must be licensed according to section 245G.20 ~~and must meet requirements under section 256B.0759~~. Level 2.5 is for clients who need daily monitoring in a structured setting, as directed by the individual treatment plan and in accordance with the limitations in section 254B.05, subdivision 5, paragraph (h). If clinically indicated on the client's treatment plan, this service may be provided in conjunction with room and board according to section 254B.05, subdivision 1a.

(5) For ASAM level 3.1 clinically managed low-intensity residential clients, programs must provide at least 5 hours of ~~skilled~~ psychosocial treatment services per week according to each client's specific treatment schedule, as directed by the individual treatment plan. Programs must be licensed according to section 245G.20 and must meet requirements under section 256B.0759.

(6) For ASAM level 3.3 clinically managed population-specific high-intensity residential clients, programs must be licensed according to section 245G.20 and must meet requirements under section 256B.0759. Programs must have 24-hour staffing coverage. Programs must be enrolled as a disability responsive program as described in section 254B.01, subdivision 4b, and must specialize in serving persons with a traumatic brain injury or a cognitive impairment so significant, and the resulting level of impairment so great, that outpatient or other levels of residential care would not be feasible or effective. Programs must provide, at a minimum, daily ~~skilled~~ psychosocial treatment services seven days a week according to each client's specific treatment schedule, as directed by the individual treatment plan.

(7) For ASAM level 3.5 clinically managed high-intensity residential clients, services must be licensed according to section 245G.20 and must meet requirements under section 256B.0759. Programs must have 24-hour staffing coverage and provide, at a minimum, daily ~~skilled~~ psychosocial treatment services seven days a week according to each client's specific treatment schedule, as directed by the individual treatment plan.

(8) For ASAM level withdrawal management 3.2 clinically managed clients, withdrawal management must be provided according to chapter 245F.

(9) For ASAM level withdrawal management 3.7 medically monitored clients, withdrawal management must be provided according to chapter 245F.

(b) Notwithstanding the minimum daily ~~skilled~~ psychosocial treatment service requirements under paragraph (a), clauses (6) and (7), ASAM level 3.3 and 3.5 vendors

133.1 must provide each client at least 30 hours of treatment services per week for the period
133.2 between January 1, 2024, through June 30, 2024.

133.3 **EFFECTIVE DATE.** This section is effective July 1, 2026, or upon federal approval,
133.4 whichever is later. The commissioner of human services shall notify the revisor of statutes
133.5 when federal approval is obtained.

133.6 Sec. 50. **[254B.21] DEFINITIONS.**

133.7 Subdivision 1. **Scope.** For the purposes of sections 254B.21 to 254B.216, the following
133.8 terms have the meanings given.

133.9 Subd. 2. **Applicant.** "Applicant" means any individual, organization, or entity who has
133.10 applied for certification of a recovery residence.

133.11 Subd. 3. **Certified recovery residence.** "Certified recovery residence" means a recovery
133.12 residence that has completed the application process and been approved for certification by
133.13 the commissioner.

133.14 Subd. 4. **Co-occurring disorders.** "Co-occurring disorders" means a diagnosis of both
133.15 a substance use disorder and a mental health disorder.

133.16 Subd. 5. **Operator.** "Operator" means the lawful owner or lessee of a recovery residence
133.17 or a person employed and designated by the owner or lessee of the recovery residence to
133.18 have primary responsibility for oversight of the recovery residence, including but not limited
133.19 to hiring and termination of recovery residence staff, recovery residence maintenance, and
133.20 responding to complaints being investigated by the commissioner.

133.21 Subd. 6. **Recovery residence.** "Recovery residence" means a type of community residence
133.22 that provides a safe, healthy, family-like, substance-free living environment that supports
133.23 individuals in recovery from substance use disorder.

133.24 Subd. 7. **Recovery residence registry.** "Recovery residence registry" means the list of
133.25 certified recovery residences maintained by the commissioner.

133.26 Subd. 8. **Resident.** "Resident" means an individual who resides in a recovery residence.

133.27 Subd. 9. **Staff.** "Staff" means employees, contractors, or volunteers who provide
133.28 monitoring, assistance, or other services for the use and benefit of a recovery residence and
133.29 the residence's residents.

133.30 Subd. 10. **Substance free.** "Substance free" means being free from the use of alcohol,
133.31 illicit drugs, and the illicit use of prescribed drugs. This term does not prohibit medications
133.32 prescribed, dispensed, or administered by a licensed health care professional, such as

134.1 pharmacotherapies specifically approved by the United States Food and Drug Administration
134.2 (FDA) for treatment of a substance use disorder as well as other medications approved by
134.3 the FDA for the treatment of co-occurring disorders when taken as directed.

134.4 Subd. 11. **Substance use disorder.** "Substance use disorder" has the meaning given in
134.5 the most recent edition of the Diagnostic and Statistical Manual of Disorders of the American
134.6 Psychiatric Association.

134.7 **EFFECTIVE DATE.** This section is effective January 1, 2027.

134.8 Sec. 51. **[254B.211] RESIDENCE REQUIREMENTS AND RESIDENT RIGHTS.**

134.9 Subdivision 1. **Applicability.** This section is applicable to all recovery residences
134.10 regardless of certification status.

134.11 Subd. 2. **Residence requirements.** All recovery residences must:

134.12 (1) comply with applicable state laws and regulations and local ordinances related to
134.13 maximum occupancy, fire safety, and sanitation;

134.14 (2) have safety policies and procedures that, at a minimum, address:

134.15 (i) safety inspections requiring periodic verification of smoke detectors, carbon monoxide
134.16 detectors, fire extinguishers, and emergency evacuation drills;

134.17 (ii) exposure to bodily fluids and contagious disease; and

134.18 (iii) emergency procedures posted in conspicuous locations in the residence;

134.19 (3) maintain a supply of an opiate antagonist in the home, post information on proper
134.20 use, and train staff in opiate antagonist use;

134.21 (4) have written policies regarding access to all prescribed medications and storage of
134.22 medications when requested by the resident;

134.23 (5) have written policies regarding residency termination, including how length of stay
134.24 is determined and procedures in case of evictions;

134.25 (6) return all property and medications to a person discharged from the home and retain
134.26 the items for a minimum of 60 days if the person did not collect the items upon discharge.

134.27 The owner must make an effort to contact persons listed as emergency contacts for the
134.28 discharged person so that the items are returned;

134.29 (7) ensure separation of money of persons served by the program from money of the
134.30 program or program staff. The program and staff must not:

- 135.1 (i) borrow money from a person served by the program;
- 135.2 (ii) purchase personal items from a person served by the program;
- 135.3 (iii) sell merchandise or personal services to a person served by the program;
- 135.4 (iv) require a person served by the program to purchase items for which the program is
- 135.5 eligible for reimbursement; or
- 135.6 (v) use money of persons served by the program to purchase items for which the program
- 135.7 is already receiving public or private payments;
- 135.8 (8) document the names and contact information for persons to contact in case of an
- 135.9 emergency, upon discharge, or other circumstances designated by the resident, including
- 135.10 but not limited to death due to an overdose;
- 135.11 (9) maintain contact information for emergency resources in the community, including
- 135.12 but not limited to local mental health crisis services and the 988 Lifeline, to address mental
- 135.13 health and health emergencies;
- 135.14 (10) have policies on staff qualifications and a prohibition against relationships between
- 135.15 operators and residents;
- 135.16 (11) permit residents to use, as directed by a licensed prescriber, legally prescribed and
- 135.17 dispensed or administered pharmacotherapies approved by the FDA for the treatment of
- 135.18 opioid use disorder, co-occurring substance use disorders, and mental health conditions;
- 135.19 (12) have a fee schedule and refund policy;
- 135.20 (13) have rules for residents, including on prohibited items;
- 135.21 (14) have policies that promote resident participation in treatment, self-help groups, or
- 135.22 other recovery supports;
- 135.23 (15) have policies requiring abstinence from alcohol and illicit drugs on the property.
- 135.24 If the program utilizes drug screening or toxicology, the procedures must be included in the
- 135.25 program's policies;
- 135.26 (16) distribute the recovery resident bill of rights in subdivision 3, resident rules,
- 135.27 certification, and grievance process and post the documents in this clause in common areas;
- 135.28 (17) have policies and procedures on person and room searches;
- 135.29 (18) have code of ethics policies and procedures they are aligned with the NARR code
- 135.30 of ethics and document that the policies and procedures are read and signed by all those

136.1 associated with the operation of the recovery residence, including owners, operators, staff,
136.2 and volunteers;

136.3 (19) have a description of how residents are involved with the governance of the
136.4 residence, including decision-making procedures, how residents are involved in setting and
136.5 implementing rules, and the role of peer leaders, if any; and

136.6 (20) have procedures to maintain a respectful environment, including appropriate action
136.7 to stop intimidation, bullying, sexual harassment, or threatening behavior of residents, staff,
136.8 and visitors within the residence. Programs should consider trauma-informed and
136.9 resilience-promoting practices when determining action.

136.10 Subd. 3. **Resident bill of rights.** An individual living in a recovery residence has the
136.11 right to:

136.12 (1) have access to an environment that supports recovery;

136.13 (2) have access to an environment that is safe and free from alcohol and other illicit
136.14 drugs or substances;

136.15 (3) be free from physical and verbal abuse, neglect, financial exploitation, and all forms
136.16 of maltreatment covered under the Vulnerable Adults Act, sections 626.557 to 626.5572;

136.17 (4) be treated with dignity and respect and to have personal property treated with respect;

136.18 (5) have personal, financial, and medical information kept private and to be advised of
136.19 the recovery residence's policies and procedures regarding disclosure of the information;

136.20 (6) access while living in the residence to other community-based support services as
136.21 needed;

136.22 (7) be referred to appropriate services upon leaving the residence if necessary;

136.23 (8) retain personal property that does not jeopardize the safety or health of the resident
136.24 or others;

136.25 (9) assert the rights in this subdivision personally or have the rights asserted by the
136.26 individual's representative or by anyone on behalf of the individual without retaliation;

136.27 (10) be provided with the name, address, and telephone number of the ombudsman for
136.28 mental health and developmental disabilities and the commissioner and be provided with
136.29 information about the right to file a complaint;

136.30 (11) be fully informed of the rights and responsibilities in this section and program
136.31 policies and procedures; and

137.1 (12) not be required to perform services for the residence that are not included in the
137.2 usual expectations for all residents.

137.3 **EFFECTIVE DATE.** This section is effective January 1, 2027.

137.4 Sec. 52. **[254B.212] COMPLAINTS AGAINST RECOVERY RESIDENCES.**

137.5 Subdivision 1. **In general.** Any complaints about a recovery residence may be made to
137.6 and reviewed or investigated by the commissioner.

137.7 Subd. 2. **Types of complaints.** The commissioner must receive and review complaints
137.8 that concern:

137.9 (1) the health and safety of residents;

137.10 (2) management of the recovery residence, including but not limited to house
137.11 environment, financial procedures, staffing, house rules and regulations, improper handling
137.12 of resident terminations, and recovery support environment; or

137.13 (3) illegal activities or threats.

137.14 Subd. 3. **Investigation.** (a) Complaints regarding illegal activities or threats must be
137.15 immediately referred to law enforcement in the jurisdiction where the recovery residence
137.16 is located. The commissioner must continue to investigate complaints under subdivision 2,
137.17 clause (3), that have been referred to law enforcement unless law enforcement requests the
137.18 commissioner to stay the investigation.

137.19 (b) The commissioner must investigate all other types of complaints under this section
137.20 and may take any action necessary to conduct an investigation, including but not limited to
137.21 interviewing the recovery residence operator, staff, and residents and inspecting the premises.

137.22 Subd. 4. **Anonymity.** When making a complaint pursuant to this section, an individual
137.23 must disclose the individual's identity to the commissioner. Unless ordered by a court or
137.24 authorized by the complainant, the commissioner must not disclose the complainant's
137.25 identity.

137.26 Subd. 5. **Prohibition against retaliation.** A recovery residence owner, operator, director,
137.27 staff member, or resident must not be subject to retaliation, including but not limited to
137.28 interference, threats, coercion, harassment, or discrimination for making any complaint
137.29 against a recovery residence or against a recovery residence owner, operator, or chief
137.30 financial officer.

137.31 **EFFECTIVE DATE.** This section is effective January 1, 2027.

138.1 Sec. 53. **[254B.213] CERTIFICATION.**

138.2 **Subdivision 1. Voluntary certification.** The commissioner must establish and provide
138.3 for the administration of a voluntary certification program based on best practices as outlined
138.4 by the American Society for Addiction Medicine and the Substance Abuse and Mental
138.5 Health Services Administration for recovery residences seeking certification under this
138.6 section.

138.7 **Subd. 2. Application requirements.** An applicant for certification must, at a minimum,
138.8 submit the following documents on forms approved by the commissioner:

138.9 (1) if the premises for the recovery residence is leased, documentation from the owner
138.10 that the applicant has permission from the owner to operate a recovery residence on the
138.11 premises;

138.12 (2) all policies and procedures required under this chapter;

138.13 (3) copies of all forms provided to residents, including but not limited to the recovery
138.14 residence's medication, drug-testing, return-to-use, refund, and eviction or transfer policies;

138.15 (4) proof of insurance coverage necessary and, at a minimum:

138.16 (i) employee dishonesty insurance in the amount of \$10,000 if the vendor has or had
138.17 custody or control of money or property belonging to clients; and

138.18 (ii) bodily injury and property damage insurance in the amount of \$2,000,000 for each
138.19 occurrence; and

138.20 (5) proof of completed background checks for the operator and residence staff.

138.21 **Subd. 3. Inspection pursuant to application.** Upon receiving a completed application,
138.22 the commissioner must conduct an initial on-site inspection of the recovery residence to
138.23 ensure the residence is in compliance with the requirements of sections 254B.21 to 254B.216.

138.24 **Subd. 4. Certification.** The commissioner must certify a recovery residence upon
138.25 approval of the application and after the initial on-site inspection. The certification
138.26 automatically terminates three years after issuance of the certification if the commissioner
138.27 does not renew the certification. Upon certification, the commissioner must issue the recovery
138.28 residence a proof of certification.

138.29 **Subd. 5. Display of proof of certification.** A certified recovery residence must publicly
138.30 display a proof of certification in the recovery residence.

Subd. 6. **Nontransferability.** Certifications issued pursuant to this section cannot be transferred to an address other than the address in the application or to another certification holder without prior approval from the commissioner.

EFFECTIVE DATE. This section is effective January 1, 2027.

Sec. 54. **[254B.214] MONITORING AND OVERSIGHT OF CERTIFIED RECOVERY RESIDENCES.**

Subdivision 1. **Monitoring and inspections.** (a) The commissioner must conduct an on-site certification review of the certified recovery residence every three years to determine the certification holder's compliance with applicable rules and statutes.

(b) The commissioner must offer the certification holder a choice of dates for an announced certification review. A certification review must occur during regular business hours.

(c) The commissioner must make the results of certification reviews and the results of investigations that result in a correction order publicly available on the department's website.

Subd. 2. **Commissioner's right of access.** (a) When the commissioner is exercising the powers conferred to the commissioner under this section, if the recovery residence is in operation and the information is relevant to the commissioner's inspection or investigation, the certification holder must provide the commissioner access to:

(1) the physical facility and grounds where the residence is located;

(2) documentation and records, including electronically maintained records;

(3) residents served by the recovery residence;

(4) staff persons of the recovery residence; and

(5) personnel records of current and former staff of the recovery residence.

(b) The applicant or certification holder must provide the commissioner with access to the facility and grounds, documentation and records, residents, and staff without prior notice and as often as the commissioner considers necessary if the commissioner is conducting an inspection or investigating alleged maltreatment or a violation of a law or rule. When conducting an inspection, the commissioner may request assistance from other state, county, and municipal governmental agencies and departments. The applicant or certification holder must allow the commissioner, at the commissioner's expense, to photocopy, photograph, and make audio and video recordings during an inspection.

140.1 Subd. 3. **Correction orders.** (a) If the applicant or certification holder fails to comply
140.2 with a law or rule, the commissioner may issue a correction order. The correction order
140.3 must state:

140.4 (1) the condition that constitutes a violation of the law or rule;

140.5 (2) the specific law or rule that the applicant or certification holder has violated; and

140.6 (3) the time that the applicant or certification holder is allowed to correct each violation.

140.7 (b) If the applicant or certification holder believes that the commissioner's correction

140.8 order is erroneous, the applicant or certification holder may ask the commissioner to

140.9 reconsider the correction order. An applicant or certification holder must make a request

140.10 for reconsideration in writing. The request must be sent via electronic communication to

140.11 the commissioner within 20 calendar days after the applicant or certification holder received

140.12 the correction order and must:

140.13 (1) specify the part of the correction order that is allegedly erroneous;

140.14 (2) explain why the specified part is erroneous; and

140.15 (3) include documentation to support the allegation of error.

140.16 (c) A request for reconsideration does not stay any provision or requirement of the

140.17 correction order. The commissioner's disposition of a request for reconsideration is final

140.18 and not subject to appeal.

140.19 (d) If the commissioner finds that the applicant or certification holder failed to correct

140.20 the violation specified in the correction order, the commissioner may decertify the certified

140.21 recovery residence according to subdivision 4.

140.22 (e) Nothing in this subdivision prohibits the commissioner from decertifying a recovery

140.23 residence according to subdivision 4.

140.24 Subd. 4. **Decertification.** (a) The commissioner may decertify a recovery residence if

140.25 a certification holder:

140.26 (1) failed to comply with an applicable law or rule; or

140.27 (2) knowingly withheld relevant information from or gave false or misleading information

140.28 to the commissioner in connection with an application for certification, during an

140.29 investigation, or regarding compliance with applicable laws or rules.

141.1 (b) When considering decertification of a recovery residence, the commissioner must
141.2 consider the nature, chronicity, or severity of the violation of law or rule and the effect of
141.3 the violation on the health, safety, or rights of residents.

141.4 (c) If the commissioner decertifies a recovery residence, the order of decertification
141.5 must inform the certification holder of the right to have a contested case hearing under
141.6 chapter 14 and Minnesota Rules, parts 1400.8505 to 1400.8612. The certification holder
141.7 may appeal the decertification. The certification holder must appeal a decertification in
141.8 writing and send or deliver the appeal to the commissioner by certified mail or personal
141.9 service. If the certification holder mails the appeal, the appeal must be postmarked and sent
141.10 to the commissioner within ten calendar days after the certification holder receives the order
141.11 of decertification. If the certification holder delivers an appeal by personal service, the
141.12 commissioner must receive the appeal within ten calendar days after the certification holder
141.13 received the order. If the certification holder submits a timely appeal of an order of
141.14 decertification, the certification holder may continue to operate the program until the
141.15 commissioner issues a final order on the decertification.

141.16 (d) If the commissioner decertifies a recovery residence pursuant to paragraph (a), clause
141.17 (1), based on a determination that the recovery residence was responsible for maltreatment
141.18 under chapter 260E or section 626.557, the final decertification determination is stayed until
141.19 the commissioner issues a final decision regarding the maltreatment appeal if the certification
141.20 holder appeals the decertification according to paragraph (c) and appeals the maltreatment
141.21 determination pursuant to chapter 260E or section 626.557.

141.22 Subd. 5. **Notifications required and noncompliance.** (a) Changes in recovery residence
141.23 organization, staffing, services, or quality assurance procedures that affect the ability of the
141.24 certification holder to comply with the minimum standards of this chapter must be reported
141.25 in writing by the certification holder to the commissioner, in a manner approved by the
141.26 commissioner, within 15 days of the occurrence. The commissioner must review the change.
141.27 If the change would result in noncompliance in minimum standards, the commissioner must
141.28 give the recovery residence written notice and up to 180 days to correct the areas of
141.29 noncompliance before being decertified. The recovery residence must develop interim
141.30 procedures to resolve the noncompliance on a temporary basis and submit the interim
141.31 procedures in writing to the commissioner for approval within 30 days of the commissioner's
141.32 determination of the noncompliance. The commissioner must immediately decertify a
141.33 recovery residence that fails to report a change that results in noncompliance within 15 days,
141.34 fails to develop an approved interim procedure within 30 days of the determination of the
141.35 noncompliance, or does not resolve the noncompliance within 180 days.

142.1 (b) The commissioner may require the recovery residence to submit written information
142.2 to document that the recovery residence has maintained compliance with this section.

142.3 **EFFECTIVE DATE.** This section is effective January 1, 2027.

142.4 Sec. 55. **[254B.215] CERTIFICATION LEVELS.**

142.5 Subdivision 1. **Certification levels.** When certifying a recovery residence, the
142.6 commissioner must specify whether the residence is a level-one or level-two certified
142.7 recovery residence.

142.8 Subd. 2. **Level-one certification.** (a) The commissioner must designate a certified
142.9 residence as a level-one certified recovery residence when the residence is peer run. A
142.10 level-one certified recovery residence must:

142.11 (1) not permit an allowance for on-site paid staff or operator of the recovery residence;

142.12 (2) permit only nonpaid staff to live or work within the residence; and

142.13 (3) ensure that decisions are made solely by residents.

142.14 (b) Staff of a level-one certified recovery residence must not provide billable peer
142.15 recovery support services to residents of the recovery residence.

142.16 Subd. 3. **Level-two certification.** (a) The commissioner must designate a certified
142.17 residence as a level-two certified recovery residence when the residence is managed by
142.18 someone other than the residents. A level-two certified recovery residence must have staff
142.19 to model and teach recovery skills and behaviors.

142.20 (b) A level-two certified recovery residence must:

142.21 (1) have written job descriptions for each staff member position, including position
142.22 responsibilities and qualifications;

142.23 (2) have written policies and procedures for ongoing performance development of staff;

142.24 (3) provide annual training on emergency procedures, resident bill of rights, grievance
142.25 policies and procedures, and code of ethics;

142.26 (4) provide community or house meetings, peer supports, and involvement in self-help
142.27 or off-site treatment services;

142.28 (5) have identified recovery goals;

142.29 (6) maintain documentation that residents are linked with community resources such as
142.30 job search, education, family services, and health and housing programs; and

143.1 (7) maintain documentation of referrals made for additional services.

143.2 (c) Staff of a level-two certified recovery residence must not provide billable peer support
143.3 services to residents of the recovery residence.

143.4 **EFFECTIVE DATE.** This section is effective January 1, 2027.

143.5 Sec. 56. **[254B.216] RESIDENT RECORD.**

143.6 A certified recovery residence must maintain documentation with a resident's signature
143.7 stating that each resident received the following prior to or on the first day of residency:

143.8 (1) the recovery resident bill of rights in section 254B.211, subdivision 3;

143.9 (2) the residence's financial obligations and agreements, refund policy, and payments
143.10 from third-party payers for any fees paid on the resident's behalf;

143.11 (3) a description of the services provided by the recovery residence;

143.12 (4) relapse policies;

143.13 (5) policies regarding personal property;

143.14 (6) orientation to emergency procedures;

143.15 (7) orientation to resident rules; and

143.16 (8) all other applicable orientation materials identified in sections 254B.21 to 254B.216.

143.17 **EFFECTIVE DATE.** This section is effective January 1, 2027.

143.18 Sec. 57. Minnesota Statutes 2024, section 256.043, subdivision 3, is amended to read:

143.19 Subd. 3. **Appropriations from registration and license fee account.** (a) The
143.20 appropriations in paragraphs (b) to (n) shall be made from the registration and license fee
143.21 account on a fiscal year basis in the order specified.

143.22 (b) The appropriations specified in Laws 2019, chapter 63, article 3, section 1, paragraphs
143.23 (b), (f), (g), and (h), as amended by Laws 2020, chapter 115, article 3, section 35, shall be
143.24 made accordingly.

143.25 (c) \$100,000 is appropriated to the commissioner of human services for grants for opiate
143.26 antagonist distribution. Grantees may utilize funds for opioid overdose prevention,
143.27 community asset mapping, education, and opiate antagonist distribution.

143.28 (d) \$2,000,000 is appropriated to the commissioner of human services for ~~grants~~ direct
143.29 payments to Tribal nations and five urban Indian communities for traditional healing practices

144.1 for American Indians and to increase the capacity of culturally specific providers in the
144.2 behavioral health workforce. Any evaluations of practices under this paragraph must be
144.3 designed cooperatively by the commissioner and Tribal nations or urban Indian communities.
144.4 The commissioner must not require recipients to provide the details of specific ceremonies
144.5 or identities of healers.

144.6 (e) \$400,000 is appropriated to the commissioner of human services for competitive
144.7 grants for opioid-focused Project ECHO programs.

144.8 (f) \$277,000 in fiscal year 2024 and \$321,000 each year thereafter is appropriated to the
144.9 commissioner of human services to administer the funding distribution and reporting
144.10 requirements in paragraph (o).

144.11 (g) \$3,000,000 in fiscal year 2025 and \$3,000,000 each year thereafter is appropriated
144.12 to the commissioner of human services for safe recovery sites start-up and capacity building
144.13 grants under section 254B.18.

144.14 (h) \$395,000 in fiscal year 2024 and \$415,000 each year thereafter is appropriated to
144.15 the commissioner of human services for the opioid overdose surge alert system under section
144.16 245.891.

144.17 (i) \$300,000 is appropriated to the commissioner of management and budget for
144.18 evaluation activities under section 256.042, subdivision 1, paragraph (c).

144.19 (j) \$261,000 is appropriated to the commissioner of human services for the provision of
144.20 administrative services to the Opiate Epidemic Response Advisory Council and for the
144.21 administration of the grants awarded under paragraph (n).

144.22 (k) \$126,000 is appropriated to the Board of Pharmacy for the collection of the registration
144.23 fees under section 151.066.

144.24 (l) \$672,000 is appropriated to the commissioner of public safety for the Bureau of
144.25 Criminal Apprehension. Of this amount, \$384,000 is for drug scientists and lab supplies
144.26 and \$288,000 is for special agent positions focused on drug interdiction and drug trafficking.

144.27 (m) After the appropriations in paragraphs (b) to (l) are made, 50 percent of the remaining
144.28 amount is appropriated to the commissioner of children, youth, and families for distribution
144.29 to county social service agencies and Tribal social service agency initiative projects
144.30 authorized under section 256.01, subdivision 14b, to provide prevention and child protection
144.31 services to children and families who are affected by addiction. The commissioner shall
144.32 distribute this money proportionally to county social service agencies and Tribal social
144.33 service agency initiative projects through a formula based on intake data from the previous

145.1 three calendar years related to substance use and out-of-home placement episodes where
145.2 parental drug abuse is a reason for the out-of-home placement. County social service agencies
145.3 and Tribal social service agency initiative projects receiving funds from the opiate epidemic
145.4 response fund must annually report to the commissioner on how the funds were used to
145.5 provide prevention and child protection services, including measurable outcomes, as
145.6 determined by the commissioner. County social service agencies and Tribal social service
145.7 agency initiative projects must not use funds received under this paragraph to supplant
145.8 current state or local funding received for child protection services for children and families
145.9 who are affected by addiction.

145.10 (n) After the appropriations in paragraphs (b) to (m) are made, the remaining amount in
145.11 the account is appropriated to the commissioner of human services to award grants as
145.12 specified by the Opiate Epidemic Response Advisory Council in accordance with section
145.13 256.042, unless otherwise appropriated by the legislature.

145.14 (o) Beginning in fiscal year 2022 and each year thereafter, funds for county social service
145.15 agencies and Tribal social service agency initiative projects under paragraph (m) and grant
145.16 funds specified by the Opiate Epidemic Response Advisory Council under paragraph (n)
145.17 may be distributed on a calendar year basis.

145.18 (p) Notwithstanding section 16A.28, subdivision 3, funds appropriated in paragraphs
145.19 (c), (d), (e), (g), (m), and (n) are available for three years after the funds are appropriated.

145.20 Sec. 58. Minnesota Statutes 2024, section 256B.0625, subdivision 5m, is amended to read:

145.21 Subd. 5m. **Certified community behavioral health clinic services.** (a) Medical
145.22 assistance covers services provided by a not-for-profit certified community behavioral health
145.23 clinic (CCBHC) that meets the requirements of section 245.735, subdivision 3.

145.24 (b) The commissioner shall reimburse CCBHCs on a per-day basis for each day that an
145.25 eligible service is delivered using the CCBHC daily bundled rate system for medical
145.26 assistance payments as described in paragraph (c). The commissioner shall include a quality
145.27 incentive payment in the CCBHC daily bundled rate system as described in paragraph (e).
145.28 There is no county share for medical assistance services when reimbursed through the
145.29 CCBHC daily bundled rate system.

145.30 (c) The commissioner shall ensure that the CCBHC daily bundled rate system for CCBHC
145.31 payments under medical assistance meets the following requirements:

145.32 (1) the CCBHC daily bundled rate shall be a provider-specific rate calculated for each
145.33 CCBHC, based on the daily cost of providing CCBHC services and the total annual allowable

146.1 CCBHC costs divided by the total annual number of CCBHC visits. For calculating the
146.2 payment rate, total annual visits include visits covered by medical assistance and visits not
146.3 covered by medical assistance. Allowable costs include but are not limited to the salaries
146.4 and benefits of medical assistance providers; the cost of CCBHC services provided under
146.5 section 245.735, subdivision 3, paragraph (a), clauses (6) and (7); and other costs such as
146.6 insurance or supplies needed to provide CCBHC services;

146.7 (2) payment shall be limited to one payment per day per medical assistance enrollee
146.8 when an eligible CCBHC service is provided. A CCBHC visit is eligible for reimbursement
146.9 if at least one of the CCBHC services listed under section 245.735, subdivision 3, paragraph
146.10 (a), clause (6), is furnished to a medical assistance enrollee by a health care practitioner or
146.11 licensed agency employed by or under contract with a CCBHC;

146.12 (3) initial CCBHC daily bundled rates for newly certified CCBHCs under section 245.735,
146.13 subdivision 3, shall be established by the commissioner using a provider-specific rate based
146.14 on the newly certified CCBHC's audited historical cost report data adjusted for the expected
146.15 cost of delivering CCBHC services. Estimates are subject to review by the commissioner
146.16 and must include the expected cost of providing the full scope of CCBHC services and the
146.17 expected number of visits for the rate period;

146.18 (4) the commissioner shall rebase CCBHC rates once every two years following the last
146.19 rebasing and no less than 12 months following an initial rate or a rate change due to a change
146.20 in the scope of services. For CCBHCs certified after September 31, 2020, and before January
146.21 1, 2021, the commissioner shall rebase rates according to this clause for services provided
146.22 on or after January 1, 2024;

146.23 (5) the commissioner shall provide for a 60-day appeals process after notice of the results
146.24 of the rebasing;

146.25 (6) an entity that receives a CCBHC daily bundled rate that overlaps with another federal
146.26 Medicaid rate is not eligible for the CCBHC rate methodology;

146.27 (7) payments for CCBHC services to individuals enrolled in managed care shall be
146.28 coordinated with the state's phase-out of CCBHC wrap payments. The commissioner shall
146.29 complete the phase-out of CCBHC wrap payments within 60 days of the implementation
146.30 of the CCBHC daily bundled rate system in the Medicaid Management Information System
146.31 (MMIS), for CCBHCs reimbursed under this chapter, with a final settlement of payments
146.32 due made payable to CCBHCs no later than 18 months thereafter;

146.33 (8) the CCBHC daily bundled rate for each CCBHC shall be updated by trending each
146.34 provider-specific rate by the Medicare Economic Index for primary care services. This

147.1 update shall occur each year in between rebasing periods determined by the commissioner
147.2 in accordance with clause (4). CCBHCs must provide data on costs and visits to the state
147.3 annually using the CCBHC cost report established by the commissioner; and

147.4 (9) a CCBHC may request a rate adjustment for changes in the CCBHC's scope of
147.5 services when such changes are expected to result in an adjustment to the CCBHC payment
147.6 rate by 2.5 percent or more. The CCBHC must provide the commissioner with information
147.7 regarding the changes in the scope of services, including the estimated cost of providing
147.8 the new or modified services and any projected increase or decrease in the number of visits
147.9 resulting from the change. Estimated costs are subject to review by the commissioner. Rate
147.10 adjustments for changes in scope shall occur no more than once per year in between rebasing
147.11 periods per CCBHC and are effective on the date of the annual CCBHC rate update.

147.12 (d) Managed care plans and county-based purchasing plans shall reimburse CCBHC
147.13 providers at the CCBHC daily bundled rate. The commissioner shall monitor the effect of
147.14 this requirement on the rate of access to the services delivered by CCBHC providers. If, for
147.15 any contract year, federal approval is not received for this paragraph, the commissioner
147.16 must adjust the capitation rates paid to managed care plans and county-based purchasing
147.17 plans for that contract year to reflect the removal of this provision. Contracts between
147.18 managed care plans and county-based purchasing plans and providers to whom this paragraph
147.19 applies must allow recovery of payments from those providers if capitation rates are adjusted
147.20 in accordance with this paragraph. Payment recoveries must not exceed the amount equal
147.21 to any increase in rates that results from this provision. This paragraph expires if federal
147.22 approval is not received for this paragraph at any time.

147.23 (e) The commissioner shall implement a quality incentive payment program for CCBHCs
147.24 that meets the following requirements:

147.25 (1) a CCBHC shall receive a quality incentive payment upon meeting specific numeric
147.26 thresholds for performance metrics established by the commissioner, in addition to payments
147.27 for which the CCBHC is eligible under the CCBHC daily bundled rate system described in
147.28 paragraph (c);

147.29 (2) a CCBHC must be certified and enrolled as a CCBHC for the entire measurement
147.30 year to be eligible for incentive payments;

147.31 (3) each CCBHC shall receive written notice of the criteria that must be met in order to
147.32 receive quality incentive payments at least 90 days prior to the measurement year; and

147.33 (4) a CCBHC must provide the commissioner with data needed to determine incentive
147.34 payment eligibility within six months following the measurement year. The commissioner

148.1 shall notify CCBHC providers of their performance on the required measures and the
148.2 incentive payment amount within 12 months following the measurement year.

148.3 (f) All claims to managed care plans for CCBHC services as provided under this section
148.4 shall be submitted directly to, and paid by, the commissioner on the dates specified no later
148.5 than January 1 of the following calendar year, if:

148.6 (1) one or more managed care plans does not comply with the federal requirement for
148.7 payment of clean claims to CCBHCs, as defined in Code of Federal Regulations, title 42,
148.8 section 447.45(b), and the managed care plan does not resolve the payment issue within 30
148.9 days of noncompliance; and

148.10 (2) the total amount of clean claims not paid in accordance with federal requirements
148.11 by one or more managed care plans is 50 percent of, or greater than, the total CCBHC claims
148.12 eligible for payment by managed care plans.

148.13 If the conditions in this paragraph are met between January 1 and June 30 of a calendar
148.14 year, claims shall be submitted to and paid by the commissioner beginning on January 1 of
148.15 the following year. If the conditions in this paragraph are met between July 1 and December
148.16 31 of a calendar year, claims shall be submitted to and paid by the commissioner beginning
148.17 on July 1 of the following year.

148.18 (g) Peer services provided by a CCBHC certified under section 245.735 are a covered
148.19 service under medical assistance when a licensed mental health professional or alcohol and
148.20 drug counselor determines that peer services are medically necessary. Eligibility under this
148.21 subdivision for peer services provided by a CCBHC supersede eligibility standards under
148.22 sections 256B.0615, 256B.0616, and 245G.07, subdivision ~~2~~ 2a, paragraph (b), clause (8)
148.23 (2).

148.24 **EFFECTIVE DATE.** This section is effective July 1, 2026, or upon federal approval,
148.25 whichever is later. The commissioner of human services shall notify the revisor of statutes
148.26 when federal approval is obtained.

148.27 Sec. 59. Minnesota Statutes 2024, section 256B.0625, subdivision 20, is amended to read:

148.28 Subd. 20. **Mental health case management.** (a) To the extent authorized by rule of the
148.29 state agency, medical assistance covers case management services to persons with serious
148.30 and persistent mental illness, persons with a complex post-traumatic stress disorder, and
148.31 children with severe emotional disturbance. Services provided under this section must meet
148.32 the relevant standards in sections 245.461 to 245.4887, the Comprehensive Adult and

149.1 Children's Mental Health Acts, Minnesota Rules, parts 9520.0900 to 9520.0926, and
149.2 9505.0322, excluding subpart 10.

149.3 (b) Entities meeting program standards set out in rules governing family community
149.4 support services as defined in section 245.4871, subdivision 17, are eligible for medical
149.5 assistance reimbursement for case management services for children with severe emotional
149.6 disturbance when these services meet the program standards in Minnesota Rules, parts
149.7 9520.0900 to 9520.0926 and 9505.0322, excluding subparts 6 and 10.

149.8 (c) Medical assistance and MinnesotaCare payment for mental health case management
149.9 shall be made on a monthly basis. In order to receive payment for an eligible child, the
149.10 provider must document at least a face-to-face contact either in person or by interactive
149.11 video that meets the requirements of subdivision 20b with the child, the child's parents, or
149.12 the child's legal representative. To receive payment for an eligible adult, the provider must
149.13 document:

149.14 (1) at least a face-to-face contact with the adult or the adult's legal representative either
149.15 in person or by interactive video that meets the requirements of subdivision 20b; or

149.16 (2) at least a telephone contact with the adult or the adult's legal representative and
149.17 document a face-to-face contact either in person or by interactive video that meets the
149.18 requirements of subdivision 20b with the adult or the adult's legal representative within the
149.19 preceding two months.

149.20 (d) Payment for mental health case management provided by county or state staff shall
149.21 be based on the monthly rate methodology under section 256B.094, subdivision 6, paragraph
149.22 (b), with separate rates calculated for child welfare and mental health, and within mental
149.23 health, separate rates for children and adults.

149.24 (e) Payment for mental health case management provided by Indian health services or
149.25 by agencies operated by Indian tribes may be made according to this section or other relevant
149.26 federally approved rate setting methodology.

149.27 (f) Payment for mental health case management provided by vendors who contract with
149.28 a county must be calculated in accordance with section 256B.076, subdivision 2. Payment
149.29 for mental health case management provided by vendors who contract with a Tribe must
149.30 be based on a monthly rate negotiated by the Tribe. The rate must not exceed the rate charged
149.31 by the vendor for the same service to other payers. If the service is provided by a team of
149.32 contracted vendors, the team shall determine how to distribute the rate among its members.
149.33 No reimbursement received by contracted vendors shall be returned to the county or tribe,

150.1 except to reimburse the county or tribe for advance funding provided by the county or tribe
150.2 to the vendor.

150.3 (g) If the service is provided by a team which includes contracted vendors, tribal staff,
150.4 and county or state staff, the costs for county or state staff participation in the team shall be
150.5 included in the rate for county-provided services. In this case, the contracted vendor, the
150.6 tribal agency, and the county may each receive separate payment for services provided by
150.7 each entity in the same month. In order to prevent duplication of services, each entity must
150.8 document, in the recipient's file, the need for team case management and a description of
150.9 the roles of the team members.

150.10 (h) Notwithstanding section 256B.19, subdivision 1, the nonfederal share of costs for
150.11 mental health case management shall be provided by the recipient's county of responsibility,
150.12 as defined in sections 256G.01 to 256G.12, from sources other than federal funds or funds
150.13 used to match other federal funds. If the service is provided by a tribal agency, the nonfederal
150.14 share, if any, shall be provided by the recipient's tribe. When this service is paid by the state
150.15 without a federal share through fee-for-service, 50 percent of the cost shall be provided by
150.16 the recipient's county of responsibility.

150.17 (i) Notwithstanding any administrative rule to the contrary, prepaid medical assistance
150.18 and MinnesotaCare include mental health case management. When the service is provided
150.19 through prepaid capitation, the nonfederal share is paid by the state and the county pays no
150.20 share.

150.21 (j) The commissioner may suspend, reduce, or terminate the reimbursement to a provider
150.22 that does not meet the reporting or other requirements of this section. The county of
150.23 responsibility, as defined in sections 256G.01 to 256G.12, or, if applicable, the tribal agency,
150.24 is responsible for any federal disallowances. The county or tribe may share this responsibility
150.25 with its contracted vendors.

150.26 (k) The commissioner shall set aside a portion of the federal funds earned for county
150.27 expenditures under this section to repay the special revenue maximization account under
150.28 section 256.01, subdivision 2, paragraph (n). The repayment is limited to:

150.29 (1) the costs of developing and implementing this section; and

150.30 (2) programming the information systems.

150.31 (l) Payments to counties and tribal agencies for case management expenditures under
150.32 this section shall only be made from federal earnings from services provided under this
150.33 section. When this service is paid by the state without a federal share through fee-for-service,

151.1 50 percent of the cost shall be provided by the state. Payments to county-contracted vendors
151.2 shall include the federal earnings, the state share, and the county share.

151.3 (m) Case management services under this subdivision do not include therapy, treatment,
151.4 legal, or outreach services.

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

151.8 (1) the last 180 days of the recipient's residency in that facility and may not exceed more
151.9 than six months in a calendar year; or

151.10 (2) the limits and conditions which apply to federal Medicaid funding for this service.

151.11 (o) Payment for case management services under this subdivision shall not duplicate
151.12 payments made under other program authorities for the same purpose.

151.13 (p) If the recipient is receiving care in a hospital, nursing facility, or residential setting
151.14 licensed under chapter 245A or 245D that is staffed 24 hours a day, seven days a week,
151.15 mental health targeted case management services must actively support identification of
151.16 community alternatives for the recipient and discharge planning.

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

151.19 Sec. 60. Minnesota Statutes 2024, section 256B.0757, subdivision 4c, is amended to read:

151.20 Subd. 4c. **Behavioral health home services staff qualifications.** (a) A behavioral health
151.21 home services provider must maintain staff with required professional qualifications
151.22 appropriate to the setting.

151.23 (b) If behavioral health home services are offered in a mental health setting, the
151.24 integration specialist must be a licensed nurse, as defined in section 148.171, subdivision
151.25 9.

151.26 (c) If behavioral health home services are offered in a primary care setting, the integration
151.27 specialist must be a mental health professional who is qualified according to section 245I.04,
151.28 subdivision 2.

151.29 (d) If behavioral health home services are offered in either a primary care setting or
151.30 mental health setting, the systems navigator must be a mental health practitioner who is
151.31 qualified according to section 245I.04, subdivision 4, or a community health worker as
151.32 defined in section 256B.0625, subdivision 49.

152.1 (e) If behavioral health home services are offered in either a primary care setting or
152.2 mental health setting, the qualified health home specialist must be one of the following:

152.3 (1) a mental health certified peer specialist who is qualified according to section 245I.04,
152.4 subdivision 10;

152.5 (2) a mental health certified family peer specialist who is qualified according to section
152.6 245I.04, subdivision 12;

152.7 (3) a case management associate as defined in section 245.462, subdivision 4, paragraph
152.8 (g), or 245.4871, subdivision 4, paragraph (j);

152.9 (4) a mental health rehabilitation worker who is qualified according to section 245I.04,
152.10 subdivision 14;

152.11 (5) a community paramedic as defined in section 144E.28, subdivision 9;

152.12 (6) a peer recovery specialist as defined in section ~~245G.07, subdivision 1, clause (5)~~
152.13 245G.11, subdivision 8; or

152.14 (7) a community health worker as defined in section 256B.0625, subdivision 49.

152.15 **EFFECTIVE DATE.** This section is effective July 1, 2026, or upon federal approval,
152.16 whichever is later. The commissioner of human services shall notify the revisor of statutes
152.17 when federal approval is obtained.

152.18 Sec. 61. Minnesota Statutes 2024, section 256B.0761, subdivision 4, is amended to read:

152.19 Subd. 4. **Services and duration.** (a) Services must be provided 90 days prior to an
152.20 individual's release date or, if an individual's confinement is less than 90 days, during the
152.21 time period between a medical assistance eligibility determination and the release to the
152.22 community.

152.23 (b) Facilities must offer the following services using either community-based or
152.24 corrections-based providers:

152.25 (1) case management activities to address physical and behavioral health needs, including
152.26 a comprehensive assessment of individual needs, development of a person-centered care
152.27 plan, referrals and other activities to address assessed needs, and monitoring and follow-up
152.28 activities;

152.29 (2) drug coverage in accordance with section 256B.0625, subdivision 13, including up
152.30 to a 30-day supply of drugs upon release;

- 153.1 (3) substance use disorder comprehensive assessments according to section 254B.05,
153.2 subdivision 5, paragraph (b), clause (2);
- 153.3 (4) treatment coordination services according to section 254B.05, subdivision 5, paragraph
153.4 (b), clause (3);
- 153.5 (5) peer recovery support services according to sections 245I.04, subdivisions 18 and
153.6 19, and 254B.05, subdivision 5, paragraph (b), clause (4);
- 153.7 (6) substance use disorder individual and group counseling provided according to sections
153.8 245G.07, subdivision 1, paragraph (a), clause (1), and 254B.05;
- 153.9 (7) mental health diagnostic assessments as required under section 245I.10;
- 153.10 (8) group and individual psychotherapy as required under section 256B.0671;
- 153.11 (9) peer specialist services as required under sections 245I.04 and 256B.0615;
- 153.12 (10) family planning and obstetrics and gynecology services; ~~and~~
- 153.13 (11) physical health well-being and screenings and care for adults and youth; and
- 153.14 (12) medications used for the treatment of opioid use disorder and nonmedication
153.15 treatment services for opioid use disorder under section 245G.22.
- 153.16 (c) Services outlined in this subdivision must only be authorized when an individual
153.17 demonstrates medical necessity or other eligibility as required under this chapter or applicable
153.18 state and federal laws.

153.19 Sec. 62. Minnesota Statutes 2024, section 256I.04, subdivision 2a, is amended to read:

153.20 Subd. 2a. **License required; staffing qualifications.** (a) Except as provided in paragraph
153.21 ~~(b)~~ (c), an agency may not enter into an agreement with an establishment to provide housing
153.22 support unless:

153.23 (1) the establishment is licensed by the Department of Health as a hotel and restaurant;
153.24 a board and lodging establishment; a boarding care home before March 1, 1985; or a
153.25 supervised living facility, and the service provider for residents of the facility is licensed
153.26 under chapter 245A. However, an establishment licensed by the Department of Health to
153.27 provide lodging need not also be licensed to provide board if meals are being supplied to
153.28 residents under a contract with a food vendor who is licensed by the Department of Health;

153.29 (2) the residence is: (i) licensed by the commissioner of human services under Minnesota
153.30 Rules, parts 9555.5050 to 9555.6265; (ii) certified by a county human services agency prior
153.31 to July 1, 1992, using the standards under Minnesota Rules, parts 9555.5050 to 9555.6265;

154.1 (iii) licensed by the commissioner under Minnesota Rules, parts 2960.0010 to 2960.0120,
154.2 with a variance under section 245A.04, subdivision 9; or (iv) licensed under section 245D.02,
154.3 subdivision 4a, as a community residential setting by the commissioner of human services;
154.4 or

154.5 (3) the facility is licensed under chapter 144G and provides three meals a day.

154.6 (b) Effective January 1, 2027, the commissioner may enter into housing support
154.7 agreements with a board and lodging establishment under section 256I.04, subdivision 2a,
154.8 paragraph (a), clause (1), that is also certified by the commissioner as a recovery residence,
154.9 subject to the requirements of section 256I.04, subdivisions 2a to 2f. When doing so, the
154.10 department of human services serves as the lead agency for the agreement.

154.11 ~~(b)~~ (c) The requirements under paragraph (a) do not apply to establishments exempt
154.12 from state licensure because they are:

154.13 (1) located on Indian reservations and subject to tribal health and safety requirements;

154.14 or

154.15 (2) supportive housing establishments where an individual has an approved habitability
154.16 inspection and an individual lease agreement.

154.17 ~~(c)~~ (d) Supportive housing establishments that serve individuals who have experienced
154.18 long-term homelessness and emergency shelters must participate in the homeless management
154.19 information system and a coordinated assessment system as defined by the commissioner.

154.20 ~~(d)~~ (e) Effective July 1, 2016, an agency shall not have an agreement with a provider of
154.21 housing support unless all staff members who have direct contact with recipients:

154.22 (1) have skills and knowledge acquired through one or more of the following:

154.23 (i) a course of study in a health- or human services-related field leading to a bachelor
154.24 of arts, bachelor of science, or associate's degree;

154.25 (ii) one year of experience with the target population served;

154.26 (iii) experience as a mental health certified peer specialist according to section 256B.0615;

154.27 or

154.28 (iv) meeting the requirements for unlicensed personnel under sections 144A.43 to
154.29 144A.483;

154.30 (2) hold a current driver's license appropriate to the vehicle driven if transporting
154.31 recipients;

155.1 (3) complete training on vulnerable adults mandated reporting and child maltreatment
155.2 mandated reporting, where applicable; and

155.3 (4) complete housing support orientation training offered by the commissioner.

155.4 Sec. 63. Minnesota Statutes 2024, section 325F.725, is amended to read:

155.5 **325F.725 ~~SOBER HOME~~ RECOVERY RESIDENCE TITLE PROTECTION.**

155.6 No person or entity may use the phrase "~~sober home~~," "recovery residence," whether
155.7 alone or in combination with other words and whether orally or in writing, to advertise,
155.8 market, or otherwise describe, offer, or promote itself, or any housing, service, service
155.9 package, or program that it provides within this state, unless the person or entity meets the
155.10 definition of a ~~sober home~~ recovery residence in section 254B.01, subdivision 11, and meets
155.11 the requirements of ~~section 254B.181~~ sections 254B.21 to 254B.216.

155.12 **EFFECTIVE DATE.** This section is effective January 1, 2027.

155.13 Sec. 64. **RECOVERY RESIDENCE WORKGROUP.**

155.14 (a) The commissioner of human services must convene a workgroup to develop
155.15 recommendations specific to recovery residences. The workgroup must:

155.16 (1) produce a report that examines how other states fund recovery residences, identifying
155.17 best practices and models that could be applicable to Minnesota;

155.18 (2) engage with stakeholders to ensure meaningful collaboration with key external
155.19 stakeholders on the ideas being developed that will inform the final plan and
155.20 recommendations; and

155.21 (3) create an implementable plan addressing housing needs for individuals in outpatient
155.22 substance use disorder treatment that includes:

155.23 (i) clear strategies for aligning housing models with individual treatment needs;

155.24 (ii) an assessment of funding streams, including potential federal funding sources;

155.25 (iii) a timeline for implementation with key milestones and action steps;

155.26 (iv) recommendations for future resource allocation to ensure long-term housing stability
155.27 for individuals in recovery;

155.28 (v) specific recommendations for policy or legislative changes that may be required to
155.29 support sustainable recovery housing solutions, including challenges faced by recovery
155.30 residences resulting from state and local housing regulations and ordinances; and

156.1 (vi) recommendations for potentially delegating the commissioner's recovery residence
156.2 certification duties under Minnesota Statutes, sections 254B.21 to 254B.216 to a third-party
156.3 organization.

156.4 (b) The workgroup must include but is not limited to:

156.5 (1) at least two designees from the Department of Human Services representing: (i)
156.6 behavioral health; and (ii) homelessness and housing and support services;

156.7 (2) the commissioner of health or a designee;

156.8 (3) two people who have experience living in a recovery residence;

156.9 (4) representatives from at least three substance use disorder lodging facilities currently
156.10 operating in Minnesota;

156.11 (5) three representatives from county social services agencies, at least one from inside
156.12 the seven-county metropolitan area and one from outside the seven-county metropolitan
156.13 area;

156.14 (6) a representative from a Tribal social services agency;

156.15 (7) representatives from the state affiliate of the National Alliance for Recovery
156.16 Residences; and

156.17 (8) a representative from a state mental health advocacy or adult mental health provider
156.18 organization.

156.19 (c) The workgroup must meet at least monthly and as necessary to fulfill its
156.20 responsibilities. The commissioner of human services must provide administrative support
156.21 and meeting space for the workgroup. The workgroup may conduct meetings remotely.

156.22 (d) The commissioner of human services must make appointments to the workgroup by
156.23 October 1, 2025, and convene the first meeting of the workgroup by January 15, 2026.

156.24 (e) The workgroup must submit a final report with recommendations to the chairs and
156.25 ranking minority members of the legislative committees with jurisdiction over health and
156.26 human services policy and finance on or before January 1, 2027.

156.27 **Sec. 65. SUBSTANCE USE DISORDER TREATMENT COORDINATION AND**
156.28 **NAVIGATION ASSISTANCE EVALUATION.**

156.29 (a) The commissioner of human services must evaluate and make recommendations on
156.30 ways to ensure that persons with substance use disorder have access to treatment coordination
156.31 and navigation services that improve access to:

157.1 (1) acute withdrawal services;
157.2 (2) physical health care coverage and services;
157.3 (3) cognitive, behavioral, and emotional health care coverage and services;
157.4 (4) relapse prevention services; and
157.5 (5) recovery environment supports, including but not limited to employment, vocational
157.6 services, transportation, child care, affordable housing, economic assistance, financial
157.7 independence, and reconnection to community.

157.8 (b) As part of the evaluation, the commissioner must assess and identify gaps in the
157.9 current substance use disorder service continuum including treatment coordination, health
157.10 care navigation services, and case management. The commissioner must evaluate
157.11 opportunities and make recommendations for developing, expanding, or integrating medical
157.12 assistance care coordination, navigation, and case management services.

157.13 (c) The commissioner must submit a report on the evaluation and recommendations
157.14 under this section to the chairs and ranking minority members of the committees with
157.15 jurisdiction over health and human services by November 1, 2026. The report must outline
157.16 currently available treatment coordination and navigation services for persons with substance
157.17 use disorder, identify gaps in the substance use disorder service continuum, and recommend
157.18 new, expanded, or integrated benefits that align with evidence-based, holistic, and
157.19 person-centered approaches to substance use disorder recovery.

157.20 Sec. 66. **PSYCHIATRIC RESIDENTIAL TREATMENT FACILITY WORKING**
157.21 **GROUP.**

157.22 (a) By July 15, 2025, the commissioner of human services must convene a working
157.23 group with participation from:

157.24 (1) organizations operating psychiatric residential treatment facilities;

157.25 (2) advocates;

157.26 (3) health care experts;

157.27 (4) juvenile detention experts;

157.28 (5) county representatives;

157.29 (6) at least one employee of Direct Care and Treatment appointed by the chief executive
157.30 officer of Direct Care and Treatment;

158.1 (7) at least one employee of the Department of Health appointed by the commissioner
158.2 of health; and

158.3 (8) at least two employees of the Department of Human Services, one of whom must
158.4 have expertise in behavioral health and one of whom must have expertise in licensing of
158.5 residential facilities.

158.6 (b) By January 15, 2026, the psychiatric residential treatment facility working group
158.7 must submit a report and proposed legislative changes to the chairs and ranking minority
158.8 members of the legislative committees with jurisdiction over children's mental health and
158.9 juvenile detention. The submitted report must include recommendations:

158.10 (1) to amend the state medical assistance plan to expand access to care provided in
158.11 psychiatric residential treatment facilities with consideration being given to enhancing
158.12 flexibilities to serve a continuum of mental health needs;

158.13 (2) to develop licensing standards for psychiatric residential treatment facilities to reflect
158.14 needed flexibilities and broad inclusion of settings where care can be delivered in settings
158.15 operated by Direct Care and Treatment; and

158.16 (3) to update the rate methodology for services provided in psychiatric residential
158.17 treatment facilities to assure high quality of care with required individualization.

158.18 (c) When developing the recommendations required under paragraph (b), the working
158.19 group must:

158.20 (1) consider how best to meet the needs of children with high levels of complexity,
158.21 aggression, and related barriers to being served by community providers; and

158.22 (2) determine what would be required, including needed infrastructure, staffing, and
158.23 sustainable funding sources, to allow qualified residential treatment programs to transition
158.24 to a psychiatric residential treatment facility standard of care.

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

158.26 **Sec. 67. SUBSTANCE USE DISORDER TREATMENT BILLING UNITS.**

158.27 The commissioner of human services must establish six new billing codes for
158.28 nonresidential substance use disorder individual and group counseling, psychoeducation,
158.29 and recovery support services. The commissioner must identify reimbursement rates for
158.30 the newly defined codes and update the substance use disorder fee schedule. The new billing
158.31 codes must correspond to a 15-minute unit and become effective for services provided on
158.32 or after July 1, 2026, or upon federal approval, whichever is later.

159.1 Sec. 68. **REVISOR INSTRUCTION.**

159.2 The revisor of statutes shall change the terms "mental health practitioner" and "mental
159.3 health practitioners" to "behavioral health practitioner" or "behavioral health practitioners"
159.4 wherever they appear in Minnesota Statutes, chapter 245I.

159.5 Sec. 69. **REPEALER.**

159.6 (a) Minnesota Statutes 2024, sections 245G.01, subdivision 20d; 245G.07, subdivision
159.7 2; and 254B.01, subdivision 5, are repealed.

159.8 (b) Minnesota Statutes 2024, section 254B.04, subdivision 2a, is repealed.

159.9 (c) Minnesota Statutes 2024, section 254B.181, is repealed.

159.10 **EFFECTIVE DATE.** Paragraph (a) is effective July 1, 2025, paragraph (b) is effective
159.11 July 1, 2027, and paragraph (c) is effective January 1, 2027.

159.12 **ARTICLE 5**159.13 **BACKGROUND STUDIES**

159.14 Section 1. Minnesota Statutes 2024, section 142A.02, subdivision 1, is amended to read:

159.15 Subdivision 1. **Department.** (a) The Department of Children, Youth, and Families is
159.16 established. The commissioner of children, youth, and families is hereby constituted the
159.17 "state agency" for the purposes of Title IV of the Social Security Act of the United States
159.18 and the laws of this state.

159.19 (b) The commissioners of human services and children, youth, and families are hereby
159.20 constituted the "state agency" and the "joint interagency office" for purposes of background
159.21 studies under chapter 245C.

159.22 (c) The commissioner of children, youth, and families is hereby constituted the "state
159.23 agency" for the purposes of administering the child care and development fund.

159.24 Sec. 2. Minnesota Statutes 2024, section 142A.09, subdivision 1, is amended to read:

159.25 Subdivision 1. **Background studies required.** The commissioner of ~~children, youth,~~
159.26 ~~and families shall contract with the commissioner of human services to~~ shall conduct
159.27 background studies of individuals specified in section 245C.03, subdivision 1, affiliated
159.28 with:

159.29 (1) a facility or program licensed or seeking a license under chapter 142B;

160.1 (2) a license-exempt child care center certified under chapter 142C; or

160.2 (3) a legal nonlicensed child care provider authorized under chapter 142E.

160.3 Sec. 3. Minnesota Statutes 2024, section 245C.02, subdivision 7, is amended to read:

160.4 Subd. 7. **Commissioner.** "Commissioner" ~~has the meaning given in section 245A.02,~~
160.5 ~~subdivision 5~~ means the commissioner of human services.

160.6 Sec. 4. Minnesota Statutes 2024, section 245C.03, subdivision 6, is amended to read:

160.7 Subd. 6. **Unlicensed home and community-based waiver providers of service to**
160.8 **seniors and individuals with disabilities.** (a) The commissioner shall conduct background
160.9 studies ~~of~~ on any individual who is an owner who has at least a five percent ownership
160.10 stake, an operator, or an employee or volunteer who provides direct contact, as defined in
160.11 section 245C.02, subdivision 11, for services specified in the federally approved home and
160.12 community-based waiver plans under section 256B.4912. The individual studied must meet
160.13 the requirements of this chapter prior to providing waiver services and as part of ongoing
160.14 enrollment.

160.15 (b) The requirements in paragraph (a) apply to consumer-directed community supports
160.16 under section 256B.4911.

160.17 (c) For purposes of this section, "operator" includes but is not limited to a managerial
160.18 officer who oversees the billing, management, or policies of the services provided.

160.19 Sec. 5. Minnesota Statutes 2024, section 245C.03, subdivision 13, is amended to read:

160.20 Subd. 13. **Providers of housing stabilization services.** The commissioner shall conduct
160.21 background studies ~~of~~ on any provider of individual who is an owner who has at least a five
160.22 percent ownership stake in, an operator of, or an employee or volunteer who provides direct
160.23 contact housing stabilization services required by section 256B.051 to have a background
160.24 study completed under this chapter.

160.25 Sec. 6. Minnesota Statutes 2024, section 245C.03, subdivision 15, is amended to read:

160.26 Subd. 15. **Early intensive developmental and behavioral intervention providers.** The
160.27 commissioner shall conduct background studies according to this chapter ~~when initiated by~~
160.28 ~~an~~ on any individual who is an owner who has at least a five percent ownership stake in,
160.29 an operator of, or an employee or volunteer who provides direct contact early intensive
160.30 developmental and behavioral intervention provider services under section 256B.0949.

161.1 Sec. 7. Minnesota Statutes 2024, section 245C.04, subdivision 6, is amended to read:

161.2 Subd. 6. **Unlicensed home and community-based waiver providers of service to**
161.3 **seniors and individuals with disabilities and providers of housing stabilization**
161.4 **services.** (a) Providers required to initiate background studies under section ~~256B.4912~~
161.5 245C.03, subdivisions 6 and 13 must initiate a study using the electronic system known as
161.6 NETStudy 2.0 before the individual begins in a position allowing direct contact with persons
161.7 served by the provider. New providers must initiate a study under this subdivision before
161.8 initial enrollment if the provider has not already initiated background studies as part of the
161.9 service licensure requirements.

161.10 (b) Except as provided in paragraphs (c) and (d), the providers must initiate a background
161.11 study annually of an individual required to be studied under section 245C.03, subdivision
161.12 6.

161.13 (c) After an initial background study under this subdivision is initiated on an individual
161.14 by a provider of both services licensed by the commissioner and the unlicensed services
161.15 under this subdivision, a repeat annual background study is not required if:

161.16 (1) the provider maintains compliance with the requirements of section 245C.07,
161.17 paragraph (a), regarding one individual with one address and telephone number as the person
161.18 to receive sensitive background study information for the multiple programs that depend
161.19 on the same background study, and that the individual who is designated to receive the
161.20 sensitive background information is capable of determining, upon the request of the
161.21 commissioner, whether a background study subject is providing direct contact services in
161.22 one or more of the provider's programs or services and, if so, at which location or locations;
161.23 and

161.24 (2) the individual who is the subject of the background study provides direct contact
161.25 services under the provider's licensed program for at least 40 hours per year so the individual
161.26 will be recognized by a probation officer or corrections agent to prompt a report to the
161.27 commissioner regarding criminal convictions as required under section 245C.05, subdivision
161.28 7.

161.29 ~~(d) A provider who initiates background studies through NETStudy 2.0 is exempt from~~
161.30 ~~the requirement to initiate annual background studies under paragraph (b) for individuals~~
161.31 ~~who are on the provider's active roster.~~

162.1 Sec. 8. Minnesota Statutes 2024, section 245C.04, is amended by adding a subdivision to
162.2 read:

162.3 Subd. 12. **Early intensive developmental and behavioral intervention**
162.4 **providers.** Providers required to initiate background studies under section 245C.03,
162.5 subdivision 15, must initiate a study using the electronic system known as NETStudy 2.0
162.6 before the individual begins in a position operating or allowing direct contact with persons
162.7 served by the provider or before the individual becomes an operator or acquires five percent
162.8 or more ownership.

162.9 Sec. 9. Minnesota Statutes 2024, section 245C.08, subdivision 5, is amended to read:

162.10 Subd. 5. **Authorization.** The commissioner of ~~human services~~ shall be authorized to
162.11 receive information under this chapter.

162.12 Sec. 10. Minnesota Statutes 2024, section 245C.10, is amended by adding a subdivision
162.13 to read:

162.14 Subd. 9b. **Child foster care and adoption programs.** The commissioner shall recover
162.15 the cost of a background study required for child foster care and adoption studies through
162.16 a fee of no more than \$44 per study. The fees collected under this subdivision are
162.17 appropriated to the commissioner for the purpose of conducting background studies.

162.18 Sec. 11. Minnesota Statutes 2024, section 245C.13, subdivision 2, is amended to read:

162.19 Subd. 2. **Activities pending completion of background study.** The subject of a
162.20 background study may not perform any activity requiring a background study under
162.21 paragraph (c) until the commissioner has issued one of the notices under paragraph (a).

162.22 (a) Notices from the commissioner required prior to activity under paragraph (c) include:

162.23 (1) a notice of the study results under section 245C.17 stating that:

162.24 (i) the individual is not disqualified; or

162.25 (ii) more time is needed to complete the study but the individual is not required to be
162.26 removed from direct contact or access to people receiving services prior to completion of
162.27 the study as provided under section 245C.17, subdivision 1, paragraph (b) or (c). The notice
162.28 that more time is needed to complete the study must also indicate whether the individual is
162.29 required to be under continuous direct supervision prior to completion of the background
162.30 study. When more time is necessary to complete a background study of an individual
162.31 affiliated with a Title IV-E eligible children's residential facility or foster residence setting,

163.1 the individual may not work in the facility or setting regardless of whether or not the
163.2 individual is supervised;

163.3 (2) a notice that a disqualification has been set aside under section 245C.23; or

163.4 (3) a notice that a variance has been granted related to the individual under section
163.5 245C.30.

163.6 (b) For a background study affiliated with a licensed child care center or certified
163.7 license-exempt child care center, the notice sent under paragraph (a), clause (1), item (ii),
163.8 must not be issued until the commissioner receives a qualifying result for the individual for
163.9 the fingerprint-based national criminal history record check or the fingerprint-based criminal
163.10 history information from the Bureau of Criminal Apprehension. The notice must require
163.11 the individual to be under continuous direct supervision prior to completion of the remainder
163.12 of the background study except as permitted in subdivision 3.

163.13 (c) Activities prohibited prior to receipt of notice under paragraph (a) include:

163.14 (1) being issued a license;

163.15 (2) living in the household where the licensed program will be provided;

163.16 (3) providing direct contact services to persons served by a program unless the subject
163.17 is under continuous direct supervision;

163.18 (4) having access to persons receiving services if the background study was completed
163.19 under section 144.057, subdivision 1, or 245C.03, subdivision 1, paragraph (a), clause (2),
163.20 (5), or (6), unless the subject is under continuous direct supervision;

163.21 (5) for licensed child care centers and certified license-exempt child care centers,
163.22 providing direct contact services to persons served by the program;

163.23 (6) for children's residential facilities or foster residence settings, working in the facility
163.24 or setting; ~~or~~

163.25 (7) for background studies affiliated with a personal care provider organization, except
163.26 as provided in section 245C.03, subdivision 3b, before a personal care assistant provides
163.27 services, the personal care assistance provider agency must initiate a background study of
163.28 the personal care assistant under this chapter and the personal care assistance provider
163.29 agency must have received a notice from the commissioner that the personal care assistant
163.30 is:

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

164.1 (ii) disqualified, but the personal care assistant has received a set aside of the
164.2 disqualification under section 245C.22; or

164.3 (8) for background studies affiliated with an early intensive developmental and behavioral
164.4 intervention provider, before an individual provides services, the early intensive
164.5 developmental and behavioral intervention provider must initiate a background study for
164.6 the individual under this chapter and the early intensive developmental and behavioral
164.7 intervention provider must have received a notice from the commissioner that the individual
164.8 is:

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

164.10 (ii) disqualified, but the individual has received a set-aside of the disqualification under
164.11 section 245C.22.

164.12 **EFFECTIVE DATE.** The amendment to paragraph (b) is effective January 15, 2026.
164.13 The amendment to paragraph (c) is effective August 5, 2025.

164.14 Sec. 12. Minnesota Statutes 2024, section 245C.14, is amended by adding a subdivision
164.15 to read:

164.16 Subd. 4c. **Two-year disqualification.** An individual is disqualified under section
164.17 245C.14, subdivision 6, if less than two years have passed since a determination that the
164.18 individual violated section 142A.12, 245.095, or 256B.064.

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

164.20 Sec. 13. Minnesota Statutes 2024, section 245C.14, is amended by adding a subdivision
164.21 to read:

164.22 Subd. 6. **Disqualification from owning, operating, or billing.** The commissioner shall
164.23 disqualify an individual who is the subject of a background study from any position involving
164.24 ownership, management, or control of a program or billing activities if a background study
164.25 completed under this chapter shows a violation of section 142A.12, 245.095, or 256B.064.

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

164.27 Sec. 14. Minnesota Statutes 2024, section 245C.15, subdivision 1, is amended to read:

164.28 Subdivision 1. **Permanent disqualification.** (a) An individual is disqualified under
164.29 section 245C.14 if: (1) regardless of how much time has passed since the discharge of the
164.30 sentence imposed, if any, for the offense; and (2) unless otherwise specified, regardless of
164.31 the level of the offense, the individual has committed any of the following offenses: sections

165.1 243.166 (violation of predatory offender registration law); 609.185 (murder in the first
165.2 degree); 609.19 (murder in the second degree); 609.195 (murder in the third degree); 609.20
165.3 (manslaughter in the first degree); 609.205 (manslaughter in the second degree); a felony
165.4 offense under 609.221 or 609.222 (assault in the first or second degree); a felony offense
165.5 under sections 609.2242 and 609.2243 (domestic assault), spousal abuse, child abuse or
165.6 neglect, or a crime against children; 609.2247 (domestic assault by strangulation); 609.228
165.7 (great bodily harm caused by distribution of drugs); 609.245 (aggravated robbery); 609.247,
165.8 subdivision 2 or 3 (carjacking in the first or second degree); 609.25 (kidnapping); 609.2661
165.9 (murder of an unborn child in the first degree); 609.2662 (murder of an unborn child in the
165.10 second degree); 609.2663 (murder of an unborn child in the third degree); 609.322
165.11 (solicitation, inducement, and promotion of prostitution); 609.324, subdivision 1 (other
165.12 prohibited acts); 609.342 (criminal sexual conduct in the first degree); 609.343 (criminal
165.13 sexual conduct in the second degree); 609.344 (criminal sexual conduct in the third degree);
165.14 609.345 (criminal sexual conduct in the fourth degree); 609.3451 (criminal sexual conduct
165.15 in the fifth degree); 609.3453 (criminal sexual predatory conduct); 609.3458 (sexual
165.16 extortion); 609.352 (solicitation of children to engage in sexual conduct); 609.365 (incest);
165.17 a felony offense under 609.377 (malicious punishment of a child); 609.3775 (child torture);
165.18 a felony offense under 609.378 (neglect or endangerment of a child); 609.561 (arson in the
165.19 first degree); 609.66, subdivision 1e (drive-by shooting); 609.749, subdivision 3, 4, or 5
165.20 (felony-level harassment or stalking); 609.855, subdivision 5 (shooting at or in a public
165.21 transit vehicle or facility); 617.23, subdivision 2, clause (1), or subdivision 3, clause (1)
165.22 (indecent exposure involving a minor); 617.246 (use of minors in sexual performance
165.23 prohibited); 617.247 (possession of pictorial representations of minors); or, for a child care
165.24 background study subject, conviction of a crime that would make the individual ineligible
165.25 for employment under United States Code, title 42, section 9858f, except for a felony drug
165.26 conviction, regardless of whether a period of disqualification under subdivisions 2 to 4,
165.27 would apply if the individual were not a child care background study subject.

165.28 (b) An individual's aiding and abetting, attempt, or conspiracy to commit any of the
165.29 offenses listed in paragraph (a), as each of these offenses is defined in Minnesota Statutes,
165.30 permanently disqualifies the individual under section 245C.14.

165.31 (c) An individual's offense in any other state or country, where the elements of the offense
165.32 are substantially similar to any of the offenses listed in paragraph (a), permanently disqualifies
165.33 the individual under section 245C.14.

165.34 (d) When a disqualification is based on a judicial determination other than a conviction,
165.35 the disqualification period begins from the date of the court order. When a disqualification

166.1 is based on an admission, the disqualification period begins from the date of an admission
166.2 in court. When a disqualification is based on an Alford Plea, the disqualification period
166.3 begins from the date the Alford Plea is entered in court. When a disqualification is based
166.4 on a preponderance of evidence of a disqualifying act, the disqualification date begins from
166.5 the date of the dismissal, the date of discharge of the sentence imposed for a conviction for
166.6 a disqualifying crime of similar elements, or the date of the incident, whichever occurs last.

166.7 (e) If the individual studied commits one of the offenses listed in paragraph (a) that is
166.8 specified as a felony-level only offense, but the sentence or level of offense is a gross
166.9 misdemeanor or misdemeanor, the individual is disqualified, but the disqualification
166.10 look-back period for the offense is the period applicable to gross misdemeanor or
166.11 misdemeanor offenses.

166.12 (f) A child care background study subject shall be disqualified if the individual is
166.13 registered, or required to be registered, on a state sex offender registry or repository or the
166.14 National Sex Offender Registry.

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

166.16 Sec. 15. Minnesota Statutes 2024, section 245C.15, subdivision 4a, is amended to read:

166.17 Subd. 4a. **Licensed family foster setting disqualifications.** (a) Notwithstanding
166.18 subdivisions 1 to 4, for a background study affiliated with a licensed family foster setting,
166.19 regardless of how much time has passed, an individual is disqualified under section 245C.14
166.20 if the individual committed an act that resulted in a felony-level conviction for sections:
166.21 609.185 (murder in the first degree); 609.19 (murder in the second degree); 609.195 (murder
166.22 in the third degree); 609.20 (manslaughter in the first degree); 609.205 (manslaughter in
166.23 the second degree); 609.2112 (criminal vehicular homicide); 609.221 (assault in the first
166.24 degree); 609.223, subdivision 2 (assault in the third degree, past pattern of child abuse);
166.25 609.223, subdivision 3 (assault in the third degree, victim under four); a felony offense
166.26 under sections 609.2242 and 609.2243 (domestic assault, spousal abuse, child abuse or
166.27 neglect, or a crime against children); 609.2247 (domestic assault by strangulation); 609.2325
166.28 (criminal abuse of a vulnerable adult resulting in the death of a vulnerable adult); 609.245
166.29 (aggravated robbery); 609.247, subdivision 2 or 3 (carjacking in the first or second degree);
166.30 609.25 (kidnapping); 609.255 (false imprisonment); 609.2661 (murder of an unborn child
166.31 in the first degree); 609.2662 (murder of an unborn child in the second degree); 609.2663
166.32 (murder of an unborn child in the third degree); 609.2664 (manslaughter of an unborn child
166.33 in the first degree); 609.2665 (manslaughter of an unborn child in the second degree);
166.34 609.267 (assault of an unborn child in the first degree); 609.2671 (assault of an unborn child

167.1 in the second degree); 609.268 (injury or death of an unborn child in the commission of a
167.2 crime); 609.322, subdivision 1 (solicitation, inducement, and promotion of prostitution; sex
167.3 trafficking in the first degree); 609.324, subdivision 1 (other prohibited acts; engaging in,
167.4 hiring, or agreeing to hire minor to engage in prostitution); 609.342 (criminal sexual conduct
167.5 in the first degree); 609.343 (criminal sexual conduct in the second degree); 609.344 (criminal
167.6 sexual conduct in the third degree); 609.345 (criminal sexual conduct in the fourth degree);
167.7 609.3451 (criminal sexual conduct in the fifth degree); 609.3453 (criminal sexual predatory
167.8 conduct); 609.3458 (sexual extortion); 609.352 (solicitation of children to engage in sexual
167.9 conduct); 609.377 (malicious punishment of a child); 609.3775 (child torture); 609.378
167.10 (neglect or endangerment of a child); 609.561 (arson in the first degree); 609.582, subdivision
167.11 1 (burglary in the first degree); 609.746 (interference with privacy); 617.23 (indecent
167.12 exposure); 617.246 (use of minors in sexual performance prohibited); or 617.247 (possession
167.13 of pictorial representations of minors).

167.14 (b) Notwithstanding subdivisions 1 to 4, for the purposes of a background study affiliated
167.15 with a licensed family foster setting, an individual is disqualified under section 245C.14,
167.16 regardless of how much time has passed, if the individual:

167.17 (1) committed an action under paragraph (e) that resulted in death or involved sexual
167.18 abuse, as defined in section 260E.03, subdivision 20;

167.19 (2) committed an act that resulted in a gross misdemeanor-level conviction for section
167.20 609.3451 (criminal sexual conduct in the fifth degree);

167.21 (3) committed an act against or involving a minor that resulted in a felony-level conviction
167.22 for: section 609.222 (assault in the second degree); 609.223, subdivision 1 (assault in the
167.23 third degree); 609.2231 (assault in the fourth degree); or 609.224 (assault in the fifth degree);
167.24 or

167.25 (4) committed an act that resulted in a misdemeanor or gross misdemeanor-level
167.26 conviction for section 617.293 (dissemination and display of harmful materials to minors).

167.27 (c) Notwithstanding subdivisions 1 to 4, for a background study affiliated with a licensed
167.28 family foster setting, an individual is disqualified under section 245C.14 if fewer than 20
167.29 years have passed since the termination of the individual's parental rights under section
167.30 260C.301, subdivision 1, paragraph (b), or if the individual consented to a termination of
167.31 parental rights under section 260C.301, subdivision 1, paragraph (a), to settle a petition to
167.32 involuntarily terminate parental rights. An individual is disqualified under section 245C.14
167.33 if fewer than 20 years have passed since the termination of the individual's parental rights
167.34 in any other state or country, where the conditions for the individual's termination of parental

168.1 rights are substantially similar to the conditions in section 260C.301, subdivision 1, paragraph
168.2 (b).

168.3 (d) Notwithstanding subdivisions 1 to 4, for a background study affiliated with a licensed
168.4 family foster setting, an individual is disqualified under section 245C.14 if fewer than five
168.5 years have passed since a felony-level violation for sections: 152.021 (controlled substance
168.6 crime in the first degree); 152.022 (controlled substance crime in the second degree); 152.023
168.7 (controlled substance crime in the third degree); 152.024 (controlled substance crime in the
168.8 fourth degree); 152.025 (controlled substance crime in the fifth degree); 152.0261 (importing
168.9 controlled substances across state borders); 152.0262, subdivision 1, paragraph (b)
168.10 (possession of substance with intent to manufacture methamphetamine); 152.027, subdivision
168.11 6, paragraph (c) (sale or possession of synthetic cannabinoids); 152.096 (conspiracies
168.12 prohibited); 152.097 (simulated controlled substances); 152.136 (anhydrous ammonia;
168.13 prohibited conduct; criminal penalties; civil liabilities); 152.137 (methamphetamine-related
168.14 crimes involving children or vulnerable adults); 169A.24 (felony first-degree driving while
168.15 impaired); 243.166 (violation of predatory offender registration requirements); 609.2113
168.16 (criminal vehicular operation; bodily harm); 609.2114 (criminal vehicular operation; unborn
168.17 child); 609.228 (great bodily harm caused by distribution of drugs); 609.2325 (criminal
168.18 abuse of a vulnerable adult not resulting in the death of a vulnerable adult); 609.233 (criminal
168.19 neglect); 609.235 (use of drugs to injure or facilitate a crime); 609.24 (simple robbery);
168.20 609.247, subdivision 4 (carjacking in the third degree); 609.322, subdivision 1a (solicitation,
168.21 inducement, and promotion of prostitution; sex trafficking in the second degree); 609.498,
168.22 subdivision 1 (tampering with a witness in the first degree); 609.498, subdivision 1b
168.23 (aggravated first-degree witness tampering); 609.562 (arson in the second degree); 609.563
168.24 (arson in the third degree); 609.582, subdivision 2 (burglary in the second degree); 609.66
168.25 (felony dangerous weapons); 609.687 (adulteration); 609.713 (terroristic threats); 609.749,
168.26 subdivision 3, 4, or 5 (felony-level harassment or stalking); 609.855, subdivision 5 (shooting
168.27 at or in a public transit vehicle or facility); or 624.713 (certain people not to possess firearms).

168.28 (e) Notwithstanding subdivisions 1 to 4, except as provided in paragraph (a), for a
168.29 background study affiliated with a licensed family child foster care license, an individual
168.30 is disqualified under section 245C.14 if fewer than five years have passed since:

168.31 (1) a felony-level violation for an act not against or involving a minor that constitutes:
168.32 section 609.222 (assault in the second degree); 609.223, subdivision 1 (assault in the third
168.33 degree); 609.2231 (assault in the fourth degree); or 609.224, subdivision 4 (assault in the
168.34 fifth degree);

168.35 (2) a violation of an order for protection under section 518B.01, subdivision 14;

(3) a determination or disposition of the individual's failure to make required reports under section 260E.06 or 626.557, subdivision 3, for incidents in which the final disposition under chapter 260E or section 626.557 was substantiated maltreatment and the maltreatment was recurring or serious;

(4) a determination or disposition of the individual's substantiated serious or recurring maltreatment of a minor under chapter 260E, a vulnerable adult under section 626.557, or serious or recurring maltreatment in any other state, the elements of which are substantially similar to the elements of maltreatment under chapter 260E or section 626.557 and meet the definition of serious maltreatment or recurring maltreatment;

(5) a gross misdemeanor-level violation for sections: 609.224, subdivision 2 (assault in the fifth degree); 609.2242 and 609.2243 (domestic assault); 609.233 (criminal neglect); 609.377 (malicious punishment of a child); 609.378 (neglect or endangerment of a child); 609.746 (interference with privacy); 609.749 (stalking); or 617.23 (indecent exposure); or

(6) committing an act against or involving a minor that resulted in a misdemeanor-level violation of section 609.224, subdivision 1 (assault in the fifth degree).

(f) For purposes of this subdivision, the disqualification begins from:

(1) the date of the alleged violation, if the individual was not convicted;

(2) the date of conviction, if the individual was convicted of the violation but not committed to the custody of the commissioner of corrections; or

(3) the date of release from prison, if the individual was convicted of the violation and committed to the custody of the commissioner of corrections.

Notwithstanding clause (3), if the individual is subsequently reincarcerated for a violation of the individual's supervised release, the disqualification begins from the date of release from the subsequent incarceration.

(g) An individual's aiding and abetting, attempt, or conspiracy to commit any of the offenses listed in paragraphs (a) and (b), as each of these offenses is defined in Minnesota Statutes, permanently disqualifies the individual under section 245C.14. An individual is disqualified under section 245C.14 if fewer than five years have passed since the individual's aiding and abetting, attempt, or conspiracy to commit any of the offenses listed in paragraphs (d) and (e).

(h) An individual's offense in any other state or country, where the elements of the offense are substantially similar to any of the offenses listed in paragraphs (a) and (b), permanently disqualifies the individual under section 245C.14. An individual is disqualified

170.1 under section 245C.14 if fewer than five years have passed since an offense in any other
170.2 state or country, the elements of which are substantially similar to the elements of any
170.3 offense listed in paragraphs (d) and (e).

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

170.5 Sec. 16. Minnesota Statutes 2024, section 245C.22, subdivision 3, is amended to read:

170.6 Subd. 3. **Preeminent weight given to safety of persons being served and program**
170.7 **integrity.** In reviewing a request for reconsideration of a disqualification, the commissioner
170.8 shall give preeminent weight to the safety of each person served by the license holder,
170.9 applicant, or other entities as provided in this chapter and to program integrity through
170.10 protection of state and federal money supporting the program over the interests of the
170.11 disqualified individual, license holder, applicant, or other entity as provided in this chapter,
170.12 and any single factor under subdivision 4, paragraph (b), may be determinative of the
170.13 commissioner's decision whether to set aside the individual's disqualification.

170.14 Sec. 17. Minnesota Statutes 2024, section 245C.22, subdivision 8, is amended to read:

170.15 Subd. 8. **Sharing of certain data for reconsiderations and appeals.** (a) The following
170.16 commissioners shall be responsible for ~~conducting~~ making final agency decisions on
170.17 background study reconsiderations and defending appeals of background ~~studies for programs~~
170.18 ~~under their jurisdictions~~ study determinations:

170.19 (1) the commissioner of human services for all programs under ~~section 245C.03,~~
170.20 ~~subdivision 1~~ this chapter, unless otherwise specified in this subdivision;

170.21 (2) the commissioner of health for programs under section 245C.03, subdivision 5a;

170.22 (3) the commissioner of corrections for programs under section 245C.03, subdivision
170.23 5b; and

170.24 (4) the commissioner of the children, youth, and families for programs under section
170.25 245C.03, subdivision 5c.

170.26 (b) The commissioner of human services shall share all relevant background study data
170.27 to allow the commissioners specified in paragraph (a) to complete reconsiderations and
170.28 appeals for programs licensed or regulated by their agencies.

170.29 Sec. 18. Minnesota Statutes 2024, section 609A.015, subdivision 4, is amended to read:

170.30 Subd. 4. **Notice.** (a) The court shall notify a person who may become eligible for an
170.31 automatic expungement under this section of that eligibility at any hearing where the court

171.1 dismisses and discharges proceedings against a person under section 152.18, subdivision
171.2 1, for violation of section 152.024, 152.025, or 152.027 for possession of a controlled
171.3 substance; concludes that all pending actions or proceedings were resolved in favor of the
171.4 person; grants a person's placement into a diversion program; or sentences a person or
171.5 otherwise imposes a consequence for a qualifying offense.

171.6 (b) To the extent possible, prosecutors, defense counsel, supervising agents, and
171.7 coordinators or supervisors of a diversion program shall notify a person who may become
171.8 eligible for an automatic expungement under this section of that eligibility.

171.9 (c) If any party gives notification under this subdivision, the notification shall inform
171.10 the person that:

171.11 (1) a record expunged under this section may be opened for purposes of a background
171.12 study by the Department of Human Services; the Department of Children, Youth, and
171.13 Families; or the Department of Health under section 245C.08 and for purposes of a
171.14 background check by the Professional Educator Licensing and Standards Board as required
171.15 under section 122A.18, subdivision 8; and

171.16 (2) the person can file a petition under section 609A.03, subject to the process in section
171.17 609A.03 and the limitations in section 609A.02, to expunge the records held by the
171.18 commissioner of human services; the commissioner of children, youth, and families; the
171.19 commissioner of health; and the Professional Educator Licensing and Standards Board.

171.20 Sec. 19. Minnesota Statutes 2024, section 609A.055, subdivision 3, is amended to read:

171.21 Subd. 3. **Expungement relief; notification requirements.** (a) The Bureau of Criminal
171.22 Apprehension shall grant expungement relief to each qualifying person whose records the
171.23 bureau possesses and seal the bureau's records without requiring an application, petition,
171.24 or motion. The bureau shall seal records related to an expungement within 60 days after the
171.25 bureau sent notice of the expungement to the judicial branch pursuant to subdivision 2,
171.26 paragraph (b), unless an order of the judicial branch prohibits sealing the records or additional
171.27 information establishes that the records are not eligible for expungement.

171.28 (b) Nonpublic criminal records maintained by the bureau and subject to a grant of
171.29 expungement relief must display a notation stating "expungement relief granted pursuant
171.30 to section 609A.055."

171.31 (c) The bureau shall inform the judicial branch of all cases that are granted expungement
171.32 relief pursuant to this section. The bureau may notify the judicial branch using electronic
171.33 means and may notify the judicial branch immediately or in a monthly report. Upon receiving

172.1 notice of an expungement, the judicial branch shall seal all related records, including records
172.2 of the person's arrest, indictment, trial, verdict, and dismissal or discharge of the case. Upon
172.3 receiving notice of an expungement, the judicial branch shall issue any order necessary to
172.4 seal related records. The judicial branch shall not order the Department of Health; the
172.5 Department of Children, Youth, and Families; or the Department of Human Services to seal
172.6 records under this section.

172.7 (d) The bureau shall inform each arresting or citing law enforcement agency or
172.8 prosecutorial office with records affected by the grant of expungement relief issued pursuant
172.9 to paragraph (a) that expungement has been granted. The bureau shall notify each agency
172.10 or office of an expungement within 60 days after the bureau sent notice of the expungement
172.11 to the judicial branch. The bureau may notify each agency or office using electronic means.
172.12 Upon receiving notification of an expungement, an agency or office shall seal all records
172.13 related to the expungement, including the records of the person's arrest, indictment, trial,
172.14 verdict, and dismissal or discharge of the case.

172.15 (e) The bureau shall provide information on its publicly facing website clearly stating
172.16 that persons who are noncitizens may need copies of records affected by a grant of
172.17 expungement relief for immigration purposes, explaining how they can obtain these copies
172.18 after expungement or other granted relief, and stating that a noncitizen should consult with
172.19 an immigration attorney.

172.20 (f) Data on a person whose offense has been expunged under this subdivision, including
172.21 any notice sent pursuant to paragraph (d), are private data on individuals as defined in section
172.22 13.02, subdivision 12.

172.23 (g) Section 609A.03, subdivision 6, applies to an order issued under this section sealing
172.24 the record of proceedings under section 152.18.

172.25 (h) The limitations under section 609A.03, subdivision 7a, paragraph (b), do not apply
172.26 to an order issued under this section.

172.27 (i) The subject whose record qualifies for expungement shall be given access to copies
172.28 of the records of arrest, conviction, or incarceration for any purposes, including immigration
172.29 purposes.

172.30 (j) Relief granted under this subdivision shall not impact the ability of a petitioner to
172.31 file for relief under section 590.01.

ARTICLE 6**DEPARTMENT OF HUMAN SERVICES PROGRAM INTEGRITY**

Section 1. Minnesota Statutes 2024, section 13.46, subdivision 2, is amended to read:

Subd. 2. **General.** (a) Data on individuals collected, maintained, used, or disseminated by the welfare system are private data on individuals, and shall not be disclosed except:

(1) according to section 13.05;

(2) according to court order;

(3) according to a statute specifically authorizing access to the private data;

(4) to an agent ~~of the welfare system and an~~ or investigator acting on behalf of a county, the state, or the federal government, including a law enforcement person or attorney in the investigation or prosecution of a criminal, civil, or administrative proceeding relating to the administration of a program;

(5) to personnel of the welfare system who require the data to verify an individual's identity; determine eligibility, amount of assistance, and the need to provide services to an individual or family across programs; coordinate services for an individual or family; evaluate the effectiveness of programs; assess parental contribution amounts; and investigate suspected fraud;

(6) to administer federal funds or programs;

(7) between personnel of the welfare system working in the same program;

(8) to the Department of Revenue to administer and evaluate tax refund or tax credit programs and to identify individuals who may benefit from these programs, and prepare the databases for reports required under section 270C.13 and Laws 2008, chapter 366, article 17, section 6. The following information may be disclosed under this paragraph: an individual's and their dependent's names, dates of birth, Social Security or individual taxpayer identification numbers, income, addresses, and other data as required, upon request by the Department of Revenue. Disclosures by the commissioner of revenue to the commissioner of human services for the purposes described in this clause are governed by section 270B.14, subdivision 1. Tax refund or tax credit programs include, but are not limited to, the dependent care credit under section 290.067, the Minnesota working family credit under section 290.0671, the property tax refund under section 290A.04, and the Minnesota education credit under section 290.0674;

174.1 (9) between the Department of Human Services; the Department of Employment and
174.2 Economic Development; the Department of Children, Youth, and Families; Direct Care and
174.3 Treatment; and, when applicable, the Department of Education, for the following purposes:

174.4 (i) to monitor the eligibility of the data subject for unemployment benefits, for any
174.5 employment or training program administered, supervised, or certified by that agency;

174.6 (ii) to administer any rehabilitation program or child care assistance program, whether
174.7 alone or in conjunction with the welfare system;

174.8 (iii) to monitor and evaluate the Minnesota family investment program or the child care
174.9 assistance program by exchanging data on recipients and former recipients of Supplemental
174.10 Nutrition Assistance Program (SNAP) benefits, cash assistance under chapter 142F, 256D,
174.11 256J, or 256K, child care assistance under chapter 142E, medical programs under chapter
174.12 256B or 256L; and

174.13 (iv) to analyze public assistance employment services and program utilization, cost,
174.14 effectiveness, and outcomes as implemented under the authority established in Title II,
174.15 Sections 201-204 of the Ticket to Work and Work Incentives Improvement Act of 1999.
174.16 Health records governed by sections 144.291 to 144.298 and "protected health information"
174.17 as defined in Code of Federal Regulations, title 45, section 160.103, and governed by Code
174.18 of Federal Regulations, title 45, parts 160-164, including health care claims utilization
174.19 information, must not be exchanged under this clause;

174.20 (10) to appropriate parties in connection with an emergency if knowledge of the
174.21 information is necessary to protect the health or safety of the individual or other individuals
174.22 or persons;

174.23 (11) data maintained by residential programs as defined in section 245A.02 may be
174.24 disclosed to the protection and advocacy system established in this state according to Part
174.25 C of Public Law 98-527 to protect the legal and human rights of persons with developmental
174.26 disabilities or other related conditions who live in residential facilities for these persons if
174.27 the protection and advocacy system receives a complaint by or on behalf of that person and
174.28 the person does not have a legal guardian or the state or a designee of the state is the legal
174.29 guardian of the person;

174.30 (12) to the county medical examiner or the county coroner for identifying or locating
174.31 relatives or friends of a deceased person;

175.1 (13) data on a child support obligor who makes payments to the public agency may be
175.2 disclosed to the Minnesota Office of Higher Education to the extent necessary to determine
175.3 eligibility under section 136A.121, subdivision 2, clause (5);

175.4 (14) participant Social Security or individual taxpayer identification numbers and names
175.5 collected by the telephone assistance program may be disclosed to the Department of
175.6 Revenue to conduct an electronic data match with the property tax refund database to
175.7 determine eligibility under section 237.70, subdivision 4a;

175.8 (15) the current address of a Minnesota family investment program participant may be
175.9 disclosed to law enforcement officers who provide the name of the participant and notify
175.10 the agency that:

175.11 (i) the participant:

175.12 (A) is a fugitive felon fleeing to avoid prosecution, or custody or confinement after
175.13 conviction, for a crime or attempt to commit a crime that is a felony under the laws of the
175.14 jurisdiction from which the individual is fleeing; or

175.15 (B) is violating a condition of probation or parole imposed under state or federal law;

175.16 (ii) the location or apprehension of the felon is within the law enforcement officer's
175.17 official duties; and

175.18 (iii) the request is made in writing and in the proper exercise of those duties;

175.19 (16) the current address of a recipient of general assistance may be disclosed to probation
175.20 officers and corrections agents who are supervising the recipient and to law enforcement
175.21 officers who are investigating the recipient in connection with a felony level offense;

175.22 (17) information obtained from a SNAP applicant or recipient households may be
175.23 disclosed to local, state, or federal law enforcement officials, upon their written request, for
175.24 the purpose of investigating an alleged violation of the Food and Nutrition Act, according
175.25 to Code of Federal Regulations, title 7, section 272.1(c);

175.26 (18) the address, Social Security or individual taxpayer identification number, and, if
175.27 available, photograph of any member of a household receiving SNAP benefits shall be made
175.28 available, on request, to a local, state, or federal law enforcement officer if the officer
175.29 furnishes the agency with the name of the member and notifies the agency that:

175.30 (i) the member:

175.31 (A) is fleeing to avoid prosecution, or custody or confinement after conviction, for a
175.32 crime or attempt to commit a crime that is a felony in the jurisdiction the member is fleeing;

176.1 (B) is violating a condition of probation or parole imposed under state or federal law;
176.2 or

176.3 (C) has information that is necessary for the officer to conduct an official duty related
176.4 to conduct described in subitem (A) or (B);

176.5 (ii) locating or apprehending the member is within the officer's official duties; and

176.6 (iii) the request is made in writing and in the proper exercise of the officer's official duty;

176.7 (19) the current address of a recipient of Minnesota family investment program, general
176.8 assistance, or SNAP benefits may be disclosed to law enforcement officers who, in writing,
176.9 provide the name of the recipient and notify the agency that the recipient is a person required
176.10 to register under section 243.166, but is not residing at the address at which the recipient is
176.11 registered under section 243.166;

176.12 (20) certain information regarding child support obligors who are in arrears may be
176.13 made public according to section 518A.74;

176.14 (21) data on child support payments made by a child support obligor and data on the
176.15 distribution of those payments excluding identifying information on obligees may be
176.16 disclosed to all obligees to whom the obligor owes support, and data on the enforcement
176.17 actions undertaken by the public authority, the status of those actions, and data on the income
176.18 of the obligor or obligee may be disclosed to the other party;

176.19 (22) data in the work reporting system may be disclosed under section 142A.29,
176.20 subdivision 7;

176.21 (23) to the Department of Education for the purpose of matching Department of Education
176.22 student data with public assistance data to determine students eligible for free and
176.23 reduced-price meals, meal supplements, and free milk according to United States Code,
176.24 title 42, sections 1758, 1761, 1766, 1766a, 1772, and 1773; to allocate federal and state
176.25 funds that are distributed based on income of the student's family; and to verify receipt of
176.26 energy assistance for the telephone assistance plan;

176.27 (24) the current address and telephone number of program recipients and emergency
176.28 contacts may be released to the commissioner of health or a community health board as
176.29 defined in section 145A.02, subdivision 5, when the commissioner or community health
176.30 board has reason to believe that a program recipient is a disease case, carrier, suspect case,
176.31 or at risk of illness, and the data are necessary to locate the person;

176.32 (25) to other state agencies, statewide systems, and political subdivisions of this state,
176.33 including the attorney general, and agencies of other states, interstate information networks,

177.1 federal agencies, and other entities as required by federal regulation or law for the
177.2 administration of the child support enforcement program;

177.3 (26) to personnel of public assistance programs as defined in section 518A.81, for access
177.4 to the child support system database for the purpose of administration, including monitoring
177.5 and evaluation of those public assistance programs;

177.6 (27) to monitor and evaluate the Minnesota family investment program by exchanging
177.7 data between the Departments of Human Services; Children, Youth, and Families; and
177.8 Education, on recipients and former recipients of SNAP benefits, cash assistance under
177.9 chapter 142F, 256D, 256J, or 256K, child care assistance under chapter 142E, medical
177.10 programs under chapter 256B or 256L, or a medical program formerly codified under chapter
177.11 256D;

177.12 (28) to evaluate child support program performance and to identify and prevent fraud
177.13 in the child support program by exchanging data between the Department of Human Services;
177.14 Department of Children, Youth, and Families; Department of Revenue under section 270B.14,
177.15 subdivision 1, paragraphs (a) and (b), without regard to the limitation of use in paragraph
177.16 (c); Department of Health; Department of Employment and Economic Development; and
177.17 other state agencies as is reasonably necessary to perform these functions;

177.18 (29) counties and the Department of Children, Youth, and Families operating child care
177.19 assistance programs under chapter 142E may disseminate data on program participants,
177.20 applicants, and providers to the commissioner of education;

177.21 (30) child support data on the child, the parents, and relatives of the child may be
177.22 disclosed to agencies administering programs under titles IV-B and IV-E of the Social
177.23 Security Act, as authorized by federal law;

177.24 (31) to a health care provider governed by sections 144.291 to 144.298, to the extent
177.25 necessary to coordinate services;

177.26 (32) to the chief administrative officer of a school to coordinate services for a student
177.27 and family; data that may be disclosed under this clause are limited to name, date of birth,
177.28 gender, and address;

177.29 (33) to county correctional agencies to the extent necessary to coordinate services and
177.30 diversion programs; data that may be disclosed under this clause are limited to name, client
177.31 demographics, program, case status, and county worker information; or

177.32 (34) between the Department of Human Services and the Metropolitan Council for the
177.33 following purposes:

178.1 (i) to coordinate special transportation service provided under section 473.386 with
178.2 services for people with disabilities and elderly individuals funded by or through the
178.3 Department of Human Services; and

178.4 (ii) to provide for reimbursement of special transportation service provided under section
178.5 473.386.

178.6 The data that may be shared under this clause are limited to the individual's first, last, and
178.7 middle names; date of birth; residential address; and program eligibility status with expiration
178.8 date for the purposes of informing the other party of program eligibility.

178.9 (b) Information on persons who have been treated for substance use disorder may only
178.10 be disclosed according to the requirements of Code of Federal Regulations, title 42, sections
178.11 2.1 to 2.67.

178.12 (c) Data provided to law enforcement agencies under paragraph (a), clause (15), (16),
178.13 (17), or (18), or paragraph (b), are investigative data and are confidential or protected
178.14 nonpublic while the investigation is active. The data are private after the investigation
178.15 becomes inactive under section 13.82, subdivision 7, clause (a) or (b).

178.16 (d) Mental health data shall be treated as provided in subdivisions 7, 8, and 9, but are
178.17 not subject to the access provisions of subdivision 10, paragraph (b).

178.18 For the purposes of this subdivision, a request will be deemed to be made in writing if
178.19 made through a computer interface system.

178.20 Sec. 2. Minnesota Statutes 2024, section 13.46, subdivision 3, is amended to read:

178.21 Subd. 3. **Investigative data.** (a) Data on persons, including data on vendors of services,
178.22 licensees, and applicants that is collected, maintained, used, or disseminated by the welfare
178.23 system in an investigation, authorized by statute, and relating to the enforcement of rules
178.24 or law are confidential data on individuals pursuant to section 13.02, subdivision 3, or
178.25 protected nonpublic data not on individuals pursuant to section 13.02, subdivision 13, and
178.26 shall not be disclosed except:

178.27 (1) pursuant to section 13.05;

178.28 (2) pursuant to statute or valid court order;

178.29 (3) to a party named in a civil or criminal proceeding, administrative or judicial, for
178.30 preparation of defense;

178.31 (4) to an agent of the ~~welfare system~~ or an investigator acting on behalf of a county,
178.32 state, or federal government, including a law enforcement officer or attorney in the

179.1 investigation or prosecution of a criminal, civil, or administrative proceeding, unless the
179.2 commissioner of human services or commissioner of children, youth, and families determines
179.3 that disclosure may compromise a Department of Human Services or Department of Children,
179.4 Youth, and Families ongoing investigation; or

179.5 (5) to provide notices required or permitted by statute.

179.6 The data referred to in this subdivision shall be classified as public data upon submission
179.7 to an administrative law judge or court in an administrative or judicial proceeding. Inactive
179.8 welfare investigative data shall be treated as provided in section 13.39, subdivision 3.

179.9 (b) Notwithstanding any other provision in law, the commissioner of human services
179.10 shall provide all active and inactive investigative data, including the name of the reporter
179.11 of alleged maltreatment under section 626.557 or chapter 260E, to the ombudsman for
179.12 mental health and developmental disabilities upon the request of the ombudsman.

179.13 (c) Notwithstanding paragraph (a) and section 13.39, the existence of an investigation
179.14 by the commissioner of human services of possible overpayments of public funds to a service
179.15 provider or recipient or the reduction or withholding of payments may be disclosed if the
179.16 commissioner determines that it will not compromise the investigation.

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

179.18 Sec. 3. Minnesota Statutes 2024, section 245.095, subdivision 5, is amended to read:

179.19 Subd. 5. **Withholding of payments.** (a) Except as otherwise provided by state or federal
179.20 law, the commissioner may withhold payments to a provider, vendor, individual, associated
179.21 individual, or associated entity in any program administered by the commissioner if the
179.22 commissioner determines:

179.23 (1) there is a credible allegation of fraud for which an investigation is pending for a
179.24 program administered by a Minnesota state or federal agency;

179.25 (2) the individual, the entity, or an associated individual or entity was convicted of a
179.26 crime charged in state or federal court with an offense that involves fraud or theft against
179.27 a program administered by the commissioner or another Minnesota state or federal agency.
179.28 For purposes of this subdivision, "convicted" means a judgment of conviction has been
179.29 entered by a federal, state, or local court, regardless of whether an appeal from the judgment
179.30 is pending, and includes a stay of adjudication, a court-ordered diversion program, or a plea
179.31 of guilty or nolo contendere;

180.1 (3) the provider is operating after a Minnesota state or federal agency orders the
180.2 suspension, revocation, or decertification of the provider's license;

180.3 (4) the provider, vendor, associated individual, or associated entity, including those
180.4 receiving funds under any contract or registered program, has a background study
180.5 disqualification under chapter 245C that has not been set aside and for which no variance
180.6 has been issued, except for a disqualification under sections 245C.14, subdivision 5, and
180.7 245C.15, subdivision 4c; or

180.8 (5) by a preponderance of the evidence that the provider, vendor, individual, associated
180.9 individual, or associated entity intentionally provided materially false information on the
180.10 provider's billing forms.

180.11 (b) For purposes of this subdivision, "credible allegation of fraud" means an allegation
180.12 that has been verified by the commissioner from any source, including but not limited to:

180.13 (1) fraud hotline complaints;

180.14 (2) claims data mining;

180.15 (3) patterns identified through provider audits, civil false claims cases, and law
180.16 enforcement investigations; and

180.17 (4) court filings and other legal documents, including but not limited to police reports,
180.18 complaints, indictments, informations, affidavits, declarations, and search warrants.

180.19 (c) The commissioner must send notice of the withholding of payments within five days
180.20 of taking such action. The notice must:

180.21 (1) state that payments are being withheld according to this subdivision;

180.22 (2) set forth the general allegations related to the withholding action, except the notice
180.23 need not disclose specific information concerning an ongoing investigation;

180.24 (3) state that the withholding is for a temporary period and cite the circumstances under
180.25 which the withholding will be terminated; and

180.26 (4) inform the provider, vendor, individual, associated individual, or associated entity
180.27 of the right to submit written evidence to contest the withholding action for consideration
180.28 by the commissioner.

180.29 (d) If the commissioner withholds payments under this subdivision, the provider, vendor,
180.30 individual, associated individual, or associated entity has a right to request administrative
180.31 reconsideration. A request for administrative reconsideration must be made in writing, state
180.32 with specificity the reasons the payment withholding decision is in error, and include

181.1 documents to support the request. Within 60 days from receipt of the request, the
181.2 commissioner shall judiciously review allegations, facts, evidence available to the
181.3 commissioner, and information submitted by the provider, vendor, individual, associated
181.4 individual, or associated entity to determine whether the payment withholding should remain
181.5 in place.

181.6 (e) The commissioner shall stop withholding payments if the commissioner determines
181.7 there is insufficient evidence of fraud by the provider, vendor, individual, associated
181.8 individual, or associated entity or when legal proceedings relating to the alleged fraud are
181.9 completed, unless the commissioner has sent notice under subdivision 3 to the provider,
181.10 vendor, individual, associated individual, or associated entity.

181.11 (f) The withholding of payments is a temporary action and is not subject to appeal under
181.12 section 256.045 or chapter 14.

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

181.14 Sec. 4. Minnesota Statutes 2024, section 245.095, is amended by adding a subdivision to
181.15 read:

181.16 **Subd. 6. Data practices.** The commissioner may exchange information, including claims
181.17 data, with state or federal agencies, professional boards, departments, or programs for the
181.18 purpose of investigating or prosecuting a criminal, civil, or administrative proceeding related
181.19 to suspected fraud or exclusion from any program administered by a state or federal agency.

181.20 Sec. 5. Minnesota Statutes 2024, section 245A.03, is amended by adding a subdivision to
181.21 read:

181.22 **Subd. 7a. Discretionary temporary licensing moratorium.** (a) The commissioner must
181.23 not issue an initial license for an individual, organization, or government entity seeking
181.24 licensure under this chapter and must not add a new service to an existing license when the
181.25 commissioner determines that exceptional growth in applications for licensure or requests
181.26 to add new services exceeds the determined need for service capacity. The determined need
181.27 for service capacity may be limited to a specific region, service focus, or other factors as
181.28 determined by the commissioner. A temporary licensing moratorium issued under this
181.29 subdivision is effective for a period of up to 24 months from the date the commissioner
181.30 issues the moratorium.

182.1 (b) Any applicant that will not receive a license due to a temporary licensing moratorium
182.2 issued under paragraph (a) may apply for a refund of licensing application fees for up to
182.3 one year from the date the commissioner issues the moratorium.

182.4 (c) The commissioner must notify the chairs and ranking minority members of the
182.5 legislative committees with jurisdiction over health and human services at least 30 days
182.6 prior to issuing a temporary moratorium under this subdivision and publish notice of the
182.7 moratorium on the department's website. The notice must include:

182.8 (1) a list of all license types to which the moratorium will apply;

182.9 (2) the proposed start date of the moratorium; and

182.10 (3) the anticipated duration of the moratorium.

182.11 (d) The commissioner must establish and make publicly available the processes and
182.12 criteria the commissioner will use to grant exceptions to a temporary moratorium issued
182.13 under this subdivision.

182.14 Sec. 6. Minnesota Statutes 2024, section 245A.04, subdivision 1, is amended to read:

182.15 Subdivision 1. **Application for licensure.** (a) An individual, organization, or government
182.16 entity that is subject to licensure under section 245A.03 must apply for a license. The
182.17 application must be made on the forms and in the manner prescribed by the commissioner.
182.18 The commissioner shall provide the applicant with instruction in completing the application
182.19 and provide information about the rules and requirements of other state agencies that affect
182.20 the applicant. An applicant seeking licensure in Minnesota with headquarters outside of
182.21 Minnesota must have a program office located within 30 miles of the Minnesota border.
182.22 An applicant who intends to buy or otherwise acquire a program or services licensed under
182.23 this chapter that is owned by another license holder must apply for a license under this
182.24 chapter and comply with the application procedures in this section and section 245A.043.

182.25 The commissioner shall act on the application within 90 working days after a complete
182.26 application and any required reports have been received from other state agencies or
182.27 departments, counties, municipalities, or other political subdivisions. The commissioner
182.28 shall not consider an application to be complete until the commissioner receives all of the
182.29 required information. If the applicant or a controlling individual is the subject of a pending
182.30 administrative, civil, or criminal investigation, the application is not complete until the
182.31 investigation has closed or the related legal proceedings are complete.

182.32 When the commissioner receives an application for initial licensure that is incomplete
182.33 because the applicant failed to submit required documents or that is substantially deficient

183.1 because the documents submitted do not meet licensing requirements, the commissioner
183.2 shall provide the applicant written notice that the application is incomplete or substantially
183.3 deficient. In the written notice to the applicant the commissioner shall identify documents
183.4 that are missing or deficient and give the applicant 45 days to resubmit a second application
183.5 that is substantially complete. An applicant's failure to submit a substantially complete
183.6 application after receiving notice from the commissioner is a basis for license denial under
183.7 section 245A.043.

183.8 (b) An application for licensure must identify all controlling individuals as defined in
183.9 section 245A.02, subdivision 5a, and must designate one individual to be the authorized
183.10 agent. The application must be signed by the authorized agent and must include the authorized
183.11 agent's first, middle, and last name; mailing address; and email address. By submitting an
183.12 application for licensure, the authorized agent consents to electronic communication with
183.13 the commissioner throughout the application process. The authorized agent must be
183.14 authorized to accept service on behalf of all of the controlling individuals. A government
183.15 entity that holds multiple licenses under this chapter may designate one authorized agent
183.16 for all licenses issued under this chapter or may designate a different authorized agent for
183.17 each license. Service on the authorized agent is service on all of the controlling individuals.
183.18 It is not a defense to any action arising under this chapter that service was not made on each
183.19 controlling individual. The designation of a controlling individual as the authorized agent
183.20 under this paragraph does not affect the legal responsibility of any other controlling individual
183.21 under this chapter.

183.22 (c) An applicant or license holder must have a policy that prohibits license holders,
183.23 employees, subcontractors, and volunteers, when directly responsible for persons served
183.24 by the program, from abusing prescription medication or being in any manner under the
183.25 influence of a chemical that impairs the individual's ability to provide services or care. The
183.26 license holder must train employees, subcontractors, and volunteers about the program's
183.27 drug and alcohol policy.

183.28 (d) An applicant and license holder must have a program grievance procedure that permits
183.29 persons served by the program and their authorized representatives to bring a grievance to
183.30 the highest level of authority in the program.

183.31 (e) The commissioner may limit communication during the application process to the
183.32 authorized agent or the controlling individuals identified on the license application and for
183.33 whom a background study was initiated under chapter 245C. Upon implementation of the
183.34 provider licensing and reporting hub, applicants and license holders must use the hub in the
183.35 manner prescribed by the commissioner. The commissioner may require the applicant,

184.1 except for child foster care, to demonstrate competence in the applicable licensing
184.2 requirements by successfully completing a written examination. The commissioner may
184.3 develop a prescribed written examination format.

184.4 (f) When an applicant is an individual, the applicant must provide:

184.5 (1) the applicant's taxpayer identification numbers including the Social Security number
184.6 or Minnesota tax identification number, and federal employer identification number if the
184.7 applicant has employees;

184.8 (2) at the request of the commissioner, a copy of the most recent filing with the secretary
184.9 of state that includes the complete business name, if any;

184.10 (3) if doing business under a different name, the doing business as (DBA) name, as
184.11 registered with the secretary of state;

184.12 (4) if applicable, the applicant's National Provider Identifier (NPI) number and Unique
184.13 Minnesota Provider Identifier (UMPI) number; and

184.14 (5) at the request of the commissioner, the notarized signature of the applicant or
184.15 authorized agent.

184.16 (g) When an applicant is an organization, the applicant must provide:

184.17 (1) the applicant's taxpayer identification numbers including the Minnesota tax
184.18 identification number and federal employer identification number;

184.19 (2) at the request of the commissioner, a copy of the most recent filing with the secretary
184.20 of state that includes the complete business name, and if doing business under a different
184.21 name, the doing business as (DBA) name, as registered with the secretary of state;

184.22 (3) the first, middle, and last name, and address for all individuals who will be controlling
184.23 individuals, including all officers, owners, and managerial officials as defined in section
184.24 245A.02, subdivision 5a, and the date that the background study was initiated by the applicant
184.25 for each controlling individual;

184.26 (4) if applicable, the applicant's NPI number and UMPI number;

184.27 (5) the documents that created the organization and that determine the organization's
184.28 internal governance and the relations among the persons that own the organization, have
184.29 an interest in the organization, or are members of the organization, in each case as provided
184.30 or authorized by the organization's governing statute, which may include a partnership
184.31 agreement, bylaws, articles of organization, organizational chart, and operating agreement,
184.32 or comparable documents as provided in the organization's governing statute; and

185.1 (6) the notarized signature of the applicant or authorized agent.

185.2 (h) When the applicant is a government entity, the applicant must provide:

185.3 (1) the name of the government agency, political subdivision, or other unit of government
185.4 seeking the license and the name of the program or services that will be licensed;

185.5 (2) the applicant's taxpayer identification numbers including the Minnesota tax
185.6 identification number and federal employer identification number;

185.7 (3) a letter signed by the manager, administrator, or other executive of the government
185.8 entity authorizing the submission of the license application; and

185.9 (4) if applicable, the applicant's NPI number and UMPI number.

185.10 (i) At the time of application for licensure or renewal of a license under this chapter, the
185.11 applicant or license holder must acknowledge on the form provided by the commissioner
185.12 if the applicant or license holder elects to receive any public funding reimbursement from
185.13 the commissioner for services provided under the license that:

185.14 (1) the applicant's or license holder's compliance with the provider enrollment agreement
185.15 or registration requirements for receipt of public funding may be monitored by the
185.16 commissioner as part of a licensing investigation or licensing inspection; and

185.17 (2) noncompliance with the provider enrollment agreement or registration requirements
185.18 for receipt of public funding that is identified through a licensing investigation or licensing
185.19 inspection, or noncompliance with a licensing requirement that is a basis of enrollment for
185.20 reimbursement for a service, may result in:

185.21 (i) a correction order or a conditional license under section 245A.06, or sanctions under
185.22 section 245A.07;

185.23 (ii) nonpayment of claims submitted by the license holder for public program
185.24 reimbursement;

185.25 (iii) recovery of payments made for the service;

185.26 (iv) disenrollment in the public payment program; or

185.27 (v) other administrative, civil, or criminal penalties as provided by law.

185.28 Sec. 7. Minnesota Statutes 2024, section 245A.04, subdivision 7, is amended to read:

185.29 Subd. 7. **Grant of license; license extension.** (a) If the commissioner determines that
185.30 the program complies with all applicable rules and laws, the commissioner shall issue a

186.1 license consistent with this section or, if applicable, a temporary change of ownership license
186.2 under section 245A.043. At minimum, the license shall state:

186.3 (1) the name of the license holder;

186.4 (2) the address of the program;

186.5 (3) the effective date and expiration date of the license;

186.6 (4) the type of license, and the specific service the license holder is licensed to provide;

186.7 (5) the maximum number and ages of persons that may receive services from the program;

186.8 and

186.9 (6) any special conditions of licensure.

186.10 (b) The commissioner may issue a license for a period not to exceed two years if:

186.11 (1) the commissioner is unable to conduct the observation required by subdivision 4,

186.12 paragraph (a), clause (3), because the program is not yet operational;

186.13 (2) certain records and documents are not available because persons are not yet receiving

186.14 services from the program; and

186.15 (3) the applicant complies with applicable laws and rules in all other respects.

186.16 (c) A decision by the commissioner to issue a license does not guarantee that any person

186.17 or persons will be placed or cared for in the licensed program.

186.18 (d) Except as provided in paragraphs (i) and (j), the commissioner shall not issue a

186.19 license if the applicant, license holder, or an affiliated controlling individual has:

186.20 (1) been disqualified and the disqualification was not set aside and no variance has been

186.21 granted;

186.22 (2) been denied a license under this chapter or chapter 142B within the past two years;

186.23 (3) had a license issued under this chapter or chapter 142B revoked within the past five

186.24 years; or

186.25 (4) failed to submit the information required of an applicant under subdivision 1,

186.26 paragraph (f), (g), or (h), after being requested by the commissioner.

186.27 When a license issued under this chapter or chapter 142B is revoked, the license holder

186.28 and each affiliated controlling individual with a revoked license may not hold any license

186.29 under chapter 245A for five years following the revocation, and other licenses held by the

187.1 applicant or license holder or licenses affiliated with each controlling individual shall also
187.2 be revoked.

187.3 (e) Notwithstanding paragraph (d), the commissioner may elect not to revoke a license
187.4 affiliated with a license holder or controlling individual that had a license revoked within
187.5 the past five years if the commissioner determines that (1) the license holder or controlling
187.6 individual is operating the program in substantial compliance with applicable laws and rules
187.7 and (2) the program's continued operation is in the best interests of the community being
187.8 served.

187.9 (f) Notwithstanding paragraph (d), the commissioner may issue a new license in response
187.10 to an application that is affiliated with an applicant, license holder, or controlling individual
187.11 that had an application denied within the past two years or a license revoked within the past
187.12 five years if the commissioner determines that (1) the applicant or controlling individual
187.13 has operated one or more programs in substantial compliance with applicable laws and rules
187.14 and (2) the program's operation would be in the best interests of the community to be served.

187.15 (g) In determining whether a program's operation would be in the best interests of the
187.16 community to be served, the commissioner shall consider factors such as the number of
187.17 persons served, the availability of alternative services available in the surrounding
187.18 community, the management structure of the program, whether the program provides
187.19 culturally specific services, and other relevant factors.

187.20 (h) The commissioner shall not issue or reissue a license under this chapter if an individual
187.21 living in the household where the services will be provided as specified under section
187.22 245C.03, subdivision 1, has been disqualified and the disqualification has not been set aside
187.23 and no variance has been granted.

187.24 (i) Pursuant to section 245A.07, subdivision 1, paragraph (b), when a license issued
187.25 under this chapter has been suspended or revoked and the suspension or revocation is under
187.26 appeal, the program may continue to operate pending a final order from the commissioner.
187.27 If the license under suspension or revocation will expire before a final order is issued, a
187.28 temporary provisional license may be issued provided any applicable license fee is paid
187.29 before the temporary provisional license is issued.

187.30 (j) Notwithstanding paragraph (i), when a revocation is based on the disqualification of
187.31 a controlling individual or license holder, and the controlling individual or license holder
187.32 is ordered under section 245C.17 to be immediately removed from direct contact with
187.33 persons receiving services or is ordered to be under continuous, direct supervision when
187.34 providing direct contact services, the program may continue to operate only if the program

188.1 complies with the order and submits documentation demonstrating compliance with the
188.2 order. If the disqualified individual fails to submit a timely request for reconsideration, or
188.3 if the disqualification is not set aside and no variance is granted, the order to immediately
188.4 remove the individual from direct contact or to be under continuous, direct supervision
188.5 remains in effect pending the outcome of a hearing and final order from the commissioner.

188.6 (k) Unless otherwise specified by statute, all licenses issued under this chapter expire
188.7 at 12:01 a.m. on the day after the expiration date stated on the license. A license holder must
188.8 apply for and be granted a new license to operate the program or the program must not be
188.9 operated after the expiration date.

188.10 (l) The commissioner shall not issue or reissue a license under this chapter if it has been
188.11 determined that a Tribal licensing authority has established jurisdiction to license the program
188.12 or service.

188.13 (m) The commissioner of human services may coordinate and share data with the
188.14 commissioner of children, youth, and families to enforce this section.

188.15 Sec. 8. Minnesota Statutes 2024, section 245A.043, is amended by adding a subdivision
188.16 to read:

188.17 Subd. 2a. **Review of change in ownership.** (a) After a change in ownership under
188.18 subdivision 2, paragraph (a), the commissioner may complete a review for all new license
188.19 holders within 12 months after the new license is issued.

188.20 (b) For all license holders subject to the exception in subdivision 2, paragraph (b), the
188.21 license holder must notify the commissioner of the date of the change in controlling
188.22 individuals pursuant to section 245A.04, subdivision 7a, and the commissioner may complete
188.23 a review within 12 months following the change.

188.24 Sec. 9. Minnesota Statutes 2024, section 245A.05, is amended to read:

188.25 **245A.05 DENIAL OF APPLICATION.**

188.26 (a) The commissioner may deny a license if an applicant or controlling individual:

188.27 (1) fails to submit a substantially complete application after receiving notice from the
188.28 commissioner under section 245A.04, subdivision 1;

188.29 (2) fails to comply with applicable laws or rules;

189.1 (3) knowingly withholds relevant information from or gives false or misleading
189.2 information to the commissioner in connection with an application for a license or during
189.3 an investigation;

189.4 (4) has a disqualification that has not been set aside under section 245C.22 and no
189.5 variance has been granted;

189.6 (5) has an individual living in the household who received a background study under
189.7 section 245C.03, subdivision 1, paragraph (a), clause (2), who has a disqualification that
189.8 has not been set aside under section 245C.22, and no variance has been granted;

189.9 (6) is associated with an individual who received a background study under section
189.10 245C.03, subdivision 1, paragraph (a), clause (6), who may have unsupervised access to
189.11 children or vulnerable adults, and who has a disqualification that has not been set aside
189.12 under section 245C.22, and no variance has been granted;

189.13 (7) fails to comply with section 245A.04, subdivision 1, paragraph (f) or (g);

189.14 (8) fails to demonstrate competent knowledge as required by section 245A.04, subdivision
189.15 6;

189.16 (9) has a history of noncompliance as a license holder or controlling individual with
189.17 applicable laws or rules, including but not limited to this chapter and chapters 142E and
189.18 245C; ~~or~~

189.19 (10) is prohibited from holding a license according to section 245.095; or

189.20 (11) is the subject of a pending administrative, civil, or criminal investigation.

189.21 (b) An applicant whose application has been denied by the commissioner must be given
189.22 notice of the denial, which must state the reasons for the denial in plain language. Notice
189.23 must be given by certified mail, by personal service, or through the provider licensing and
189.24 reporting hub. The notice must state the reasons the application was denied and must inform
189.25 the applicant of the right to a contested case hearing under chapter 14 and Minnesota Rules,
189.26 parts 1400.8505 to 1400.8612. The applicant may appeal the denial by notifying the
189.27 commissioner in writing by certified mail, by personal service, or through the provider
189.28 licensing and reporting hub. If mailed, the appeal must be postmarked and sent to the
189.29 commissioner within 20 calendar days after the applicant received the notice of denial. If
189.30 an appeal request is made by personal service, it must be received by the commissioner
189.31 within 20 calendar days after the applicant received the notice of denial. If the order is issued
189.32 through the provider hub, the appeal must be received by the commissioner within 20

190.1 calendar days from the date the commissioner issued the order through the hub. Section
190.2 245A.08 applies to hearings held to appeal the commissioner's denial of an application.

190.3 Sec. 10. Minnesota Statutes 2024, section 245A.07, subdivision 2, is amended to read:

190.4 Subd. 2. **Temporary immediate suspension.** (a) The commissioner shall act immediately
190.5 to temporarily suspend a license issued under this chapter if:

190.6 (1) the license holder's or controlling individual's actions or failure to comply with
190.7 applicable law or rule, or the actions of other individuals or conditions in the program, pose
190.8 an imminent risk of harm to the health, safety, or rights of persons served by the program;

190.9 (2) while the program continues to operate pending an appeal of an order of revocation,
190.10 the commissioner identifies one or more subsequent violations of law or rule which may
190.11 adversely affect the health or safety of persons served by the program; or

190.12 (3) the license holder or controlling individual is criminally charged in state or federal
190.13 court with an offense that involves fraud or theft against a program administered by ~~the~~
190.14 ~~commissioner~~ a state or federal agency.

190.15 (b) No state funds shall be made available or be expended by any agency or department
190.16 of state, county, or municipal government for use by a license holder regulated under this
190.17 chapter while a license issued under this chapter is under immediate suspension. A notice
190.18 stating the reasons for the immediate suspension and informing the license holder of the
190.19 right to an expedited hearing under chapter 14 and Minnesota Rules, parts 1400.8505 to
190.20 1400.8612, must be delivered by personal service to the address shown on the application
190.21 or the last known address of the license holder. The license holder may appeal an order
190.22 immediately suspending a license. The appeal of an order immediately suspending a license
190.23 must be made in writing by certified mail, personal service, or other means expressly set
190.24 forth in the commissioner's order. If mailed, the appeal must be postmarked and sent to the
190.25 commissioner within five calendar days after the license holder receives notice that the
190.26 license has been immediately suspended. If a request is made by personal service, it must
190.27 be received by the commissioner within five calendar days after the license holder received
190.28 the order. A license holder and any controlling individual shall discontinue operation of the
190.29 program upon receipt of the commissioner's order to immediately suspend the license.

190.30 (c) The commissioner may act immediately to temporarily suspend a license issued
190.31 under this chapter if the license holder or controlling individual is the subject of a pending
190.32 administrative, civil, or criminal investigation or subject to an administrative or civil action
190.33 related to fraud against a program administered by a state or federal agency.

191.1 Sec. 11. Minnesota Statutes 2024, section 245A.10, subdivision 2, is amended to read:

191.2 Subd. 2. **County fees for applications and licensing inspections.** (a) For purposes of
191.3 adult foster care and child foster residence setting licensing, family adult day services,
191.4 family adult foster care, and licensing the physical plant of a community residential setting
191.5 or residential services facility, under this chapter, a county agency may charge a fee to a
191.6 corporate applicant or corporate license holder to recover the actual cost of licensing
191.7 inspections, not to exceed ~~\$500~~ \$2,100 annually. Of this amount, 50 percent must be allocated
191.8 to the county agency and 50 percent must be deposited as required under subdivision 8.

191.9 (b) Counties may elect to reduce or waive the fees in paragraph (a) under the following
191.10 circumstances:

191.11 (1) in cases of financial hardship;

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

191.13 (3) for new providers.

191.14 Sec. 12. Minnesota Statutes 2024, section 245A.10, subdivision 3, is amended to read:

191.15 Subd. 3. **Application fee for initial license or certification.** (a) Except as provided in
191.16 paragraph (d), for fees required under subdivision 1, an applicant for an initial license or
191.17 certification issued by the commissioner shall submit a ~~\$500~~ \$2,100 application fee with
191.18 each new application required under this subdivision. ~~An applicant for an initial day services~~
191.19 ~~facility license under chapter 245D shall submit a \$250 application fee with each new~~
191.20 ~~application. A new application fee must be submitted for each new license holder on the~~
191.21 license when a partial change of ownership occurs. The application fee shall not be prorated,
191.22 is nonrefundable, and is in lieu of the annual license or certification fee that expires on
191.23 December 31. The commissioner shall not process an application until the application fee
191.24 is paid.

191.25 (b) Except as provided in paragraph (c), an applicant shall apply for a license to provide
191.26 services at a specific location.

191.27 (c) For a license to provide home and community-based services to persons with
191.28 disabilities or age 65 and older under chapter 245D, an applicant shall submit an application
191.29 to provide services statewide.

191.30 (d) For fees required under subdivision 1, an applicant for an initial license or certification
191.31 issued by the commissioner for children's residential facility or mental health clinic licensure

192.1 or certification shall submit a \$500 application fee with each new application required under
192.2 this subdivision.

192.3 Sec. 13. Minnesota Statutes 2024, section 245A.10, subdivision 4, is amended to read:

192.4 Subd. 4. **License or certification fee for certain programs.** (a)(1) A program licensed
192.5 to provide one or more of the home and community-based services and supports identified
192.6 under chapter 245D to persons with disabilities or age 65 and older, shall pay an annual
192.7 nonrefundable license fee based on revenues derived from the provision of services that
192.8 would require licensure under chapter 245D during the calendar year immediately preceding
192.9 the year in which the license fee is paid, according to the following schedule:

192.10	License Holder Annual Revenue	License Fee
192.11		\$200
192.12	less than or equal to \$10,000	<u>\$250</u>
192.13	greater than \$10,000 but less than or	\$300
192.14	equal to \$25,000	<u>\$375</u>
192.15	greater than \$25,000 but less than or	\$400
192.16	equal to \$50,000	<u>\$500</u>
192.17	greater than \$50,000 but less than or	\$500
192.18	equal to \$100,000	<u>\$625</u>
192.19	greater than \$100,000 but less than or	\$600
192.20	equal to \$150,000	<u>\$750</u>
192.21	greater than \$150,000 but less than or	\$800
192.22	equal to \$200,000	<u>\$1,000</u>
192.23	greater than \$200,000 but less than or	\$1,000
192.24	equal to \$250,000	<u>\$1,250</u>
192.25	greater than \$250,000 but less than or	\$1,200
192.26	equal to \$300,000	<u>\$1,500</u>
192.27	greater than \$300,000 but less than or	\$1,400
192.28	equal to \$350,000	<u>\$1,750</u>
192.29	greater than \$350,000 but less than or	\$1,600
192.30	equal to \$400,000	<u>\$2,000</u>
192.31	greater than \$400,000 but less than or	\$1,800
192.32	equal to \$450,000	<u>\$2,250</u>
192.33	greater than \$450,000 but less than or	\$2,000
192.34	equal to \$500,000	<u>\$2,500</u>
192.35	greater than \$500,000 but less than or	\$2,250
192.36	equal to \$600,000	<u>\$2,850</u>
192.37	greater than \$600,000 but less than or	\$2,500
192.38	equal to \$700,000	<u>\$3,200</u>
192.39	greater than \$700,000 but less than or	\$2,750
192.40	equal to \$800,000	<u>\$3,600</u>

193.1	greater than \$800,000 but less than or	\$3,000
193.2	equal to \$900,000	<u>\$3,900</u>
193.3	greater than \$900,000 but less than or	\$3,250
193.4	equal to \$1,000,000	<u>\$4,250</u>
193.5	greater than \$1,000,000 but less than or	\$3,500
193.6	equal to \$1,250,000	<u>\$4,550</u>
193.7	greater than \$1,250,000 but less than or	\$3,750
193.8	equal to \$1,500,000	<u>\$4,900</u>
193.9	greater than \$1,500,000 but less than or	\$4,000
193.10	equal to \$1,750,000	<u>\$5,200</u>
193.11	greater than \$1,750,000 but less than or	\$4,250
193.12	equal to \$2,000,000	<u>\$5,500</u>
193.13	greater than \$2,000,000 but less than or	\$4,500
193.14	equal to \$2,500,000	<u>\$5,900</u>
193.15	greater than \$2,500,000 but less than or	\$4,750
193.16	equal to \$3,000,000	<u>\$6,200</u>
193.17	greater than \$3,000,000 but less than or	\$5,000
193.18	equal to \$3,500,000	<u>\$6,500</u>
193.19	greater than \$3,500,000 but less than or	\$5,500
193.20	equal to \$4,000,000	<u>\$7,200</u>
193.21	greater than \$4,000,000 but less than or	\$6,000
193.22	equal to \$4,500,000	<u>\$7,800</u>
193.23	greater than \$4,500,000 but less than or	\$6,500
193.24	equal to \$5,000,000	<u>\$9,000</u>
193.25	greater than \$5,000,000 but less than or	\$7,000
193.26	equal to \$7,500,000	<u>\$10,000</u>
193.27	greater than \$7,500,000 but less than or	\$8,500
193.28	equal to \$10,000,000	<u>\$14,000</u>
193.29	greater than \$10,000,000 but less than or	\$10,000
193.30	equal to \$12,500,000	<u>\$18,000</u>
193.31	greater than \$12,500,000 but less than or	\$14,000
193.32	equal to \$15,000,000	<u>\$25,000</u>
193.33	greater than \$15,000,000 but less than or	\$18,000
193.34	<u>equal to \$17,500,000</u>	<u>\$28,000</u>
193.35	<u>greater than \$17,500,000 but less than</u>	
193.36	<u>\$20,000,000</u>	<u>\$32,000</u>
193.37	<u>greater than \$20,000,000 but less than</u>	
193.38	<u>\$25,000,000</u>	<u>\$36,000</u>
193.39	<u>greater than \$25,000,000 but less than</u>	
193.40	<u>\$30,000,000</u>	<u>\$45,000</u>
193.41	<u>greater than \$30,000,000 but less than</u>	
193.42	<u>\$35,000,000</u>	<u>\$55,000</u>
193.43	<u>greater than \$35,000,000</u>	<u>\$75,000</u>

(2) If requested, the license holder shall provide the commissioner information to verify the license holder's annual revenues or other information as needed, including copies of documents submitted to the Department of Revenue.

(3) At each annual renewal, a license holder may elect to pay the highest renewal fee, and not provide annual revenue information to the commissioner.

(4) A license holder that knowingly provides the commissioner incorrect revenue amounts for the purpose of paying a lower license fee shall be subject to a civil penalty in the amount of double the fee the provider should have paid.

(b) A residential substance use disorder treatment program licensed under chapter 245G, to provide substance use disorder treatment shall pay an annual nonrefundable license fee based on the following schedule:

Licensed Capacity	License Fee
	\$600
1 to 24 persons	<u>\$2,600</u>
	\$800
25 to 49 persons	<u>\$3,000</u>
	\$1,000
50 to 74 persons	<u>\$5,000</u>
	\$1,200
75 to 99 persons	<u>\$10,000</u>
	\$1,400
100 or more persons to 199 persons	<u>\$15,000</u>
<u>200 or more persons</u>	<u>\$20,000</u>

(c) A nonresidential substance use disorder treatment program licensed under chapter 245G to provide substance use disorder treatment shall pay an annual nonrefundable license fee of \$2,600.

~~(e)~~ (d) A detoxification program licensed under Minnesota Rules, parts 9530.6510 to 9530.6590, or a withdrawal management program licensed under chapter 245F shall pay an annual nonrefundable license fee based on the following schedule:

Licensed Capacity	License Fee
	\$760
1 to 24 persons	<u>\$2,600</u>
	\$960
25 to 49 persons	<u>\$3,000</u>
	\$1,160
50 or more persons	<u>\$5,000</u>

195.1 A detoxification program that also operates a withdrawal management program at the same
195.2 location shall only pay one fee based upon the licensed capacity of the program with the
195.3 higher overall capacity.

195.4 ~~(d)~~ (e) A children's residential facility licensed under Minnesota Rules, chapter 2960,
195.5 to serve children shall pay an annual nonrefundable license fee based on the following
195.6 schedule:

195.7	Licensed Capacity	License Fee
195.8	1 to 24 persons	\$1,000
195.9	25 to 49 persons	\$1,100
195.10	50 to 74 persons	\$1,200
195.11	75 to 99 persons	\$1,300
195.12	100 or more persons	\$1,400

195.13 ~~(e)~~ (f) A residential facility licensed under section 245I.23 or Minnesota Rules, parts
195.14 9520.0500 to 9520.0670, to serve persons with mental illness shall pay an annual
195.15 nonrefundable license fee based on the following schedule:

195.16	Licensed Capacity	License Fee
195.17		\$2,525
195.18	1 to 24 persons	<u>\$2,600</u>
195.19		\$2,725
195.20	25 or more persons <u>to 49 persons</u>	<u>\$3,000</u>
195.21	<u>50 or more persons</u>	<u>\$20,000</u>

195.22 ~~(f)~~ (g) A residential facility licensed under Minnesota Rules, parts 9570.2000 to
195.23 9570.3400, to serve persons with physical disabilities shall pay an annual nonrefundable
195.24 license fee based on the following schedule:

195.25	Licensed Capacity	License Fee
195.26	1 to 24 persons	\$450
195.27	25 to 49 persons	\$650
195.28	50 to 74 persons	\$850
195.29	75 to 99 persons	\$1,050
195.30	100 or more persons	\$1,250

195.31 ~~(g)~~ (h) A program licensed as an adult day care center licensed under Minnesota Rules,
195.32 parts 9555.9600 to 9555.9730, shall pay an annual nonrefundable license fee based on the
195.33 following schedule:

195.34	Licensed Capacity	License Fee
195.35	1 to 24 persons	\$500

196.1	25 to 49 persons	\$700
196.2	50 to 74 persons	\$900
196.3	75 to 99 persons	\$1,100
196.4	100 or more persons	\$1,300

196.5 ~~(h)~~ (i) A program licensed to provide treatment services to persons with sexual
 196.6 psychopathic personalities or sexually dangerous persons under Minnesota Rules, parts
 196.7 9515.3000 to 9515.3110, shall pay an annual nonrefundable license fee of \$20,000.

196.8 ~~(i)~~ (j) A mental health clinic certified under section 245I.20 shall pay an annual
 196.9 nonrefundable certification fee of \$1,550. If the mental health clinic provides services at a
 196.10 primary location with satellite facilities, the satellite facilities shall be certified with the
 196.11 primary location without an additional charge.

196.12 (k) If a program subject to annual fees under paragraph (b), (c), (d), or (f) provides
 196.13 services at a primary location with satellite facilities, the satellite facilities shall be licensed
 196.14 with the primary location and shall be subject to an additional \$500 annual nonrefundable
 196.15 license fee per satellite facility.

196.16 Sec. 14. Minnesota Statutes 2024, section 245A.10, subdivision 8, is amended to read:

196.17 Subd. 8. **Deposit of license fees.** A human services licensing and program integrity
 196.18 account is created in the state government special revenue fund. Fees collected under
 196.19 subdivisions 3 and 4 must be deposited in the human services licensing and program integrity
 196.20 account and are annually appropriated to the commissioner for licensing activities authorized
 196.21 under this chapter and program integrity activities.

196.22 Sec. 15. Minnesota Statutes 2024, section 254B.06, is amended by adding a subdivision
 196.23 to read:

196.24 Subd. 5. **Prohibition of duplicative claim submission.** (a) For time-based claims,
 196.25 submissions must follow the guidelines in the Centers for Medicare and Medicaid Services'
 196.26 Healthcare Common Procedure Coding System and the American Medical Association's
 196.27 Current Procedural Terminology to determine the appropriate units of time to report.

196.28 (b) More than half the duration of a time-based code must be spent performing the service
 196.29 to be eligible under this section. Any provision of service during the remaining balance of
 196.30 the unit of time is not eligible for any other claims submission and would be considered a
 196.31 duplicative claim submission.

197.1 (c) A provider may only round up to the next whole number of service units on a
197.2 submitted claim when more than one and one-half times the defined value of the code has
197.3 occurred and no additional time increment code exists.

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

197.5 Sec. 16. Minnesota Statutes 2024, section 256.983, subdivision 4, is amended to read:

197.6 Subd. 4. **Funding.** (a) County and Tribal agency reimbursement shall be made through
197.7 the settlement provisions applicable to the Supplemental Nutrition Assistance Program
197.8 (SNAP), MFIP, child care assistance programs, the medical assistance program, and other
197.9 federal and state-funded programs.

197.10 (b) The commissioners will maintain program compliance if for any ~~three consecutive~~
197.11 ~~month period~~ quarter, a county or Tribal agency fails to comply with fraud prevention
197.12 investigation program guidelines, or fails to meet the cost-effectiveness standards developed
197.13 by the commissioners. This result is contingent on the commissioners providing written
197.14 notice, including an offer of technical assistance, within 30 days of the end of the ~~third or~~
197.15 ~~subsequent month~~ quarter of noncompliance. The county or Tribal agency shall be required
197.16 to submit a corrective action plan to the commissioners within 30 days of receipt of a notice
197.17 of noncompliance. Failure to submit a corrective action plan or, continued deviation from
197.18 standards of more than ten percent after submission of a corrective action plan, will result
197.19 in denial of funding for each subsequent month, or billing the county or Tribal agency for
197.20 fraud prevention investigation (FPI) service provided by the commissioners, or reallocation
197.21 of program grant funds, or investigative resources, or both, to other counties or Tribal
197.22 agencies. The denial of funding shall apply to the general settlement received by the county
197.23 or Tribal agency on a quarterly basis and shall not reduce the grant amount applicable to
197.24 the FPI project.

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

197.26 Sec. 17. Minnesota Statutes 2024, section 256B.0659, subdivision 21, is amended to read:

197.27 Subd. 21. **Requirements for provider enrollment of personal care assistance provider**
197.28 **agencies.** (a) All personal care assistance provider agencies must provide, at the time of
197.29 enrollment, reenrollment, and revalidation as a personal care assistance provider agency in
197.30 a format determined by the commissioner, information and documentation that includes,
197.31 but is not limited to, the following:

198.1 (1) the personal care assistance provider agency's current contact information including
198.2 address, telephone number, and email address;

198.3 (2) proof of surety bond coverage for each business location providing services. Upon
198.4 new enrollment, or if the provider's Medicaid revenue in the previous calendar year is up
198.5 to and including \$300,000, the provider agency must purchase a surety bond of \$50,000. If
198.6 the Medicaid revenue in the previous year is over \$300,000, the provider agency must
198.7 purchase a surety bond of \$100,000. The surety bond must be in a form approved by the
198.8 commissioner, must be renewed annually, and must allow for recovery of costs and fees in
198.9 pursuing a claim on the bond. Any action to obtain monetary recovery or sanctions from a
198.10 surety bond must occur within six years from the date the debt is affirmed by a final agency
198.11 decision. An agency decision is final when the right to appeal the debt has been exhausted
198.12 or the time to appeal has expired under section 256B.064;

198.13 (3) proof of fidelity bond coverage in the amount of \$20,000 for each business location
198.14 providing service;

198.15 (4) proof of workers' compensation insurance coverage identifying the business location
198.16 where personal care assistance services are provided;

198.17 (5) proof of liability insurance coverage identifying the business location where personal
198.18 care assistance services are provided and naming the department as a certificate holder;

198.19 (6) a copy of the personal care assistance provider agency's written policies and
198.20 procedures including: hiring of employees; training requirements; service delivery; and
198.21 employee and consumer safety including process for notification and resolution of consumer
198.22 grievances, identification and prevention of communicable diseases, and employee
198.23 misconduct;

198.24 (7) copies of all other forms the personal care assistance provider agency uses in the
198.25 course of daily business including, but not limited to:

198.26 (i) a copy of the personal care assistance provider agency's time sheet if the time sheet
198.27 varies from the standard time sheet for personal care assistance services approved by the
198.28 commissioner, and a letter requesting approval of the personal care assistance provider
198.29 agency's nonstandard time sheet;

198.30 (ii) the personal care assistance provider agency's template for the personal care assistance
198.31 care plan; and

198.32 (iii) the personal care assistance provider agency's template for the written agreement
198.33 in subdivision 20 for recipients using the personal care assistance choice option, if applicable;

199.1 (8) a list of all training and classes that the personal care assistance provider agency
199.2 requires of its staff providing personal care assistance services;

199.3 (9) documentation that the personal care assistance provider agency and staff have
199.4 successfully completed all the training required by this section, including the requirements
199.5 under subdivision 11, paragraph (d), if enhanced personal care assistance services are
199.6 provided and submitted for an enhanced rate under subdivision 17a;

199.7 (10) documentation of the agency's marketing practices;

199.8 (11) disclosure of ownership, leasing, or management of all residential properties that
199.9 is used or could be used for providing home care services;

199.10 (12) documentation that the agency will use the following percentages of revenue
199.11 generated from the medical assistance rate paid for personal care assistance services for
199.12 employee personal care assistant wages and benefits: 72.5 percent of revenue in the personal
199.13 care assistance choice option and 72.5 percent of revenue from other personal care assistance
199.14 providers. The revenue generated by the qualified professional and the reasonable costs
199.15 associated with the qualified professional shall not be used in making this calculation; and

199.16 (13) effective May 15, 2010, documentation that the agency does not burden recipients'
199.17 free exercise of their right to choose service providers by requiring personal care assistants
199.18 to sign an agreement not to work with any particular personal care assistance recipient or
199.19 for another personal care assistance provider agency after leaving the agency and that the
199.20 agency is not taking action on any such agreements or requirements regardless of the date
199.21 signed.

199.22 (b) Personal care assistance provider agencies shall provide the information specified
199.23 in paragraph (a) to the commissioner at the time the personal care assistance provider agency
199.24 enrolls as a vendor or upon request from the commissioner. The commissioner shall collect
199.25 the information specified in paragraph (a) from all personal care assistance providers
199.26 beginning July 1, 2009.

199.27 (c) All personal care assistance provider agencies shall require all employees in
199.28 management and supervisory positions and owners of the agency who are active in the
199.29 day-to-day management and operations of the agency to complete mandatory training as
199.30 determined by the commissioner before submitting an application for enrollment of the
199.31 agency as a provider. All personal care assistance provider agencies shall also require
199.32 qualified professionals to complete the training required by subdivision 13 before submitting
199.33 an application for enrollment of the agency as a provider. Employees in management and
199.34 supervisory positions and owners who are active in the day-to-day operations of an agency

200.1 who have completed the required training as an employee with a personal care assistance
200.2 provider agency do not need to repeat the required training if they are hired by another
200.3 agency, if they have completed the training within the past three years. By September 1,
200.4 2010, the required training must be available with meaningful access according to title VI
200.5 of the Civil Rights Act and federal regulations adopted under that law or any guidance from
200.6 the United States Health and Human Services Department. The required training must be
200.7 available online or by electronic remote connection. The required training must provide for
200.8 competency testing. Personal care assistance provider agency billing staff shall complete
200.9 training about personal care assistance program financial management. This training is
200.10 effective July 1, 2009. Any personal care assistance provider agency enrolled before that
200.11 date shall, if it has not already, complete the provider training within 18 months of July 1,
200.12 2009. Any new owners or employees in management and supervisory positions involved
200.13 in the day-to-day operations are required to complete mandatory training as a requisite of
200.14 working for the agency. Personal care assistance provider agencies certified for participation
200.15 in Medicare as home health agencies are exempt from the training required in this
200.16 subdivision. When available, Medicare-certified home health agency owners, supervisors,
200.17 or managers must successfully complete the competency test.

200.18 (d) All surety bonds, fidelity bonds, workers' compensation insurance, and liability
200.19 insurance required by this subdivision must be maintained continuously. After initial
200.20 enrollment, a provider must submit proof of bonds and required coverages at any time at
200.21 the request of the commissioner. Services provided while there are lapses in coverage are
200.22 not eligible for payment. Lapses in coverage may result in sanctions, including termination.
200.23 The commissioner shall send instructions and a due date to submit the requested information
200.24 to the personal care assistance provider agency.

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

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

200.28 Subd. 16a. **Background studies.** An early intensive developmental and behavioral
200.29 intervention services agency must fulfill any background studies requirements under this
200.30 section by initiating a background study through the commissioner's NETStudy 2.0 system
200.31 as provided under ~~sections 245C.03, subdivision 15, and 245C.10, subdivision 17~~ chapter
200.32 245C and must maintain documentation of background study requests and results.

201.1 Sec. 19. Minnesota Statutes 2024, section 256B.4912, subdivision 1, is amended to read:

201.2 Subdivision 1. **Provider qualifications.** (a) For the home and community-based waivers
201.3 providing services to seniors and individuals with disabilities under chapter 256S and
201.4 sections 256B.0913, 256B.092, and 256B.49, the commissioner shall establish:

201.5 (1) agreements with enrolled waiver service providers to ensure providers meet Minnesota
201.6 health care program requirements;

201.7 (2) regular reviews of provider qualifications, and including requests of proof of
201.8 documentation; and

201.9 (3) processes to gather the necessary information to determine provider qualifications.

201.10 (b) A provider shall not require or coerce any service recipient to change waiver programs
201.11 or move to a different location, consistent with the informed choice and independent living
201.12 policies under section 256B.4905, subdivisions 1a, 2a, 3a, 7, and 8.

201.13 (c) ~~Beginning July 1, 2012, For~~ staff that provide direct contact, as defined in section
201.14 245C.02, subdivision 11, for services specified in the federally approved waiver plans,
201.15 providers must meet the requirements of chapter 245C prior to providing waiver services
201.16 ~~and as part of ongoing enrollment. Upon federal approval, and maintain documentation of~~
201.17 background study requests and results. This requirement ~~must~~ also apply ~~applies~~ to
201.18 consumer-directed community supports.

201.19 (d) ~~Beginning January 1, 2014, Service owners and managerial officials overseeing the~~
201.20 management or policies of services that provide direct contact as specified in the federally
201.21 approved waiver plans must meet the requirements of chapter 245C prior to reenrollment
201.22 or revalidation or, for new providers, prior to initial enrollment if they have not already
201.23 done so as a part of service licensure requirements.

201.24 Sec. 20. Minnesota Statutes 2024, section 256B.85, subdivision 12, is amended to read:

201.25 Subd. 12. **Requirements for enrollment of CFSS agency-providers.** (a) All CFSS
201.26 agency-providers must provide, at the time of enrollment, reenrollment, and revalidation
201.27 as a CFSS agency-provider in a format determined by the commissioner, information and
201.28 documentation that includes but is not limited to the following:

201.29 (1) the CFSS agency-provider's current contact information including address, telephone
201.30 number, and email address;

201.31 (2) proof of surety bond coverage. Upon new enrollment, or if the agency-provider's
201.32 Medicaid revenue in the previous calendar year is less than or equal to \$300,000, the

202.1 agency-provider must purchase a surety bond of \$50,000. If the agency-provider's Medicaid
202.2 revenue in the previous calendar year is greater than \$300,000, the agency-provider must
202.3 purchase a surety bond of \$100,000. The surety bond must be in a form approved by the
202.4 commissioner, must be renewed annually, and must allow for recovery of costs and fees in
202.5 pursuing a claim on the bond. Any action to obtain monetary recovery or sanctions from a
202.6 surety bond must occur within six years from the date the debt is affirmed by a final agency
202.7 decision. An agency decision is final when the right to appeal the debt has been exhausted
202.8 or the time to appeal has expired under section 256B.064;

202.9 (3) proof of fidelity bond coverage in the amount of \$20,000 per provider location;

202.10 (4) proof of workers' compensation insurance coverage;

202.11 (5) proof of liability insurance;

202.12 (6) a copy of the CFSS agency-provider's organizational chart identifying the names
202.13 and roles of all owners, managing employees, staff, board of directors, and additional
202.14 documentation reporting any affiliations of the directors and owners to other service
202.15 providers;

202.16 (7) proof that the CFSS agency-provider has written policies and procedures including:
202.17 hiring of employees; training requirements; service delivery; and employee and consumer
202.18 safety, including the process for notification and resolution of participant grievances, incident
202.19 response, identification and prevention of communicable diseases, and employee misconduct;

202.20 (8) proof that the CFSS agency-provider has all of the following forms and documents:

202.21 (i) a copy of the CFSS agency-provider's time sheet; and

202.22 (ii) a copy of the participant's individual CFSS service delivery plan;

202.23 (9) a list of all training and classes that the CFSS agency-provider requires of its staff
202.24 providing CFSS services;

202.25 (10) documentation that the CFSS agency-provider and staff have successfully completed
202.26 all the training required by this section;

202.27 (11) documentation of the agency-provider's marketing practices;

202.28 (12) disclosure of ownership, leasing, or management of all residential properties that
202.29 are used or could be used for providing home care services;

202.30 (13) documentation that the agency-provider will use at least the following percentages
202.31 of revenue generated from the medical assistance rate paid for CFSS services for CFSS
202.32 support worker wages and benefits: 72.5 percent of revenue from CFSS providers, except

203.1 100 percent of the revenue generated by a medical assistance rate increase due to a collective
203.2 bargaining agreement under section 179A.54 must be used for support worker wages and
203.3 benefits. The revenue generated by the worker training and development services and the
203.4 reasonable costs associated with the worker training and development services shall not be
203.5 used in making this calculation; and

203.6 (14) documentation that the agency-provider does not burden participants' free exercise
203.7 of their right to choose service providers by requiring CFSS support workers to sign an
203.8 agreement not to work with any particular CFSS participant or for another CFSS
203.9 agency-provider after leaving the agency and that the agency is not taking action on any
203.10 such agreements or requirements regardless of the date signed.

203.11 (b) CFSS agency-providers shall provide to the commissioner the information specified
203.12 in paragraph (a).

203.13 (c) All CFSS agency-providers shall require all employees in management and
203.14 supervisory positions and owners of the agency who are active in the day-to-day management
203.15 and operations of the agency to complete mandatory training as determined by the
203.16 commissioner. Employees in management and supervisory positions and owners who are
203.17 active in the day-to-day operations of an agency who have completed the required training
203.18 as an employee with a CFSS agency-provider do not need to repeat the required training if
203.19 they are hired by another agency and they have completed the training within the past three
203.20 years. CFSS agency-provider billing staff shall complete training about CFSS program
203.21 financial management. Any new owners or employees in management and supervisory
203.22 positions involved in the day-to-day operations are required to complete mandatory training
203.23 as a requisite of working for the agency.

203.24 (d) Agency-providers shall submit all required documentation in this section within 30
203.25 days of notification from the commissioner. If an agency-provider fails to submit all the
203.26 required documentation, the commissioner may take action under subdivision 23a.

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

203.28 ARTICLE 7

203.29 DIRECT CARE AND TREATMENT

203.30 Section 1. Minnesota Statutes 2024, section 246.54, subdivision 1a, is amended to read:

203.31 Subd. 1a. **Anoka-Metro Regional Treatment Center.** (a) A county's payment of the
203.32 cost of care provided at Anoka-Metro Regional Treatment Center shall be according to the
203.33 following schedule:

204.1 (1) zero percent for the first 30 days;

204.2 (2) 20 percent for days 31 and over if the stay is determined to be clinically appropriate
204.3 for the client; and

204.4 (3) 100 percent for each day during the stay, including the day of admission, when the
204.5 facility determines that it is clinically appropriate for the client to be discharged.

204.6 (b) If payments received by the state under sections 246.50 to 246.53 exceed 80 percent
204.7 of the cost of care for days over 31 for clients who meet the criteria in paragraph (a), clause
204.8 (2), the county shall be responsible for paying the state only the remaining amount. The
204.9 county shall not be entitled to reimbursement from the client, the client's estate, or from the
204.10 client's relatives, except as provided in section 246.53.

204.11 (c) ~~Between July 1, 2023, and March 31~~ Beginning July 1, 2025, the county is not
204.12 responsible for the cost of care under paragraph (a), clause (3), for a person who is committed
204.13 as a person who has a mental illness and is dangerous to the public under section 253B.18
204.14 and who is awaiting transfer to another state-operated facility or program. This paragraph
204.15 expires ~~March 31, 2025~~ June 30, 2029.

204.16 (d) ~~Between April 1, 2025, and June 30~~ Beginning July 1, 2025, the county is not
204.17 responsible for the cost of care under paragraph (a), clause (3), for a person who is civilly
204.18 committed, if the client is awaiting transfer:

204.19 (1) to a facility operated by the Department of Corrections; or

204.20 (2) to another state-operated facility or program, and the Direct Care and Treatment
204.21 executive medical director's office or a designee has determined that:

204.22 (i) the client meets criteria for admission to that state-operated facility or program; and

204.23 (ii) the state-operated facility or program is the only facility or program that can
204.24 reasonably serve the client. This paragraph expires June 30, ~~2025~~ 2029.

204.25 (e) Notwithstanding any law to the contrary, the client is not responsible for payment
204.26 of the cost of care under this subdivision.

204.27 **EFFECTIVE DATE.** This section is effective retroactively from March 30, 2025.

204.28 Sec. 2. Minnesota Statutes 2024, section 246.54, subdivision 1b, is amended to read:

204.29 Subd. 1b. **Community behavioral health hospitals.** (a) A county's payment of the cost
204.30 of care provided at state-operated community-based behavioral health hospitals for adults
204.31 and children shall be according to the following schedule:

(1) 100 percent for each day during the stay, including the day of admission, when the facility determines that it is clinically appropriate for the client to be discharged; and

(2) the county shall not be entitled to reimbursement from the client, the client's estate, or from the client's relatives, except as provided in section 246.53.

(b) ~~Between July 1, 2023, and March 31~~ Beginning July 1, 2025, the county is not responsible for the cost of care under paragraph (a), clause (1), for a person committed as a person who has a mental illness and is dangerous to the public under section 253B.18 and who is awaiting transfer to another state-operated facility or program. This paragraph expires ~~March 31, 2025~~ June 30, 2029.

(c) ~~Between April 1, 2025, and June 30~~ Beginning July 1, 2025, the county is not responsible for the cost of care under paragraph (a), clause (1), for a person who is civilly committed, if the client is awaiting transfer:

(1) to a facility operated by the Department of Corrections; or

(2) to another state-operated facility or program, and the Direct Care and Treatment executive medical director's office or a designee has determined that:

(i) the client meets criteria for admission to that state-operated facility or program; and

(ii) the state-operated facility or program is the only facility or program that can reasonably serve the client. This paragraph expires June 30, ~~2025~~ 2029.

(d) Notwithstanding any law to the contrary, the client is not responsible for payment of the cost of care under this subdivision.

EFFECTIVE DATE. This section is effective retroactively from March 30, 2025.

Sec. 3. Minnesota Statutes 2024, section 246B.10, is amended to read:

246B.10 LIABILITY OF COUNTY; REIMBURSEMENT.

(a) The civilly committed sex offender's county shall pay to the state a portion of the cost of care provided in the Minnesota Sex Offender Program to a civilly committed sex offender who has legally settled in that county.

(b) A county's payment must be made from the county's own sources of revenue and payments must:

(1) equal ten percent of the cost of care, as determined by the executive board, for each day or portion of a day that the civilly committed sex offender spends at the facility for individuals admitted to the Minnesota Sex Offender Program before August 1, 2011; or

206.1 (2) equal 25 percent of the cost of care, as determined by the executive board, for each
206.2 day or portion of a day that the civilly committed sex offender:

206.3 (i) spends at the facility for individuals admitted to the Minnesota Sex Offender Program
206.4 on or after August 1, 2011; or

206.5 (ii) receives services within a program operated by the Minnesota Sex Offender Program
206.6 while on provisional discharge.

206.7 This paragraph expires June 30, 2027.

206.8 (c) The county is responsible for paying the state the remaining amount if payments
206.9 received by the state under this chapter exceed:

206.10 (1) 90 percent of the cost of care for individuals admitted to the Minnesota Sex Offender
206.11 Program before August 1, 2011; or

206.12 (2) 75 percent of the cost of care for individuals:

206.13 (i) admitted to the Minnesota Sex Offender Program on or after August 1, 2011; or

206.14 (ii) receiving services within a program operated by the Minnesota Sex Offender Program
206.15 while on provisional discharge.

206.16 This paragraph expires June 30, 2027.

206.17 (d) The county is not entitled to reimbursement from the civilly committed sex offender,
206.18 the civilly committed sex offender's estate, or from the civilly committed sex offender's
206.19 relatives, except as provided in section 246B.07.

206.20 (e) Effective July 1, 2027, a county's payment must be made from the county's own
206.21 sources of revenue and payments must equal 40 percent of the cost of care as determined
206.22 by the executive board for each day or portion of a day that the civilly committed sex
206.23 offender spends at the facility or receives services within a program operated by the
206.24 Minnesota Sex Offender Program while on provisional discharge.

206.25 (f) Effective July 1, 2027, the county is responsible for paying the state the remaining
206.26 amount if payments received by the state under this chapter exceed 60 percent of the cost
206.27 of care for individuals.

206.28 Sec. 4. Minnesota Statutes 2024, section 246C.091, subdivision 3, is amended to read:

206.29 Subd. 3. **Direct Care and Treatment systems account.** (a) The Direct Care and
206.30 Treatment systems account is created in the special revenue fund of the state treasury.
206.31 Beginning July 1, 2025, money in the account is appropriated to the Direct Care and

207.1 Treatment executive board and may be used for security systems and information technology
207.2 projects, services, and support under the control of the executive board.

207.3 (b) The commissioner of human services shall transfer all money allocated to the Direct
207.4 Care and Treatment systems projects under section 256.014 to the Direct Care and Treatment
207.5 systems account by June 30, 2026.

207.6 (c) Beginning July 1, 2025, and each fiscal year thereafter, \$5,000,000 of general fund
207.7 cost of care collections under section 246.18, subdivision 4, shall be deposited into the
207.8 Direct Care and Treatment systems account to support the Direct Care and Treatment
207.9 electronic health record system and information technology projects.

207.10 Sec. 5. Minnesota Statutes 2024, section 256G.08, subdivision 1, is amended to read:

207.11 Subdivision 1. **Commitment and competency proceedings.** In cases of voluntary
207.12 admission, ~~or~~ commitment to state or other institutions, or criminal orders for inpatient
207.13 examination or participation in a competency attainment program under chapter 611, the
207.14 committing county or the county from which the first criminal order for inpatient examination
207.15 or order for participation in a competency attainment program under chapter 611 is issued
207.16 shall initially pay for all costs. This includes the expenses of the taking into custody,
207.17 confinement, emergency holds under sections 253B.051, subdivisions 1 and 2, and 253B.07,
207.18 examination, commitment, conveyance to the place of detention, rehearing, and hearings
207.19 under ~~section~~ sections 253B.092 and 611.47, including hearings held under ~~that section~~
207.20 ~~which~~ those sections that are venued outside the county of commitment or the county of
207.21 the chapter 611 competency proceedings order.

207.22 **EFFECTIVE DATE.** This section is effective July 1, 2027.

207.23 Sec. 6. Minnesota Statutes 2024, section 256G.08, subdivision 2, is amended to read:

207.24 Subd. 2. **Responsibility for nonresidents.** If a person committed, ~~or~~ voluntarily admitted
207.25 to a state institution, or ordered for inpatient examination or participation in a competency
207.26 attainment program under chapter 611 has no residence in this state, financial responsibility
207.27 belongs to the county of commitment or the county from which the first criminal order for
207.28 inpatient examination or order for participation in a competency attainment program under
207.29 chapter 611 was issued.

207.30 **EFFECTIVE DATE.** This section is effective July 1, 2027.

208.1 Sec. 7. Minnesota Statutes 2024, section 256G.09, subdivision 1, is amended to read:

208.2 Subdivision 1. **General procedures.** If upon investigation the local agency decides that
208.3 the application, ~~or~~ commitment, or first criminal order under chapter 611 was not filed in
208.4 the county of financial responsibility as defined by this chapter, but that the applicant is
208.5 otherwise eligible for assistance, it shall send a copy of the application, ~~or~~ commitment
208.6 claim, or chapter 611 claim together with the record of any investigation it has made, to the
208.7 county it believes is financially responsible. The copy and record must be sent within 60
208.8 days of the date the application was approved or the claim was paid. The first local agency
208.9 shall provide assistance to the applicant until financial responsibility is transferred under
208.10 this section.

208.11 The county receiving the transmittal has 30 days to accept or reject financial
208.12 responsibility. A failure to respond within 30 days establishes financial responsibility by
208.13 the receiving county.

208.14 **EFFECTIVE DATE.** This section is effective July 1, 2027.

208.15 Sec. 8. Minnesota Statutes 2024, section 256G.09, subdivision 2, is amended to read:

208.16 Subd. 2. **Financial disputes.** (a) If the county receiving the transmittal does not believe
208.17 it is financially responsible, it should provide to the commissioner of human services and
208.18 the initially responsible county a statement of all facts and documents necessary for the
208.19 commissioner to make the requested determination of financial responsibility. The submission
208.20 must clearly state the program area in dispute and must state the specific basis upon which
208.21 the submitting county is denying financial responsibility.

208.22 (b) The initially responsible county then has 15 calendar days to submit its position and
208.23 any supporting evidence to the commissioner. The absence of a submission by the initially
208.24 responsible county does not limit the right of the commissioner of human services or Direct
208.25 Care and Treatment executive board to issue a binding opinion based on the evidence actually
208.26 submitted.

208.27 (c) A case must not be submitted until the local agency taking the application, ~~or~~ making
208.28 the commitment, or residing in the county from which the first criminal order under chapter
208.29 611 was issued has made an initial determination about eligibility and financial responsibility,
208.30 and services have been initiated. This paragraph does not prohibit the submission of closed
208.31 cases that otherwise meet the applicable statute of limitations.

208.32 **EFFECTIVE DATE.** This section is effective July 1, 2027.

209.1 Sec. 9. Minnesota Statutes 2024, section 611.43, is amended by adding a subdivision to
209.2 read:

209.3 Subd. 5. **Costs related to confined treatment.** (a) When a defendant is ordered to
209.4 participate in an examination in a treatment facility, a locked treatment facility, or a
209.5 state-operated treatment facility under subdivision 1, paragraph (b), the facility shall bill
209.6 the responsible health plan first. The county in which the criminal charges are filed is
209.7 responsible to pay any charges not covered by the health plan, including co-pays and
209.8 deductibles. If the defendant has health plan coverage and is confined in a hospital, but the
209.9 hospitalization does not meet the criteria in section 62M.07, subdivision 2, clause (1);
209.10 62Q.53; 62Q.535, subdivision 1; or 253B.045, subdivision 6, the county in which criminal
209.11 charges are filed is responsible for payment.

209.12 (b) The Direct Care and Treatment executive board shall determine the cost of
209.13 confinement in a state-operated treatment facility based on the executive board's
209.14 determination of cost of care pursuant to section 246.50, subdivision 5.

209.15 Sec. 10. Minnesota Statutes 2024, section 611.46, subdivision 1, is amended to read:

209.16 Subdivision 1. **Order to competency attainment program.** (a) If the court finds the
209.17 defendant incompetent and the charges have not been dismissed, the court shall order the
209.18 defendant to participate in a program to assist the defendant in attaining competency. The
209.19 court may order participation in a competency attainment program provided outside of a
209.20 jail, a jail-based competency attainment program, or an alternative program. The court must
209.21 determine the least-restrictive program appropriate to meet the defendant's needs and public
209.22 safety. In making this determination, the court must consult with the forensic navigator and
209.23 consider any recommendations of the court examiner. The court shall not order a defendant
209.24 to participate in a jail-based program or a state-operated treatment program if the highest
209.25 criminal charge is a targeted misdemeanor.

209.26 (b) If the court orders the defendant to a locked treatment facility or jail-based program,
209.27 the court must calculate the defendant's custody credit and cannot order the defendant to a
209.28 locked treatment facility or jail-based program for a period that would cause the defendant's
209.29 custody credit to exceed the maximum sentence for the underlying charge.

209.30 (c) The court may only order the defendant to participate in competency attainment at
209.31 an inpatient or residential treatment program under this section if the head of the treatment
209.32 program determines that admission to the program is clinically appropriate and consents to
209.33 the defendant's admission. The court may only order the defendant to participate in
209.34 competency attainment at a state-operated treatment facility under this section if the Direct

210.1 Care and Treatment executive board or a designee determines that admission of the defendant
210.2 is clinically appropriate and consents to the defendant's admission. The court may require
210.3 a competency program that qualifies as a locked facility or a state-operated treatment program
210.4 to notify the court in writing of the basis for refusing consent for admission of the defendant
210.5 in order to ensure transparency and maintain an accurate record. The court may not require
210.6 personal appearance of any representative of a competency program. The court shall send
210.7 a written request for notification to the locked facility or state-operated treatment program
210.8 and the locked facility or state-operated treatment program shall provide a written response
210.9 to the court within ten days of receipt of the court's request.

210.10 (d) If the defendant is confined in jail and has not received competency attainment
210.11 services within 30 days of the finding of incompetency, the court shall review the case with
210.12 input from the prosecutor and defense counsel and may:

210.13 (1) order the defendant to participate in an appropriate competency attainment program
210.14 that takes place outside of a jail;

210.15 (2) order a conditional release of the defendant with conditions that include but are not
210.16 limited to a requirement that the defendant participate in a competency attainment program
210.17 when one becomes available and accessible;

210.18 (3) make a determination as to whether the defendant is likely to attain competency in
210.19 the reasonably foreseeable future and proceed under section 611.49; or

210.20 (4) upon a motion, dismiss the charges in the interest of justice.

210.21 (e) The court may order any hospital, treatment facility, or correctional facility that has
210.22 provided care or supervision to a defendant in the previous two years to provide copies of
210.23 the defendant's medical records to the competency attainment program or alternative program
210.24 in which the defendant was ordered to participate. This information shall be provided in a
210.25 consistent and timely manner and pursuant to all applicable laws.

210.26 (f) If at any time the defendant refuses to participate in a competency attainment program
210.27 or an alternative program, the head of the program shall notify the court and any entity
210.28 responsible for supervision of the defendant.

210.29 (g) At any time, the head of the program may discharge the defendant from the program
210.30 or facility. The head of the program must notify the court, prosecutor, defense counsel, and
210.31 any entity responsible for the supervision of the defendant prior to any planned discharge.
210.32 Absent emergency circumstances, this notification shall be made five days prior to the
210.33 discharge if the defendant is not being discharged to jail or a correctional facility. Upon the

211.1 receipt of notification of discharge or upon the request of either party in response to
211.2 notification of discharge, the court may order that a defendant who is subject to bail or
211.3 unmet conditions of release be returned to jail upon being discharged from the program or
211.4 facility. If the court orders a defendant returned to jail, the court shall notify the parties and
211.5 head of the program at least one day before the defendant's planned discharge, except in
211.6 the event of an emergency discharge where one day notice is not possible. The court must
211.7 hold a review hearing within seven days of the defendant's return to jail. The forensic
211.8 navigator must be given notice of the hearing and be allowed to participate.

211.9 (h) If the defendant is discharged from the program or facility under emergency
211.10 circumstances, notification of emergency discharge shall include a description of the
211.11 emergency circumstances and may include a request for emergency transportation. The
211.12 court shall make a determination on a request for emergency transportation within 24 hours.
211.13 Nothing in this section prohibits a law enforcement agency from transporting a defendant
211.14 pursuant to any other authority.

211.15 (i) If the defendant is ordered to participate in an inpatient or residential competency
211.16 attainment or alternative program, the program or facility must notify the court, prosecutor,
211.17 defense counsel, forensic navigator, and any entity responsible for the supervision of the
211.18 defendant if the defendant is placed on a leave or elopement status from the program and
211.19 if the defendant returns to the program from a leave or elopement status.

211.20 (j) Defense counsel, prosecutors, and forensic navigators must have access to information
211.21 relevant to a defendant's participation and treatment in a competency attainment program
211.22 or alternative program, including but not limited to discharge planning.

211.23 Sec. 11. Minnesota Statutes 2024, section 611.55, is amended by adding a subdivision to
211.24 read:

211.25 Subd. 5. **Data access.** Forensic navigators must have access to all data collected, created,
211.26 or maintained by a competency attainment program or an alternative program regarding a
211.27 defendant in order for navigators to carry out their duties under this section. A competency
211.28 attainment program or alternative program may request a copy of the court order appointing
211.29 the forensic navigator before disclosing any private information about a defendant.

211.30 **EFFECTIVE DATE.** This section is effective July 1, 2027.

ARTICLE 8

HOMELESSNESS, HOUSING, AND SUPPORT SERVICES

Section 1. Minnesota Statutes 2024, section 256B.051, subdivision 6, is amended to read:

Subd. 6. **Provider qualifications and duties.** A provider eligible for reimbursement under this section shall:

(1) enroll as a medical assistance Minnesota health care program provider and meet all applicable provider standards and requirements;

(2) demonstrate compliance with federal and state laws and policies for housing stabilization services as determined by the commissioner;

(3) comply with background study requirements under chapter 245C and maintain documentation of background study requests and results;

(4) directly provide housing stabilization services and not use a subcontractor or reporting agent; ~~and~~

(5) complete annual vulnerable adult training; and

(6) complete compliance training as required under subdivision 6a.

Sec. 2. Minnesota Statutes 2024, section 256B.051, is amended by adding a subdivision to read:

Subd. 6a. **Requirements for provider enrollment.** (a) Effective January 1, 2027, to enroll as a housing stabilization services provider agency, an agency must require all owners of the agency who are active in the day-to-day management and operations of the agency and managerial and supervisory employees to complete compliance training before applying for enrollment and every three years thereafter. Mandatory compliance training format and content must be determined by the commissioner and must include the following topics:

(1) state and federal program billing, documentation, and service delivery requirements;

(2) enrollment requirements;

(3) provider program integrity, including fraud prevention, detection, and penalties;

(4) fair labor standards;

(5) workplace safety requirements; and

(6) recent changes in service requirements.

213.1 (b) New owners active in day-to-day management and operations of the agency and
213.2 managerial and supervisory employees must complete compliance training under this
213.3 subdivision to be employed by or conduct management and operations activities for the
213.4 agency. If an individual moves to another housing stabilization services provider agency
213.5 and serves in a similar ownership or employment capacity, the individual is not required to
213.6 repeat the training required under this subdivision if the individual documents completion
213.7 of the training within the past three years.

213.8 (c) Any housing stabilization services provider agency enrolled before January 1, 2027,
213.9 must complete the compliance training by January 1, 2028, and every three years thereafter.

213.10 Sec. 3. Minnesota Statutes 2024, section 256I.03, subdivision 11a, is amended to read:

213.11 Subd. 11a. **MSA equivalent rate.** "MSA equivalent rate" means an amount equal to the
213.12 total of:

213.13 (1) the combined maximum shelter and basic needs standards for MSA recipients living
213.14 alone specified in section 256D.44, subdivisions 2, paragraph (a); and 3, paragraph (a); plus

213.15 (2) the maximum allotment authorized by the federal Supplemental Nutrition Assistance
213.16 Program (SNAP) for a single individual which is in effect on the first day of July each year;
213.17 less

213.18 (3) the personal needs allowance authorized for medical assistance recipients under
213.19 section 256B.35.

213.20 The MSA equivalent rate ~~is to~~ shall be adjusted on the first day of July each year to
213.21 reflect ~~changes~~ increases in any of the component rates under clauses (1) to (3).

213.22 Sec. 4. Minnesota Statutes 2024, section 256I.05, subdivision 1d, is amended to read:

213.23 Subd. 1d. **Certain facilities for mental illness or substance use disorder;**
213.24 **supplementary rates.** ~~Notwithstanding the provisions of subdivisions 1a and 1e, A county~~
213.25 ~~agency may negotiate a supplementary service rate in addition to the board and lodging rate~~
213.26 under subdivision 1, not to exceed the maximum rate allowed under subdivision 1a, for
213.27 facilities licensed and registered by the Minnesota Department of Health under section
213.28 157.17 prior to December 31, 1996, if the facility meets the following criteria:

213.29 (1) at least 75 percent of the residents have a primary diagnosis of mental illness,
213.30 substance use disorder, or both, and have related special needs;

214.1 (2) the facility provides 24-hour, on-site, year-round supportive services by qualified
214.2 staff capable of intervention in a crisis of persons with late-state inebriety or mental illness
214.3 who are vulnerable to abuse or neglect;

214.4 (3) the services at the facility include, but are not limited to:

214.5 (i) secure central storage of medication;

214.6 (ii) reminders and monitoring of medication for self-administration;

214.7 (iii) support for developing an individual medical and social service plan, updating the
214.8 plan, and monitoring compliance with the plan; and

214.9 (iv) assistance with setting up meetings, appointments, and transportation to access
214.10 medical, chemical health, and mental health service providers;

214.11 (4) each resident has a documented need for at least one of the services provided;

214.12 (5) each resident has been offered an opportunity to apply for admission to a licensed
214.13 residential treatment program for mental illness, substance use disorder, or both, have refused
214.14 that offer, and the offer and their refusal has been documented to writing; and

214.15 (6) the residents are not eligible for home and community-based services waivers because
214.16 of their unique need for community support.

214.17 ~~Until June 30, 2002, the supplementary service rate of qualifying facilities under this~~
214.18 ~~subdivision may be increased by up to 15 percent of the supplementary service rate in effect~~
214.19 ~~on January 1, 2001, for the facility. Qualifying facilities with no supplementary service rate~~
214.20 ~~may negotiate a supplementary service rate not to exceed \$300 per month.~~

214.21 Sec. 5. Minnesota Statutes 2024, section 256I.05, subdivision 1e, is amended to read:

214.22 Subd. 1e. **Supplementary rate for certain facilities.** (a) ~~Notwithstanding the provisions~~
214.23 ~~of subdivisions 1a and 1e, beginning July 1, 2005, A county agency shall negotiate a~~
214.24 supplementary service rate in addition to the rate specified in subdivision 1, not to exceed
214.25 ~~\$700 per month, including any legislatively authorized inflationary adjustments~~ the maximum
214.26 rate allowed under subdivision 1a, for a housing support provider that:

214.27 (1) is located in Hennepin County and has had a housing support contract with the county
214.28 since June 1996;

214.29 (2) operates in three separate locations a 75-bed facility, a 50-bed facility, and a 26-bed
214.30 facility; and

215.1 (3) serves a clientele with substance use disorder, providing 24 hours per day supervision
215.2 and limiting a resident's maximum length of stay to 13 months out of a consecutive 24-month
215.3 period.

215.4 (b) ~~Notwithstanding subdivisions 1a and 1e,~~ A county agency shall negotiate a
215.5 supplementary rate in addition to the rate specified in subdivision 1, not to exceed \$700 per
215.6 month, ~~including any legislatively authorized inflationary adjustments, of the maximum~~
215.7 rate allowed under subdivision 1a, for a housing support provider that:

215.8 (1) is located in St. Louis County and has had a housing support contract with the county
215.9 since 2006;

215.10 (2) operates a 62-bed facility; and

215.11 (3) serves an adult male clientele with substance use disorder, providing 24 hours per
215.12 day supervision and limiting a resident's maximum length of stay to 13 months out of a
215.13 consecutive 24-month period.

215.14 (c) ~~Notwithstanding subdivisions 1a and 1e, beginning July 1, 2013,~~ A county agency
215.15 shall negotiate a supplementary rate in addition to the rate specified in subdivision 1, not
215.16 to exceed \$700 per month, ~~including any legislatively authorized inflationary adjustments~~
215.17 the maximum rate allowed under subdivision 1a, for the provider described under paragraphs
215.18 (a) and (b), not to exceed an additional 115 beds.

215.19 Sec. 6. Minnesota Statutes 2024, section 256I.05, subdivision 1f, is amended to read:

215.20 Subd. 1f. **Supplementary service rate increases on or after July 1, 2001.** ~~Until June~~
215.21 ~~30, 2002, the supplementary service rate for recipients of assistance under section 256I.04~~
215.22 ~~who reside in~~ A county agency shall negotiate a supplementary service rate in addition to
215.23 the rate specified in subdivision 1, not to exceed the maximum rate under subdivision 1a,
215.24 for a residence that is licensed by the commissioner of health as a boarding care home but
215.25 is not certified for purposes of the medical assistance program ~~may be increased by up to~~
215.26 ~~32 percent of the supplementary service rate in effect for that facility on January 1, 2001.~~
215.27 ~~The new rate shall not exceed the nonfederal share of the statewide weighted average~~
215.28 ~~monthly medical assistance nursing facility payment rate for case mix A in effect on January~~
215.29 ~~1, 2001.~~

215.30 Sec. 7. Minnesota Statutes 2024, section 256I.05, subdivision 1g, is amended to read:

215.31 Subd. 1g. **Supplementary service rate for certain facilities.** An agency may negotiate
215.32 a supplementary service rate, not to exceed the maximum rate allowed under subdivision

216.1 1a, for recipients of assistance under section 256I.04, subdivision 1, paragraph (a) or (b),
216.2 who have experienced long-term homelessness and who live in a supportive housing
216.3 establishment under section 256I.04, subdivision 2a, paragraph (b), clause (2).

216.4 Sec. 8. Minnesota Statutes 2024, section 256I.05, subdivision 1h, is amended to read:

216.5 Subd. 1h. **Supplementary rate for certain facilities serving males with substance**
216.6 **use disorder.** ~~Notwithstanding subdivisions 1a and 1e, beginning July 1, 2007,~~ A county
216.7 agency shall negotiate a supplementary service rate in addition to the rate specified in
216.8 subdivision 1, not to exceed ~~\$737.87 per month, including any legislatively authorized~~
216.9 ~~inflationary adjustments~~ the maximum rate allowed under subdivision 1a, for a housing
216.10 support provider that:

216.11 (1) is located in Ramsey County and has had a housing support contract with the county
216.12 since 1982 and has been licensed as a board and lodge facility with special services since
216.13 1979; and

216.14 (2) serves males with and recovering from substance use disorder, providing
216.15 24-hour-a-day supervision.

216.16 Sec. 9. Minnesota Statutes 2024, section 256I.05, subdivision 1i, is amended to read:

216.17 Subd. 1i. **Supplementary rate for certain facilities; Hennepin County.** ~~Notwithstanding~~
216.18 ~~the provisions of subdivisions 1a and 1e,~~ A county agency shall negotiate a supplementary
216.19 service rate in addition to the rate specified in subdivision 1, not to exceed ~~\$700 per month,~~
216.20 ~~including any legislatively authorized inflationary adjustments, up to the available~~
216.21 ~~appropriation~~ the maximum rate allowed under subdivision 1a, for a facility located in
216.22 Hennepin County with a capacity of up to 48 beds that has been licensed since 1978 as a
216.23 board and lodging facility and that until August 1, 2007, operated as a licensed substance
216.24 use disorder treatment program.

216.25 Sec. 10. Minnesota Statutes 2024, section 256I.05, subdivision 1j, is amended to read:

216.26 Subd. 1j. **Supplementary rate for certain facilities; Crow Wing**
216.27 **County.** ~~Notwithstanding the provisions of subdivisions 1a and 1e, beginning July 1, 2007,~~
216.28 A county agency shall negotiate a supplementary service rate in addition to the rate specified
216.29 in subdivision 1, not to exceed ~~\$700 per month, including any legislatively authorized~~
216.30 ~~inflationary adjustments~~ the maximum rate allowed under subdivision 1a, for a ~~new~~ 65-bed
216.31 facility in Crow Wing County that ~~will serve~~ serves persons with substance use disorder

217.1 operated by a housing support provider that currently operates a 304-bed facility in
217.2 Minneapolis and a 44-bed facility in Duluth which opened in January of 2006.

217.3 Sec. 11. Minnesota Statutes 2024, section 256I.05, subdivision 1k, is amended to read:

217.4 Subd. 1k. **Supplementary rate for certain facilities; Stearns, Sherburne, or Benton**
217.5 **County.** ~~Notwithstanding the provisions of this section, beginning July 1, 2009,~~ A county
217.6 agency shall negotiate a supplementary service rate in addition to the rate specified in
217.7 subdivision 1, not to exceed ~~\$700 per month, including any legislatively authorized~~
217.8 ~~inflationary adjustments~~ the maximum rate allowed under subdivision 1a, for a housing
217.9 support provider located in Stearns, Sherburne, or Benton County that operates a 40-bed
217.10 facility, that received financing through the Minnesota Housing Finance Agency Ending
217.11 Long-Term Homelessness Initiative and serves clientele with substance use disorder,
217.12 providing 24-hour-a-day supervision.

217.13 Sec. 12. Minnesota Statutes 2024, section 256I.05, subdivision 1l, is amended to read:

217.14 Subd. 1l. **Supplementary rate for certain facilities; St. Louis County.** ~~Notwithstanding~~
217.15 ~~the provisions of this section, beginning July 1, 2007,~~ A county agency shall negotiate a
217.16 supplementary service rate in addition to the rate specified in subdivision 1, not to exceed
217.17 ~~\$700 per month, including any legislatively authorized inflationary adjustments~~ the maximum
217.18 rate allowed under subdivision 1a, for a housing support provider located in St. Louis County
217.19 that operates a 30-bed facility, that received financing through the Minnesota Housing
217.20 Finance Agency Ending Long-Term Homelessness Initiative and serves clientele with
217.21 substance use disorder, providing 24-hour-a-day supervision.

217.22 Sec. 13. Minnesota Statutes 2024, section 256I.05, subdivision 1m, is amended to read:

217.23 Subd. 1m. ~~Supplemental~~ **Supplementary rate for certain facilities; Hennepin and**
217.24 **Ramsey Counties.** ~~Notwithstanding the provisions of this section, beginning July 1, 2007,~~
217.25 A county agency shall negotiate a ~~supplemental~~ supplementary service rate in addition to
217.26 the rate specified in subdivision 1, not to exceed the maximum rate in subdivision 1a ~~or the~~
217.27 ~~existing monthly rate, whichever is higher, including any legislatively authorized inflationary~~
217.28 ~~adjustments~~, for a housing support provider that operates two ten-bed facilities, one located
217.29 in Hennepin County and one located in Ramsey County, which provide community support
217.30 and serve the mental health needs of individuals who have chronically lived unsheltered,
217.31 providing 24-hour-per-day supervision.

218.1 Sec. 14. Minnesota Statutes 2024, section 256I.05, subdivision 1n, is amended to read:

218.2 Subd. 1n. **Supplemental Supplementary rate; Mahnomen County.** ~~Notwithstanding~~
218.3 ~~the provisions of this section, for the rate period July 1, 2010, to June 30, 2011,~~ A county
218.4 agency shall negotiate a ~~supplemental~~ supplementary service rate in addition to the rate
218.5 specified in subdivision 1, not to exceed ~~\$753 per month or the existing rate, including any~~
218.6 ~~legislative authorized inflationary adjustments~~ the maximum rate allowed under subdivision
218.7 1a, for a housing support provider located in Mahnomen County that operates a 28-bed
218.8 facility providing 24-hour care to individuals who are homeless, disabled, mentally ill,
218.9 chronically homeless, or have substance use disorder.

218.10 Sec. 15. Minnesota Statutes 2024, section 256I.05, subdivision 1p, is amended to read:

218.11 Subd. 1p. **Supplementary rate; St. Louis County.** ~~Notwithstanding the provisions of~~
218.12 ~~subdivisions 1a and 1e, beginning July 1, 2017,~~ A county agency shall negotiate a
218.13 supplementary service rate in addition to the rate specified in subdivision 1, not to exceed
218.14 ~~\$700 per month, including any legislatively authorized inflationary adjustments~~ the maximum
218.15 rate allowed under subdivision 1a, for a housing support provider that:

218.16 (1) is located in St. Louis County and has had a housing support contract with the county
218.17 since July 2016;

218.18 (2) operates a 35-bed facility;

218.19 (3) serves women who have substance use disorder, mental illness, or both;

218.20 (4) provides 24-hour per day supervision;

218.21 (5) provides on-site support with skilled professionals, including a licensed practical
218.22 nurse, registered nurses, peer specialists, and resident counselors; and

218.23 (6) provides independent living skills training and assistance with family reunification.

218.24 Sec. 16. Minnesota Statutes 2024, section 256I.05, subdivision 1q, is amended to read:

218.25 Subd. 1q. **Supplemental Supplementary rate; Olmsted County.** ~~Notwithstanding the~~
218.26 ~~provisions of subdivisions 1a and 1e, beginning July 1, 2017,~~ A county agency shall negotiate
218.27 a supplementary service rate in addition to the rate specified in subdivision 1, not to exceed
218.28 ~~\$750 per month, including any legislatively authorized inflationary adjustments~~ the maximum
218.29 rate allowed under subdivision 1a, for a housing support provider located in Olmsted County
218.30 that operates long-term residential facilities with a total of 104 beds that serve men and

219.1 women with substance use disorder and provide 24-hour-a-day supervision and other support
219.2 services.

219.3 Sec. 17. Minnesota Statutes 2024, section 256I.05, subdivision 1r, is amended to read:

219.4 Subd. 1r. **Supplemental Supplementary rate; Anoka County.** ~~Notwithstanding the~~
219.5 ~~provisions in this section,~~ A county agency shall negotiate a ~~supplemental~~ supplementary
219.6 service rate for 42 beds in addition to the rate specified in subdivision 1, not to exceed the
219.7 maximum rate allowed under subdivision 1a, ~~including any legislatively authorized~~
219.8 ~~inflationary adjustments,~~ for a housing support provider that is located in Anoka County
219.9 and provides emergency housing on the former Anoka Regional Treatment Center campus.

219.10 Sec. 18. Minnesota Statutes 2024, section 256I.05, subdivision 1s, is amended to read:

219.11 Subd. 1s. **Supplemental Supplementary rate; Douglas County.** ~~Notwithstanding the~~
219.12 ~~provisions of subdivisions 1a and 1e, beginning July 1, 2023,~~ A county agency shall negotiate
219.13 a supplementary service rate in addition to the rate specified in subdivision 1, not to exceed
219.14 ~~\$750 per month, including any legislatively authorized inflationary adjustments~~ the maximum
219.15 rate allowed under subdivision 1a, for a housing support provider located in Douglas County
219.16 that operates a long-term residential facility with a total of 74 beds that serve chemically
219.17 dependent men and provide 24-hour-a-day supervision and other support services.

219.18 Sec. 19. Minnesota Statutes 2024, section 256I.05, subdivision 1t, is amended to read:

219.19 Subd. 1t. **Supplemental Supplementary rate; Crow Wing County.** ~~Notwithstanding~~
219.20 ~~the provisions of subdivisions 1a and 1e, beginning July 1, 2023,~~ A county agency shall
219.21 negotiate a supplementary service rate in addition to the rate specified in subdivision 1, not
219.22 to exceed ~~\$750 per month, including any legislatively authorized inflationary adjustments~~
219.23 the maximum rate allowed under subdivision 1a, for a housing support provider located in
219.24 Crow Wing County that operates a long-term residential facility with a total of 90 beds that
219.25 serves chemically dependent men and women and provides 24-hour-a-day supervision and
219.26 other support services.

219.27 Sec. 20. Minnesota Statutes 2024, section 256I.05, subdivision 1u, is amended to read:

219.28 Subd. 1u. **Supplemental Supplementary rate; Douglas County.** ~~Notwithstanding the~~
219.29 ~~provisions in this section, beginning July 1, 2023,~~ A county agency shall negotiate a
219.30 ~~supplemental~~ supplementary service rate for up to 20 beds in addition to the rate specified
219.31 in subdivision 1, not to exceed the maximum rate allowed under subdivision 1a, ~~including~~

220.1 ~~any legislatively authorized inflationary adjustments~~, for a housing support provider located
220.2 in Douglas County that operates two facilities and provides room and board and
220.3 supplementary services to adult males recovering from substance use disorder, mental
220.4 illness, or housing instability.

220.5 Sec. 21. Minnesota Statutes 2024, section 256I.05, subdivision 2, is amended to read:

220.6 Subd. 2. **Monthly rates; exemptions.** ~~This subdivision applies to~~ A county agency shall
220.7 negotiate a supplementary service rate in addition to the rate specified in subdivision 1, not
220.8 to exceed the maximum rate under subdivision 1a, for a residence that on August 1, 1984,
220.9 was licensed by the commissioner of health only as a boarding care home, certified by the
220.10 commissioner of health as an intermediate care facility, and licensed by the commissioner
220.11 of human services under Minnesota Rules, parts 9520.0500 to 9520.0670. Notwithstanding
220.12 ~~the provisions of subdivision 1c, the rate paid to a facility reimbursed under this subdivision~~
220.13 ~~shall be determined under chapter 256R, if the facility is accepted by the commissioner for~~
220.14 ~~participation in the alternative payment demonstration project.~~ The rate paid to this facility
220.15 shall also include adjustments to the room and board rate according to subdivision 1.

220.16 Sec. 22. **[256K.50] EMERGENCY SHELTER FACILITIES.**

220.17 Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have
220.18 the meanings given.

220.19 (b) "Commissioner" means the commissioner of human services.

220.20 (c) "Eligible applicant" means a statutory or home rule charter city, county, Tribal
220.21 government, not-for-profit corporation under section 501(c)(3) of the Internal Revenue
220.22 Code, or housing and redevelopment authority established under section 469.003.

220.23 (d) "Emergency shelter facility" or "facility" means a facility that provides a safe, sanitary,
220.24 accessible, and suitable emergency shelter for individuals and families experiencing
220.25 homelessness, regardless of whether the facility provides emergency shelter during the day,
220.26 overnight, or both.

220.27 Subd. 2. **Project criteria.** The commissioner shall prioritize grants under this section
220.28 for projects that improve or expand emergency shelter facility options by:

220.29 (1) adding additional emergency shelter facilities by renovating existing facilities not
220.30 currently operating as emergency shelter facilities;

220.31 (2) adding additional emergency shelter facility beds by renovating existing emergency
220.32 shelter facilities, including major projects that address an accumulation of deferred

221.1 maintenance or repair or replacement of mechanical, electrical, and safety systems and
221.2 components in danger of failure;

221.3 (3) adding additional emergency shelter facility beds through acquisition and construction
221.4 of new emergency shelter facilities;

221.5 (4) improving the safety, sanitation, accessibility, and habitability of existing emergency
221.6 shelter facilities, including major projects that address an accumulation of deferred
221.7 maintenance or repair or replacement of mechanical, electrical, and safety systems and
221.8 components in danger of failure; and

221.9 (5) improving access to emergency shelter facilities that provide culturally appropriate
221.10 shelter and gender-inclusive shelter.

221.11 Subd. 3. **Eligible uses of grant money.** A grant under this section may be used to pay
221.12 for 100 percent of total project capital expenditures or a specified project phase, up to
221.13 \$500,000 per project.

221.14 Subd. 4. **State and local building codes met.** All projects funded with a grant under
221.15 this section must meet all applicable state and local building codes at the time of project
221.16 completion.

221.17 Subd. 5. **Competitive request for proposal process; priority.** (a) The commissioner
221.18 must use a competitive request for proposal process to identify potential projects and eligible
221.19 applicants on a statewide basis. At least 40 percent of the appropriation for this purpose
221.20 must be awarded to projects located in greater Minnesota. If the commissioner does not
221.21 receive sufficient eligible funding requests from greater Minnesota to award at least 40
221.22 percent of the appropriation for this purpose to projects in greater Minnesota, the
221.23 commissioner may award the remaining money to other eligible projects.

221.24 (b) For eligible applicants seeking funding under this section for the acquisition and
221.25 construction of new emergency shelter facilities under subdivision 2, clause (3), the
221.26 commissioner must give priority to projects in which the eligible applicant will provide at
221.27 least ten percent of total project funding.

221.28 Sec. 23. **HOUSING SUPPORT BACKGROUND STUDY EVALUATION.**

221.29 (a) The commissioner of human services shall conduct an evaluation of background
221.30 study requirements outlined in Minnesota Statutes, sections 245C.03, subdivision 10, and
221.31 256I.04, subdivision 2c, to:

222.1 (1) assess the impact of eligibility, disqualifications, and processing times on supportive
222.2 housing and emergency shelter providers;

222.3 (2) determine the applicability of alternative background study methods to protect the
222.4 individuals served by supportive housing and emergency shelter programs; and

222.5 (3) make recommendations for reforms that address inefficiencies or weaknesses that
222.6 prevent qualified individuals from providing services or securing employment.

222.7 (b) The commissioner shall contract with an independent contractor to complete the
222.8 evaluation and submit a report to the Department of Human Services.

222.9 (c) Evaluation findings shall be summarized in a written report to the chairs and ranking
222.10 minority members of the legislative committees with jurisdiction over supportive housing
222.11 and human services licensing by December 1, 2027.

222.12 **Sec. 24. DIRECTION TO COMMISSIONER; HOUSING SUPPORT TEMPORARY**
222.13 **SUPPLEMENTARY SERVICE RATES.**

222.14 The commissioner of human services shall increase housing support supplementary
222.15 services rates under Minnesota Statutes, section 256I.05, subdivisions 1a to 2, by 30 percent
222.16 for fiscal years 2026 and 2027.

222.17 **Sec. 25. DIRECTION TO COMMISSIONER; INDIAN HEALTH SERVICE**
222.18 **ENCOUNTER RATE.**

222.19 The commissioner of human services must submit a state plan amendment to the Centers
222.20 for Medicare and Medicaid Services authorizing housing services as a new service category
222.21 eligible for reimbursement at the outpatient per-day rate approved by the Indian Health
222.22 Service. This reimbursement is limited to services provided by facilities of the Indian Health
222.23 Service and facilities owned or operated by a Tribe or Tribal organization. For the purposes
222.24 of this section, "housing services" means housing stabilization services as described in
222.25 Minnesota Statutes, section 256B.051, subdivision 5, paragraphs (a) to (d).

222.26 **ARTICLE 9**

222.27 **MISCELLANEOUS**

222.28 **Section 1. Minnesota Statutes 2024, section 144.0724, subdivision 11, is amended to read:**

222.29 **Subd. 11. Nursing facility level of care.** (a) For purposes of medical assistance payment
222.30 of long-term care services, a recipient must be determined, using assessments defined in
222.31 subdivision 4, to meet one of the following nursing facility level of care criteria:

- 223.1 (1) the person requires formal clinical monitoring at least once per day;
- 223.2 (2) the person needs the assistance of another person or constant supervision to begin
223.3 and complete at least four of the following activities of living: bathing, bed mobility, dressing,
223.4 eating, grooming, toileting, transferring, and walking;
- 223.5 (3) the person needs the assistance of another person or constant supervision to begin
223.6 and complete toileting, transferring, or positioning and the assistance cannot be scheduled;
- 223.7 (4) the person has significant difficulty with memory, using information, daily decision
223.8 making, or behavioral needs that require intervention;
- 223.9 (5) the person has had a qualifying nursing facility stay of at least 90 days;
- 223.10 (6) the person meets the nursing facility level of care criteria determined 90 days after
223.11 admission or on the first quarterly assessment after admission, whichever is later; or
- 223.12 (7) the person is determined to be at risk for nursing facility admission or readmission
223.13 through a face-to-face long-term care consultation assessment as specified in section
223.14 256B.0911, subdivision 17 to 21, 23, 24, 27, or 28, by a county, tribe, or managed care
223.15 organization under contract with the Department of Human Services. The person is
223.16 considered at risk under this clause if the person currently lives alone or will live alone or
223.17 be homeless without the person's current housing and also meets one of the following criteria:
- 223.18 (i) the person has experienced a fall resulting in a fracture;
- 223.19 (ii) the person has been determined to be at risk of maltreatment or neglect, including
223.20 self-neglect; or
- 223.21 (iii) the person has a sensory impairment that substantially impacts functional ability
223.22 and maintenance of a community residence.
- 223.23 (b) The assessment used to establish medical assistance payment for nursing facility
223.24 services must be the most recent assessment performed under subdivision 4, paragraphs (b)
223.25 and (c), that occurred no more than 90 calendar days before the effective date of medical
223.26 assistance eligibility for payment of long-term care services. In no case shall medical
223.27 assistance payment for long-term care services occur prior to the date of the determination
223.28 of nursing facility level of care.
- 223.29 (c) The assessment used to establish medical assistance payment for long-term care
223.30 services provided under chapter 256S and section 256B.49 and alternative care payment
223.31 for services provided under section 256B.0913 must be the most recent face-to-face
223.32 assessment performed under section 256B.0911, subdivisions 17 to 21, 23, 24, 27, or 28,

224.1 that occurred no more than ~~60~~ one calendar ~~days~~ year before the effective date of medical
224.2 assistance eligibility for payment of long-term care services.

224.3 Sec. 2. Minnesota Statutes 2024, section 245A.042, is amended by adding a subdivision
224.4 to read:

224.5 Subd. 5. **Technical assistance and legal referrals required.** If requested by a license
224.6 holder that is subject to an enforcement action under section 245A.06 or 245A.07 and
224.7 operating a program licensed under this chapter and chapter 245D, the commissioner must
224.8 provide the license holder with requested technical assistance or must comply with a request
224.9 for a referral to legal assistance.

224.10 Sec. 3. Minnesota Statutes 2024, section 256.01, subdivision 34, is amended to read:

224.11 Subd. 34. **Federal administrative reimbursement dedicated.** Federal administrative
224.12 reimbursement resulting from the following activities is appropriated to the commissioner
224.13 for the designated purposes:

224.14 (1) reimbursement for the Minnesota senior health options project; ~~and~~

224.15 (2) reimbursement related to prior authorization, review of medical necessity, and
224.16 inpatient admission certification by a professional review organization. A portion of these
224.17 funds must be used for activities to decrease unnecessary pharmaceutical costs in medical
224.18 assistance; and

224.19 (3) reimbursement for capacity building and implementation grant expenditures for the
224.20 medical assistance reentry demonstration waiver under section 256B.0761.

224.21 ARTICLE 10

224.22 FORECAST ADJUSTMENTS

224.23 Section 1. **DEPARTMENT OF HUMAN SERVICES FORECAST ADJUSTMENT.**

224.24 The dollar amounts shown in the columns marked "Appropriations" are added to or, if
224.25 shown in parentheses, are subtracted from the appropriations in Laws 2023, chapter 70,
224.26 article 20, from the general fund, or any other fund named, to the commissioner of human
224.27 services for the purposes specified in this article, to be available for the fiscal year indicated
224.28 for each purpose. The figure "2025" used in this article means that the appropriations listed
224.29 are available for the fiscal year ending June 30, 2025.

224.30 APPROPRIATIONS

224.31 Available for the Year

225.1		<u>Ending June 30</u>
225.2		<u>2025</u>
225.3	<u>Sec. 2. COMMISSIONER OF HUMAN</u>	
225.4	<u>SERVICES</u>	
225.5	<u>Subdivision 1. Total Appropriation</u>	<u>\$ 119,927,000</u>
225.6	<u>Appropriations by Fund</u>	
225.7	<u>2025</u>	
225.8	<u>General</u>	<u>136,895,000</u>
225.9	<u>Health Care Access</u>	<u>(16,968,000)</u>
225.10	<u>Federal TANF</u>	<u>(5,285,000)</u>
225.11	<u>Subd. 2. Forecasted Programs</u>	
225.12	<u>(a) Minnesota Family</u>	
225.13	<u>Investment Program</u>	
225.14	<u>(MFIP)/Diversionary Work</u>	
225.15	<u>Program (DWP)</u>	
225.16	<u>Appropriations by Fund</u>	
225.17	<u>2025</u>	
225.18	<u>General</u>	<u>(5,951,000)</u>
225.19	<u>Federal TANF</u>	<u>(5,285,000)</u>
225.20	<u>(b) MFIP Child Care Assistance</u>	<u>(62,336,000)</u>
225.21	<u>(c) General Assistance</u>	<u>3,737,000</u>
225.22	<u>(d) Minnesota Supplemental Aid</u>	<u>3,428,000</u>
225.23	<u>(e) Housing Support</u>	<u>11,923,000</u>
225.24	<u>(f) Northstar Care for Children</u>	<u>(9,526,000)</u>
225.25	<u>(g) MinnesotaCare</u>	<u>(16,525,000)</u>
225.26	<u>This appropriation is from the health care</u>	
225.27	<u>access fund.</u>	
225.28	<u>(h) Medical Assistance</u>	
225.29	<u>Appropriations by Fund</u>	
225.30	<u>2025</u>	
225.31	<u>General</u>	<u>59,692,000</u>
225.32	<u>Health Care Access</u>	<u>(443,000)</u>
225.33	<u>(i) Behavioral Health Fund</u>	<u>135,928,000</u>

Sec. 3. **EFFECTIVE DATE.**

Sections 1 and 2 are effective the day following final enactment.

ARTICLE 11

DEPARTMENT OF HUMAN SERVICES APPROPRIATIONS

Section 1. **HUMAN SERVICES APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the commissioner of human services and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2026" and "2027" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2026, or June 30, 2027, respectively. "The first year" is fiscal year 2026. "The 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>
Sec. 2. <u>TOTAL APPROPRIATION</u>	<u>\$ 8,836,150,000 \$ 8,878,188,000</u>

Subdivision 1. **Appropriations by Fund**

<u>Appropriations by Fund</u>		
	<u>2026</u>	<u>2027</u>
<u>General</u>	<u>8,782,674,000</u>	<u>8,824,712,000</u>
<u>Lottery Prize</u>	<u>336,000</u>	<u>336,000</u>
<u>State Government</u>		
<u>Special Revenue</u>	<u>4,218,000</u>	<u>4,218,000</u>
<u>Family and Medical</u>		
<u>Benefit Insurance</u>	<u>530,000</u>	<u>530,000</u>
<u>Health Care Access</u>		
<u>Fund</u>	<u>48,922,000</u>	<u>48,922,000</u>

The amounts that may be spent for each purpose are specified in the following sections.

Subd. 2. **Information Technology Appropriations**

(a) **IT Appropriations Generally**

This appropriation includes funds for information technology projects, services, and support. Funding for information technology

227.1 project costs must be incorporated into the
227.2 service-level agreement and paid to Minnesota
227.3 IT Services by the Department of Human
227.4 Services under the rates and mechanism
227.5 specified in that agreement.

227.6 **(b) Receipts for Systems Project**

227.7 Appropriations and federal receipts for
227.8 information technology systems projects for
227.9 MAXIS, PRISM, MMIS, ISDS, METS, and
227.10 SSIS must be deposited in the state systems
227.11 account authorized in Minnesota Statutes,
227.12 section 256.014. Money appropriated for
227.13 information technology projects approved by
227.14 the commissioner of Minnesota IT Services,
227.15 funded by the legislature, and approved by the
227.16 commissioner of management and budget may
227.17 be transferred from one project to another and
227.18 from development to operations as the
227.19 commissioner of human services deems
227.20 necessary. Any unexpended balance in the
227.21 appropriation for these projects does not
227.22 cancel and is available for ongoing
227.23 development and operations.

227.24 Sec. 3. **CENTRAL OFFICE; OPERATIONS** **\$** **176,857,000** **\$** **181,505,000**

227.25	<u>Appropriations by Fund</u>		
227.26		<u>2026</u>	<u>2027</u>
227.27	<u>General</u>	<u>156,796,000</u>	<u>161,444,000</u>
227.28	<u>State Government</u>		
227.29	<u>Special Revenue</u>	<u>248,000</u>	<u>248,000</u>
227.30	<u>Health Care Access</u>		
227.31	<u>Fund</u>	<u>19,813,000</u>	<u>19,813,000</u>
227.32	<u>Paid Family Medical</u>		
227.33	<u>Leave</u>	<u>530,000</u>	<u>530,000</u>

227.34 **(a) MnCHOICES Systems Costs. \$38,000**
227.35 in fiscal year 2027 is for systems costs related

228.1	<u>to MnCHOICES modifications. This is a</u>			
228.2	<u>onetime appropriation.</u>			
228.3	<u>(b) The general fund base for this section is</u>			
228.4	<u>\$159,091,000 in fiscal year 2028 and</u>			
228.5	<u>\$158,483,000 in fiscal year 2029.</u>			
228.6	Sec. 4. <u>CENTRAL OFFICE; HEALTH CARE</u>	\$	<u>66,861,000</u>	\$ <u>62,728,000</u>
228.7	<u>Appropriations by Fund</u>			
228.8		<u>2026</u>	<u>2027</u>	
228.9	<u>General</u>	<u>38,693,000</u>	<u>34,560,000</u>	
228.10	<u>Health Care Access</u>			
228.11	<u>Fund</u>	<u>28,168,000</u>	<u>28,168,000</u>	
228.12	Sec. 5. <u>CENTRAL OFFICE; AGING AND</u>			
228.13	<u>DISABILITY SERVICES</u>	\$	<u>54,136,000</u>	\$ <u>52,670,000</u>
228.14	<u>Subdivision 1. Appropriations by Fund</u>			
228.15	<u>Appropriations by Fund</u>			
228.16		<u>2026</u>	<u>2027</u>	
228.17	<u>General</u>	<u>54,011,000</u>	<u>52,545,000</u>	
228.18	<u>State Government</u>			
228.19	<u>Special Revenue</u>	<u>125,000</u>	<u>125,000</u>	
228.20	<u>Subd. 2. Base Level Adjustment</u>			
228.21	<u>The general fund base for this section is</u>			
228.22	<u>\$51,279,000 in fiscal year 2028 and</u>			
228.23	<u>\$51,079,000 in fiscal year 2029.</u>			
228.24	Sec. 6. <u>CENTRAL OFFICE; BEHAVIORAL</u>			
228.25	<u>HEALTH</u>	\$	<u>23,720,000</u>	\$ <u>24,144,000</u>
228.26	<u>Appropriations by Fund</u>			
228.27		<u>2026</u>	<u>2027</u>	
228.28	<u>General</u>	<u>23,557,000</u>	<u>23,981,000</u>	
228.29	<u>Lottery Prize</u>	<u>163,000</u>	<u>163,000</u>	
228.30	<u>The general fund base for this section is</u>			
228.31	<u>\$24,046,000 in fiscal year 2028 and</u>			
228.32	<u>\$24,046,000 in fiscal year 2029.</u>			
228.33	Sec. 7. <u>CENTRAL OFFICE; HOMELESSNESS,</u>			
228.34	<u>HOUSING, AND SUPPORT SERVICES</u>	\$	<u>6,980,000</u>	\$ <u>6,424,000</u>

229.1	<u>The general fund base for this section is</u>			
229.2	<u>\$6,469,000 in fiscal year 2028 and \$6,469,000</u>			
229.3	<u>in fiscal year 2029.</u>			
229.4	<u>Sec. 8. CENTRAL OFFICE; OFFICE OF</u>			
229.5	<u>INSPECTOR GENERAL</u>	<u>\$</u>	<u>43,731,000</u>	<u>\$ 46,139,000</u>
229.6	<u>Appropriations by Fund</u>			
229.7		<u>2026</u>	<u>2027</u>	
229.8	<u>General</u>	<u>38,945,000</u>	<u>41,353,000</u>	
229.9	<u>State Government</u>			
229.10	<u>Special Revenue</u>	<u>3,845,000</u>	<u>3,845,000</u>	
229.11	<u>Health Care Access</u>			
229.12	<u>Fund</u>	<u>941,000</u>	<u>941,000</u>	
229.13	<u>The general fund base for this section is</u>			
229.14	<u>\$41,150,000 in fiscal year 2028 and</u>			
229.15	<u>\$41,096,000 in fiscal year 2029.</u>			
229.16	<u>Sec. 9. FORECASTED PROGRAMS;</u>			
229.17	<u>GENERAL ASSISTANCE GRANTS</u>	<u>\$</u>	<u>84,138,000</u>	<u>\$ 86,462,000</u>
229.18	<u>Sec. 10. FORECASTED PROGRAMS;</u>			
229.19	<u>MINNESOTA SUPPLEMENTAL AID</u>			
229.20	<u>GRANTS</u>	<u>\$</u>	<u>67,113,000</u>	<u>\$ 69,089,000</u>
229.21	<u>Sec. 11. FORECASTED PROGRAMS;</u>			
229.22	<u>HOUSING SUPPORT</u>	<u>\$</u>	<u>279,258,000</u>	<u>\$ 275,009,000</u>
229.23	<u>Sec. 12. FORECASTED PROGRAMS;</u>			
229.24	<u>MEDICAL ASSISTANCE</u>	<u>\$</u>	<u>7,466,606,000</u>	<u>\$ 7,574,281,000</u>
229.25	<u>Sec. 13. FORECASTED PROGRAMS;</u>			
229.26	<u>ALTERNATIVE CARE</u>	<u>\$</u>	<u>55,757,000</u>	<u>\$ 56,900,000</u>
229.27	<u>Any money allocated to the alternative care</u>			
229.28	<u>program that is not spent for the purposes</u>			
229.29	<u>indicated does not cancel but must be</u>			
229.30	<u>transferred to the medical assistance account.</u>			
229.31	<u>Sec. 14. FORECASTED PROGRAMS;</u>			
229.32	<u>BEHAVIORAL HEALTH FUND</u>	<u>\$</u>	<u>136,788,000</u>	<u>\$ 116,230,000</u>
229.33	<u>Appropriations by Fund</u>			
229.34		<u>2026</u>	<u>2027</u>	
229.35	<u>General</u>	<u>136,615,000</u>	<u>116,057,000</u>	
229.36	<u>Lottery</u>	<u>173,000</u>	<u>173,000</u>	

230.1	Sec. 15. <u>GRANT PROGRAMS; REFUGEE</u>				
230.2	<u>SERVICES GRANTS</u>	<u>\$</u>	<u>100,000</u>	<u>\$</u>	<u>100,000</u>
230.3	Sec. 16. <u>GRANT PROGRAMS; HEALTH</u>				
230.4	<u>CARE GRANTS</u>	<u>\$</u>	<u>(100,000)</u>	<u>\$</u>	<u>(100,000)</u>
230.5	<u>This amount is subtracted from direct</u>				
230.6	<u>appropriations for this budget activity made</u>				
230.7	<u>by the 94th Legislature.</u>				
230.8	Sec. 17. <u>GRANT PROGRAMS; OTHER</u>				
230.9	<u>LONG-TERM CARE GRANTS</u>	<u>\$</u>	<u>3,543,000</u>	<u>\$</u>	<u>2,721,000</u>
230.10	<u>(a) Supported-decision-making programs.</u>				
230.11	<u>\$796,000 in fiscal year 2026 and \$796,000 in</u>				
230.12	<u>fiscal year 2027 are for</u>				
230.13	<u>supported-decision-making grants under Laws</u>				
230.14	<u>2023, chapter 61, article 1, section 61,</u>				
230.15	<u>subdivision 3. This is a onetime appropriation</u>				
230.16	<u>and is available until June 30, 2027.</u>				
230.17	<u>(b) Base level adjustment.</u> The general fund				
230.18	<u>base for this appropriation is \$1,925,000 in</u>				
230.19	<u>fiscal year 2028 and \$1,925,000 in fiscal year</u>				
230.20	<u>2029.</u>				
230.21	Sec. 18. <u>GRANT PROGRAMS; AGING AND</u>				
230.22	<u>ADULT SERVICES GRANTS</u>	<u>\$</u>	<u>42,054,000</u>	<u>\$</u>	<u>41,055,000</u>
230.23	<u>Subdivision 1. Senior Nutrition Programs</u>				
230.24	<u>\$1,538,000 in fiscal year 2026 and \$1,538,000</u>				
230.25	<u>in fiscal year 2027 are for senior nutrition</u>				
230.26	<u>programs under Minnesota Statutes, section</u>				
230.27	<u>256.9752. This is a onetime appropriation.</u>				
230.28	<u>Subd. 2. Dementia Grants</u>				
230.29	<u>\$1,000,000 in fiscal year 2026 is for regional</u>				
230.30	<u>and local dementia grants administered by the</u>				
230.31	<u>Minnesota Board on Aging under Minnesota</u>				
230.32	<u>Statutes, section 256.975, subdivision 11. This</u>				
230.33	<u>is a onetime appropriation and is available</u>				
230.34	<u>until June 20, 2027.</u>				

231.1 Subd. 3. **Base Level Adjustment**231.2 The general fund base for this section is231.3 \$39,517,000 in fiscal year 2028 and231.4 \$39,517,000 in fiscal year 2029.231.5 Sec. 19. **DEAF, DEAFBLIND, AND HARD OF**
231.6 **HEARING GRANTS**

\$

2,886,000

\$

2,886,000231.7 Sec. 20. **GRANT PROGRAMS; DISABILITY**
231.8 **GRANTS**

\$

64,530,000

\$

26,353,000231.9 Subdivision 1. **Self-Directed Bargaining**
231.10 **Agreement; Orientation Start-Up Funds**231.11 \$3,000,000 in fiscal year 2026 is for231.12 orientation program start-up costs as defined231.13 by the SEIU collective bargaining agreement.231.14 This is a onetime appropriation.231.15 Subd. 2. **Self-Directed Bargaining Agreement;**
231.16 **Orientation Ongoing Funds**231.17 \$2,000,000 in fiscal year 2026 and \$500,000231.18 in fiscal year 2027 are for ongoing costs231.19 related to the orientation program as defined231.20 by the SEIU collective bargaining agreement.231.21 The base for this appropriation is \$500,000 in231.22 fiscal year 2028 and \$500,000 in fiscal year231.23 2029.231.24 Subd. 3. **Self-Directed Bargaining Agreement;**
231.25 **Training Stipends**231.26 \$2,250,000 in fiscal year 2026 is for onetime231.27 stipends of \$750 for collective bargaining unit231.28 members for training. This is a onetime231.29 appropriation.231.30 Subd. 4. **Self-Directed Bargaining Agreement;**
231.31 **Retirement Trust Funds**231.32 \$350,000 in fiscal year 2026 is for a vendor231.33 to create a retirement trust, as defined by the231.34 SEIU collective bargaining agreement. This231.35 is a onetime appropriation.

232.1 Subd. 5. Self-Directed Bargaining Agreement;
232.2 Health Care Stipends

232.3 \$30,750,000 in fiscal year 2026 is for stipends
232.4 of \$1,200 for collective bargaining unit
232.5 members for retention and defraying any
232.6 health insurance costs they may incur.
232.7 Stipends are available once per fiscal year per
232.8 member for fiscal year 2026 and fiscal year
232.9 2027. Of this amount, \$30,000,000 in fiscal
232.10 year 2026 is for stipends and \$750,000 in
232.11 fiscal year 2026 is for administration. This is
232.12 a onetime appropriation and is available until
232.13 June 30, 2027.

232.14 Subd. 6. Disability Service Technology and
232.15 Advocacy Grant

232.16 \$500,000 in fiscal year 2026 and \$500,000 in
232.17 fiscal year 2027 are for the purposes of the
232.18 disability services technology and advocacy
232.19 grant under Minnesota Statutes, section
232.20 256.4768. The general fund base appropriation
232.21 for this purpose is set at \$500,000 in fiscal
232.22 year 2028, \$500,000 in fiscal year 2029,
232.23 \$500,000 in fiscal year 2030, and \$0 in fiscal
232.24 year 2031.

232.25 Sec. 21. GRANT PROGRAMS; HOUSING
232.26 GRANTS

\$ 99,998,000 \$ 100,098,000

232.27 Subdivision 1. Minnesota Homeless Study

232.28 (a) \$900,000 in fiscal year 2026 is for a grant
232.29 to the Amherst H. Wilder Foundation for
232.30 activities directly related to the triennial
232.31 Minnesota homeless study. Notwithstanding
232.32 Minnesota Statutes, section 16B.98,
232.33 subdivision 14, the commissioner may use up
232.34 to one percent of this appropriation for
232.35 administrative costs.

233.1 (b) The Amherst H. Wilder Foundation must
 233.2 submit a copy of the Minnesota homeless
 233.3 study and a report that summarizes the
 233.4 findings of the study to the chairs and ranking
 233.5 minority members of the legislative
 233.6 committees with jurisdiction over housing and
 233.7 homelessness by March 1, 2028.

233.8 (c) Notwithstanding Minnesota Statutes,
 233.9 section 16A.28, any unencumbered balance
 233.10 in fiscal year 2026 does not cancel and is
 233.11 available in fiscal year 2027.

233.12 Subd. 2. **Emergency Shelter Facilities**

233.13 (a) \$3,000,000 in fiscal year 2026 is for grants
 233.14 to eligible applicants for the acquisition of
 233.15 property; site preparation, including
 233.16 demolition; predesign; design; construction;
 233.17 renovation; furnishing; and equipping of
 233.18 emergency shelter facilities in accordance with
 233.19 emergency shelter facilities grants.

233.20 (b) This is a onetime appropriation and is
 233.21 available until June 30, 2027.

233.22 Subd. 3. **Base Level Adjustment**

233.23 The general fund base for this section is
 233.24 \$97,098,000 in fiscal year 2028 and
 233.25 \$97,098,000 in fiscal year 2029.

233.26	Sec. 22. <u>GRANT PROGRAMS; ADULT</u>			
233.27	<u>MENTAL HEALTH GRANTS</u>	<u>\$</u>	<u>112,352,000</u>	<u>\$</u> <u>110,852,000</u>

233.28 Subdivision 1. **Mobile Crisis Grants**

233.29 \$1,620,000 in fiscal year 2026 is for mobile
 233.30 crisis grants under Minnesota Statutes, section
 233.31 245.4661, subdivision 9, paragraph (b), clause
 233.32 (15). Money may be used by mobile crisis
 233.33 teams to purchase and renovate vehicles to
 233.34 provide protected transport under Minnesota

234.1 Statutes, section 256B.0625, subdivision 17,
234.2 paragraph (l), clause (6). This is a onetime
234.3 appropriation.

234.4 Subd. 2. **Intensive Residential Treatment**
234.5 **Services; Hennepin County**

234.6 \$1,500,000 in fiscal year 2026 is for a grant
234.7 to the city of Brooklyn Park as start-up
234.8 funding for an intensive residential treatment
234.9 services and residential crisis stabilization
234.10 services facility. This is a onetime
234.11 appropriation and is available until June 30,
234.12 2027.

234.13	Sec. 23. <u>GRANT PROGRAMS; CHILDREN'S</u>			
234.14	<u>MENTAL HEALTH GRANTS</u>	<u>\$</u>	<u>37,375,000</u>	<u>\$</u> <u>36,175,000</u>

234.15 Subdivision 1. **Clay County Psychiatric**
234.16 **Residential Treatment Facility**

234.17 \$1,200,000 in fiscal year 2026 is for a grant
234.18 to Clay County for costs related to the
234.19 purchase of equipment and final redesign and
234.20 remodeling for the conversion of the West
234.21 Central Regional Juvenile Center nonsecure
234.22 unit into an 18-bed psychiatric residential
234.23 treatment facility for persons younger than 21
234.24 years of age, pursuant to Minnesota Statutes,
234.25 section 256B.0941. This is a onetime
234.26 appropriation.

234.27 Subd. 2. **School-Linked Behavioral Health**
234.28 **Grants**

234.29 \$1,250,000 in fiscal year 2026 and \$1,250,000
234.30 in fiscal year 2027 are for school-linked
234.31 behavioral health grants under Minnesota
234.32 Statutes, section 245.4901.

234.33	Sec. 24. <u>GRANT PROGRAMS; CHEMICAL</u>			
234.34	<u>DEPENDENCY TREATMENT SUPPORT</u>			
234.35	<u>GRANTS</u>	<u>\$</u>	<u>3,247,000</u>	<u>\$</u> <u>3,247,000</u>

234.36	Sec. 25. <u>GRANT PROGRAMS; HIV GRANTS</u>	<u>\$</u>	<u>8,220,000</u>	<u>\$</u> <u>2,220,000</u>
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235.1 **HIV/AIDS Supportive Services.** \$6,000,000
 235.2 in fiscal year 2026 is from the general fund to
 235.3 the commissioner of human services for grants
 235.4 to community-based HIV/AIDS supportive
 235.5 services providers as defined in Minnesota
 235.6 Statutes, section 256.01, subdivision 19, and
 235.7 for payment of allowed health care costs as
 235.8 defined in Minnesota Statutes, section
 235.9 256.9365. This is a onetime appropriation and
 235.10 is available until June 30, 2027.

235.11 Sec. 26. Laws 2023, chapter 61, article 9, section 2, subdivision 13, is amended to read:

235.12	Subd. 13. Grant Programs; Other Long-Term		
235.13	Care Grants	152,387,000	1,925,000
235.14	(a) Provider Capacity Grant for Rural and		
235.15	Underserved Communities. \$17,148,000 in		
235.16	fiscal year 2024 is for provider capacity grants		
235.17	for rural and underserved communities.		
235.18	Notwithstanding Minnesota Statutes, section		
235.19	16A.28, this appropriation is available until		
235.20	June 30, 2027. This is a onetime appropriation.		
235.21	(b) New American Legal, Social Services,		
235.22	and Long-Term Care Grant Program.		
235.23	\$28,316,000 in fiscal year 2024 is for		
235.24	long-term care workforce grants for new		
235.25	Americans. Notwithstanding Minnesota		
235.26	Statutes, section 16A.28, this appropriation is		
235.27	available until June 30, 2027. This is a onetime		
235.28	appropriation.		
235.29	(c) Supported Decision Making Programs.		
235.30	\$4,000,000 in fiscal year 2024 is for supported		
235.31	decision making grants. This is a onetime		
235.32	appropriation and is available until June 30,		
235.33	2025 <u>2027</u> .		

236.1 **(d) Direct Support Professionals**

236.2 **Employee-Owned Cooperative Program.**

236.3 \$350,000 in fiscal year 2024 is for a grant to
236.4 the Metropolitan Consortium of Community
236.5 Developers for the Direct Support
236.6 Professionals Employee-Owned Cooperative
236.7 program. The grantee must use the grant
236.8 amount for outreach and engagement,
236.9 managing a screening and selection process,
236.10 providing one-on-one technical assistance,
236.11 developing and providing training curricula
236.12 related to cooperative development and home
236.13 and community-based waiver services,
236.14 administration, reporting, and program
236.15 evaluation. This is a onetime appropriation
236.16 and is available until June 30, 2025.

236.17 **(e) Long-Term Services and Supports**

236.18 **Workforce Incentive Grants.** \$83,560,000

236.19 in fiscal year 2024 is for long-term services
236.20 and supports workforce incentive grants
236.21 administered according to Minnesota Statutes,
236.22 section 256.4764. Notwithstanding Minnesota
236.23 Statutes, section 16A.28, this appropriation is
236.24 available until June 30, 2029. This is a onetime
236.25 appropriation.

236.26 **(f) Base Level Adjustment.** The general fund

236.27 base is \$3,949,000 in fiscal year 2026 and
236.28 \$3,949,000 in fiscal year 2027. Of these
236.29 amounts, \$2,024,000 in fiscal year 2026 and
236.30 \$2,024,000 in fiscal year 2027 are for PCA
236.31 background study grants.

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

237.1 Sec. 27. Laws 2023, chapter 61, article 9, section 2, subdivision 14, as amended by Laws
237.2 2024, chapter 127, article 53, section 13, is amended to read:

237.3	Subd. 14. Grant Programs; Aging and Adult		
237.4	Services Grants	164,626,000	34,795,000

237.5 (a) **Vulnerable Adult Act Redesign Phase**
237.6 **Two.** \$17,129,000 in fiscal year 2024 is for
237.7 adult protection grants to counties and Tribes
237.8 under Minnesota Statutes, section 256M.42.
237.9 Notwithstanding Minnesota Statutes, section
237.10 16A.28, this appropriation is available until
237.11 June 30, 2027. The base for this appropriation
237.12 is \$866,000 in fiscal year 2026 and \$867,000
237.13 in fiscal year 2027.

237.14 (b) **Caregiver Respite Services Grants.**
237.15 \$1,800,000 in fiscal year 2025 is for caregiver
237.16 respite services grants under Minnesota
237.17 Statutes, section 256.9756. This is a onetime
237.18 appropriation. Notwithstanding Minnesota
237.19 Statutes, section 16A.28, subdivision 3, this
237.20 appropriation is available until June 30, 2027.

237.21 (c) **Live Well at Home Grants.** \$4,575,000
237.22 in fiscal year 2024 is for live well at home
237.23 grants under Minnesota Statutes, section
237.24 256.9754, subdivision 3f. This is a onetime
237.25 appropriation and is available until June 30,
237.26 2025.

237.27 (d) **Senior Nutrition Program.** \$10,552,000
237.28 in fiscal year 2024 is for the senior nutrition
237.29 program. Notwithstanding Minnesota Statutes,
237.30 section 16A.28, this appropriation is available
237.31 until June 30, 2027. This is a onetime
237.32 appropriation.

237.33 (e) **Age-Friendly Community Grants.**
237.34 \$3,000,000 in fiscal year 2024 is for the

238.1 continuation of age-friendly community grants
238.2 under Laws 2021, First Special Session
238.3 chapter 7, article 17, section 8, subdivision 1.
238.4 Notwithstanding Minnesota Statutes, section
238.5 16A.28, this is a onetime appropriation and is
238.6 available until June 30, 2027.

238.7 **(f) Age-Friendly Technical Assistance**

238.8 **Grants.** \$1,725,000 in fiscal year 2024 is for
238.9 the continuation of age-friendly technical
238.10 assistance grants under Laws 2021, First
238.11 Special Session chapter 7, article 17, section
238.12 8, subdivision 2. Notwithstanding Minnesota
238.13 Statutes, section 16A.28, this is a onetime
238.14 appropriation and is available until June 30,
238.15 2027.

238.16 **(g) Long-Term Services and Supports Loan**

238.17 **Program.** \$93,200,000 in fiscal year 2024 is
238.18 for the long-term services and supports loan
238.19 program under Minnesota Statutes, section
238.20 256R.55, and is available as provided therein.

238.21 **(h) Base Level Adjustment.** The general fund
238.22 base is \$33,861,000 in fiscal year 2026 and
238.23 \$33,862,000 in fiscal year 2027.

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

238.25 Sec. 28. **TRANSFERS.**

238.26 **Subdivision 1. Grants.** The commissioner of human services, with the approval of the
238.27 commissioner of management and budget, may transfer unencumbered appropriation balances
238.28 for the biennium ending June 30, 2025, within fiscal years among general assistance, medical
238.29 assistance, MinnesotaCare, the Minnesota supplemental aid program, the housing support
238.30 program, and the entitlement portion of the behavioral health fund between fiscal years of
238.31 the biennium. The commissioner shall report to the chairs and ranking minority members
238.32 of the legislative committees with jurisdiction over health and human services quarterly
238.33 about transfers made under this subdivision.

Subd. 2. **Administration.** Positions, salary money, and nonsalary administrative money may be transferred within the Department of Human Services as the commissioners deem necessary, with the advance approval of the commissioner of management and budget. The commissioners shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services finance quarterly about transfers made under this section.

Subd. 3. **State government special revenue fund.** The amounts below for the fiscal years indicated are transferred from the state government special revenue fund to the general fund:

(1) \$6,175,000 in fiscal year 2025;

(2) \$12,349,000 in fiscal year 2026;

(3) \$12,349,000 in fiscal year 2027; and

(4) \$12,349,000 in fiscal year 2028.

Sec. 29. CANCELLATIONS.

Subdivision 1. **Local planning grants.** Local planning grants under Laws 2011, First Special Session chapter 9, article 10, section 3, subdivision 4, paragraph (k), are eliminated and the remaining balance is canceled to the general fund.

Subd. 2. **Direct care provider premiums through HCBS workforce incentive fund.** \$20,000,000 of the base appropriation in Laws 2023, chapter 59, article 3, section 11, is canceled to the general fund.

Subd. 3. **Self-directed collective bargaining agreement; retention bonuses.** \$27,000,000 of the appropriation in Laws 2023, chapter 61, article 9, section 2, subdivision 16, paragraph (g), is canceled to the general fund.

Subd. 4. **Temporary grants for small customized living providers.** \$5,450,000 of the appropriation in Laws 2023, chapter 61, article 9, section 2, subdivision 16, paragraph (a), is canceled to the general fund.

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

Sec. 30. APPROPRIATIONS GIVEN EFFECT ONCE.

If an appropriation, transfer, or cancellation in this article is enacted more than once during the 2025 regular session, the appropriation, transfer, or cancellation must be given effect once.

240.1 **Sec. 31. EXPIRATION OF UNCODIFIED LANGUAGE.**

240.2 All uncodified language contained in this article expires on June 30, 2027, unless a
240.3 different expiration date is explicit.

240.4 **Sec. 32. EFFECTIVE DATE.**

240.5 This article is effective July 1, 2025, unless a different effective date is specified.

240.6 **ARTICLE 12**

240.7 **DIRECT CARE AND TREATMENT APPROPRIATIONS**

240.8 Section 1. **DIRECT CARE AND TREATMENT APPROPRIATIONS.**

240.9 The sums shown in the columns marked "Appropriations" are appropriated to the
240.10 executive board of direct care and treatment and for the purposes specified in this article.

240.11 The appropriations are from the general fund, or another named fund, and are available for
240.12 the fiscal years indicated for each purpose. The figures "2026" and "2027" used in this
240.13 article mean that the appropriations listed under them are available for the fiscal year ending
240.14 June 30, 2026, or June 30, 2027, respectively. "The first year" is fiscal year 2026. "The
240.15 second year" is fiscal year 2027. "The biennium" is fiscal years 2026 and 2027.

240.16	<u>APPROPRIATIONS</u>	
240.17	<u>Available for the Year</u>	
240.18	<u>Ending June 30</u>	
240.19	2026	2027

240.20 **Sec. 2. EXECUTIVE BOARD OF DIRECT**
240.21 **CARE AND TREATMENT; TOTAL**
240.22 **APPROPRIATION**

240.22	APPROPRIATION	\$	594,090,000	\$	617,483,000
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240.23 The amounts that may be spent for each
240.24 purpose are specified in the following sections.

240.25 **Sec. 3. MENTAL HEALTH AND SUBSTANCE**
240.26 **ABUSE**

240.26	ABUSE	\$	189,761,000	\$	194,840,000
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240.27 **Sec. 4. COMMUNITY-BASED SERVICES**

240.27	Sec. 4. COMMUNITY-BASED SERVICES	\$	13,927,000	\$	14,170,000
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240.28 **Sec. 5. FORENSIC SERVICES**

240.28	Sec. 5. FORENSIC SERVICES	\$	160,239,000	\$	164,094,000
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240.29 Sec. 6. SEX OFFENDER PROGRAM

240.29	Sec. 6. SEX OFFENDER PROGRAM	\$	128,050,000	\$	131,351,000
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240.30 **Sec. 7. ADMINISTRATION**

240.30	Sec. 7. ADMINISTRATION	\$ 102,113,000	\$ 113,028,000
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241.1 Subdivision 1. **Locked Psychiatric Residential**
241.2 **Treatment Facility Report**

241.3 \$100,000 in fiscal year 2026 is for planning a
241.4 build-out of a locked psychiatric residential
241.5 treatment facility (PRTF) operated by Direct
241.6 Care and Treatment. This is a onetime
241.7 appropriation and is available until June 30,
241.8 2027. By March 1, 2026, the Direct Care and
241.9 Treatment executive board must report to the
241.10 chairs and ranking minority members of the
241.11 legislative committees with jurisdiction over
241.12 human services finance and policy on the plan
241.13 developed under this section. The report must
241.14 include but not be limited to:

241.15 (1) the risks and benefits of locating the locked
241.16 PRTF in a metropolitan or rural location;

241.17 (2) the estimated cost for the build-out of the
241.18 locked PRTF;

241.19 (3) the estimated ongoing cost of maintaining
241.20 the locked PRTF; and

241.21 (4) the estimated amount of costs that can be
241.22 recouped from medical assistance,
241.23 MinnesotaCare, and private insurance
241.24 payments.

241.25 Subd. 2. **Miller Building**

241.26 \$1,200,000 in fiscal year 2026 is to demolish
241.27 the Miller Building and ancillary structures
241.28 and to prepare the site for future construction
241.29 on the Anoka-Metro Regional Treatment
241.30 Center campus.

241.31 Subd. 3. **Base Level Adjustment**

241.32 The general fund base for this section is
241.33 \$114,420,000 in fiscal year 2028 and
241.34 \$114,420,000 in fiscal year 2029.

242.1 Sec. 8. Laws 2024, chapter 125, article 8, section 2, subdivision 19, is amended to read:

242.2 Subd. 19. **Direct Care and Treatment - Forensic**
242.3 **Services**

-0- 7,752,000

242.4 (a) **Employee incentives.** \$1,000,000 in fiscal
242.5 year 2025 is for incentives related to the
242.6 transition of CARE St. Peter to the forensic
242.7 mental health program. Employee incentive
242.8 payments under this paragraph must be made
242.9 to all employees who transitioned from CARE
242.10 St. Peter to another direct care and treatment
242.11 program, including employees who
242.12 transitioned prior to the closure of CARE St.
242.13 Peter. Employee incentive payments must total
242.14 \$30,000 per transitioned employee, subject to
242.15 the payment schedule and service requirements
242.16 in this paragraph. The first incentive payment
242.17 of \$4,000 must be made after the employee
242.18 has completed six months of service as an
242.19 employee of another direct care and treatment
242.20 program, followed by \$6,000 at 12 months of
242.21 completed service, \$8,000 at 18 months of
242.22 completed service, and \$12,000 at 24 months
242.23 of completed service. This is a onetime
242.24 appropriation and is available until June 30,
242.25 2027.

242.26 (b) **Base Level Adjustment.** The general fund
242.27 base is increased by \$6,612,000 in fiscal year
242.28 2026 and increased by \$6,612,000 in fiscal
242.29 year 2027.

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

242.31 Sec. 9. **TRANSFER AUTHORITY.**

242.32 (a) Money appropriated for budget programs in sections 3 to 7 may be transferred between
242.33 budget programs and between years of the biennium with the approval of the commissioner
242.34 of management and budget.

243.1 (b) The executive board of Direct Care and Treatment, with the approval of the
243.2 commissioner of management and budget, may transfer money appropriated for Direct Care
243.3 and Treatment into the special revenue account for security systems and information
243.4 technology projects, services, and support.

243.5 (c) The Direct Care and Treatment executive board, with the approval of the commissioner
243.6 of management and budget, may transfer money appropriated for Direct Care and Treatment
243.7 into the special revenue account for facilities management.

243.8 (d) Positions, salary money, and nonsalary administrative money may be transferred
243.9 within and between Direct Care and Treatment and the Department of Human Services as
243.10 the executive board and commissioner consider necessary, with the advance approval of
243.11 the commissioner of management and budget.

243.12 Sec. 10. **APPROPRIATIONS GIVEN EFFECT ONCE.**

243.13 If an appropriation, transfer, or cancellation in this article is enacted more than once
243.14 during the 2025 regular session, the appropriation, transfer, or cancellation must be given
243.15 effect once.

243.16 Sec. 11. **EXPIRATION OF UNCODIFIED LANGUAGE.**

243.17 All uncodified language contained in this article expires on June 30, 2027, unless a
243.18 different expiration date is explicit.

243.19 Sec. 12. **EFFECTIVE DATE.**

243.20 This article is effective July 1, 2025, unless a different effective date is specified.

243.21 **ARTICLE 13**

243.22 **OTHER AGENCY APPROPRIATIONS**

243.23 Section 1. **HEALTH AND HUMAN SERVICES APPROPRIATIONS.**

243.24 The sums shown in the columns marked "Appropriations" are appropriated to the agencies
243.25 and for the purposes specified in this article. The appropriations are from the general fund,
243.26 or another named fund, and are available for the fiscal years indicated for each purpose.

243.27 The figures "2026" and "2027" used in this article mean that the appropriations listed under
243.28 them are available for the fiscal year ending June 30, 2026, or June 30, 2027, respectively.

243.29 "The first year" is fiscal year 2026. "The second year" is fiscal year 2027. "The biennium"
243.30 is fiscal years 2026 and 2027.

244.1					APPROPRIATIONS
244.2					Available for the Year
244.3					Ending June 30
244.4					<u>2026</u>
					<u>2027</u>
244.5	Sec. 2. <u>COMMISSIONER OF HEALTH</u>	\$	<u>1,625,000</u>	\$	<u>1,625,000</u>
244.6	Sec. 3. <u>COUNCIL ON DISABILITY</u>	\$	<u>2,432,000</u>	\$	<u>2,457,000</u>
244.7	Sec. 4. <u>OFFICE OF THE OMBUDSMAN FOR</u>				
244.8	<u>MENTAL HEALTH AND DEVELOPMENTAL</u>				
244.9	<u>DISABILITIES</u>	\$	<u>3,706,000</u>	\$	<u>3,765,000</u>
244.10	Sec. 5. <u>PROPERTY RATE INCREASE FOR CERTAIN NURSING FACILITIES;</u>				
244.11	<u>MORATORIUM EXCEPTION FUNDING.</u>				
244.12	<u>Notwithstanding any other law to the contrary, the commissioner of health shall consider</u>				
244.13	<u>the property rate increases for certain nursing facilities under Minnesota Statutes, section</u>				
244.14	<u>256B.434, subdivision 4k, as moratorium exceptions and fund the rate increases with</u>				
244.15	<u>moratorium exception funding under Minnesota Statutes, section 144A.073, subdivision</u>				
244.16	<u>17.</u>				
244.17	Sec. 6. <u>APPROPRIATIONS GIVEN EFFECT ONCE.</u>				
244.18	<u>If an appropriation, transfer, or cancellation in this article is enacted more than once</u>				
244.19	<u>during the 2025 regular session, the appropriation, transfer, or cancellation must be given</u>				
244.20	<u>effect once.</u>				
244.21	Sec. 7. <u>EXPIRATION OF UNCODIFIED LANGUAGE.</u>				
244.22	<u>All uncodified language contained in this article expires on June 30, 2027, unless a</u>				
244.23	<u>different expiration date is explicit.</u>				
244.24	Sec. 8. <u>EFFECTIVE DATE.</u>				
244.25	<u>This article is effective July 1, 2025, unless a different effective date is specified.</u>				

APPENDIX
Article locations for H2434-3

ARTICLE 1 AGING SERVICES..... Page.Ln 2.21

ARTICLE 2 DISABILITY SERVICES..... Page.Ln 16.4

ARTICLE 3 HEALTH CARE..... Page.Ln 80.16

ARTICLE 4 BEHAVIORAL HEALTH..... Page.Ln 91.30

ARTICLE 5 BACKGROUND STUDIES..... Page.Ln 159.12

ARTICLE 6 DEPARTMENT OF HUMAN SERVICES PROGRAM INTEGRITY.. Page.Ln 173.1

ARTICLE 7 DIRECT CARE AND TREATMENT..... Page.Ln 203.28

ARTICLE 8 HOMELESSNESS, HOUSING, AND SUPPORT SERVICES..... Page.Ln 212.1

ARTICLE 9 MISCELLANEOUS..... Page.Ln 222.26

ARTICLE 10 FORECAST ADJUSTMENTS..... Page.Ln 224.21

ARTICLE 11 DEPARTMENT OF HUMAN SERVICES APPROPRIATIONS..... Page.Ln 226.3

ARTICLE 12 DIRECT CARE AND TREATMENT APPROPRIATIONS..... Page.Ln 240.6

ARTICLE 13 OTHER AGENCY APPROPRIATIONS..... Page.Ln 243.21

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: H2434-3

(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.

~~(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

APPENDIX
Repealed Minnesota Session Laws: H2434-3

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 wavier 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;

APPENDIX
Repealed Minnesota Session Laws: H2434-3

(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.

~~(c)~~ (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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