

1.1 A bill for an act

1.2 relating to state government; establishing budget provisions for the Departments

1.3 of Human Services, Health, and Children, Youth, and Families; modifying

1.4 provisions relating to health, health licensing boards, health and education facilities,

1.5 pharmacy benefits, health care finance, behavioral health, children's mental health

1.6 terminology, assertive community treatment and intensive residential treatment

1.7 services, background studies, Department of Human Services program integrity,

1.8 human services licensing, economic supports, child protection and welfare, early

1.9 care and learning, and children and families licensing; making conforming changes

1.10 for the statutory establishment of the Department of Children, Youth, and Families;

1.11 making forecast adjustments; requiring reports; establishing criminal penalties;

1.12 permitting rulemaking; appropriating money; amending Minnesota Statutes 2024,

1.13 sections 3.732, subdivision 1; 10A.01, subdivision 35; 13.46, subdivision 3;

1.14 62A.673, subdivision 2; 62D.21; 62D.211; 62E.23, subdivision 1; 62J.461,

1.15 subdivisions 3, 4, 5; 62J.51, subdivision 19a; 62J.581; 62J.84, subdivisions 2, 3,

1.16 6, 10, 11, 12, 13, 14, 15; 62K.10, subdivisions 2, 5, 6; 62M.17, subdivision 2;

1.17 62Q.522, subdivision 1; 62Q.527, subdivisions 1, 2, 3; 62U.04, by adding a

1.18 subdivision; 103I.005, subdivision 17b; 103I.101, subdivisions 2, 5, 6, by adding

1.19 a subdivision; 103I.208, subdivisions 1, 1a, 2; 103I.235, subdivision 1; 103I.525,

1.20 subdivisions 2, 6, 8; 103I.531, subdivisions 2, 6, 8; 103I.535, subdivisions 2, 6,

1.21 8; 103I.541, subdivisions 2b, 2c, 4; 103I.545, subdivisions 1, 2; 103I.601,

1.22 subdivisions 2, 4; 121A.61, subdivision 3; 128C.02, subdivision 5; 136A.25;

1.23 136A.26; 136A.27; 136A.28; 136A.29, subdivisions 1, 3, 6, 9, 10, 14, 19, 20, 21,

1.24 22, by adding a subdivision; 136A.32, subdivisions 1, 4, by adding a subdivision;

1.25 136A.33; 136A.34, subdivisions 3, 4; 136A.36; 136A.38; 136A.41; 136A.42;

1.26 136F.67, subdivision 1; 138.912, subdivisions 1, 2, 3, 4, 6; 142A.03, subdivision

1.27 2, by adding a subdivision; 142A.609, subdivisions 11, 12; 142A.76, subdivisions

1.28 2, 3; 142B.01, subdivision 15; 142B.05, subdivision 3; 142B.10, subdivision 14;

1.29 142B.16, subdivision 2; 142B.171, subdivision 2; 142B.30, subdivision 1, by

1.30 adding a subdivision; 142B.41, by adding a subdivision; 142B.47; 142B.51,

1.31 subdivision 2; 142B.65, subdivisions 8, 9; 142B.66, subdivision 3; 142B.70,

1.32 subdivisions 7, 8; 142B.80; 142C.06, by adding a subdivision; 142C.11, subdivision

1.33 8; 142C.12, subdivisions 1, 6; 142D.31, subdivision 2; 142E.03, subdivision 3;

1.34 142E.11, subdivisions 1, 2; 142E.13, subdivision 2; 142E.15, subdivision 1;

1.35 142E.16, subdivisions 3, 7; 142E.51, subdivisions 5, 6; 142G.02, subdivision 56;

1.36 142G.27, subdivision 4; 142G.42, subdivision 3; 144.064, subdivision 3; 144.0758,

1.37 subdivision 3; 144.1205, subdivisions 2, 4, 8, 9, 10; 144.121, subdivisions 1a, 2,

1.38 5, by adding subdivisions; 144.1215, by adding a subdivision; 144.1222,

2.1 subdivisions 1a, 2d; 144.125, subdivisions 1, 2; 144.3831, subdivision 1; 144.50,
2.2 by adding a subdivision; 144.55, subdivision 1a; 144.554; 144.555, subdivisions
2.3 1a, 1b; 144.562, subdivisions 2, 3; 144.563; 144.608, subdivision 2; 144.651,
2.4 subdivision 2; 144.966, subdivision 2; 144.99, subdivision 1; 144A.43, subdivision
2.5 15; 144E.123, subdivision 3; 144E.35; 144G.08, subdivision 45; 144G.45,
2.6 subdivision 6; 145.8811; 145.901, subdivision 1; 145.987, subdivisions 1, 2;
2.7 147.01, subdivision 7; 147.037, by adding a subdivision; 147A.02; 147D.03,
2.8 subdivision 1; 148.108, subdivision 1, by adding subdivisions; 148.191, subdivision
2.9 2; 148.241; 148.512, subdivision 17a; 148.5192, subdivision 3; 148.5194,
2.10 subdivision 3b; 148.56, subdivision 1; 148.6401; 148.6402, subdivisions 1, 7, 8,
2.11 13, 14, 16, 16a, 19, 20, 23, 25, by adding subdivisions; 148.6403; 148.6404;
2.12 148.6405; 148.6408, subdivision 2, by adding a subdivision; 148.6410, subdivision
2.13 2, by adding a subdivision; 148.6412, subdivisions 2, 3; 148.6415; 148.6418;
2.14 148.6420, subdivision 1; 148.6423, subdivisions 1, 2, by adding a subdivision;
2.15 148.6425, subdivision 2, by adding subdivisions; 148.6428; 148.6432, subdivisions
2.16 1, 2, 3, 4, by adding a subdivision; 148.6435; 148.6438; 148.6443, subdivisions
2.17 3, 4, 5, 6, 7, 8; 148.6445, by adding subdivisions; 148.6448, subdivisions 1, 2, 4,
2.18 6; 148.6449, subdivisions 1, 2, 7; 148B.53, subdivision 3; 148E.180, subdivisions
2.19 1, 5, 7, by adding subdivisions; 148F.11, subdivision 1; 149A.02, by adding a
2.20 subdivision; 150A.105, by adding a subdivision; 151.01, subdivisions 15, 23;
2.21 151.065, subdivisions 1, 3, 6; 151.101; 151.555, subdivisions 6, 10; 151.741,
2.22 subdivision 5; 152.12, subdivision 1; 153B.85, subdivisions 1, 3; 156.015, by
2.23 adding subdivisions; 157.16, subdivisions 2, 2a, 3, 3a, by adding a subdivision;
2.24 245.095, subdivision 5, by adding a subdivision; 245.0962, subdivision 1; 245.462,
2.25 subdivisions 4, 20; 245.4661, subdivisions 2, 6, 7, 9; 245.4662, subdivision 1;
2.26 245.467, subdivision 4; 245.4682, subdivision 3; 245.469; 245.4711, subdivisions
2.27 1, 4; 245.4712, subdivisions 1, 3; 245.4835, subdivision 2; 245.4863; 245.487,
2.28 subdivision 2; 245.4871, subdivisions 3, 4, 5, 6, 13, 15, 17, 19, 21, 22, 28, 29, 31,
2.29 32, 34, by adding a subdivision; 245.4873, subdivision 2; 245.4874, subdivision
2.30 1; 245.4875, subdivision 5; 245.4876, subdivisions 4, 5; 245.4877; 245.488,
2.31 subdivisions 1, 3; 245.4881, subdivisions 1, 3, 4; 245.4882, subdivisions 1, 5;
2.32 245.4884; 245.4885, subdivision 1; 245.4889, subdivision 1; 245.4901, subdivision
2.33 3; 245.4905; 245.4906, subdivision 2; 245.4907, subdivisions 2, 3; 245.491,
2.34 subdivision 2; 245.492, subdivision 3; 245.50, subdivision 3, by adding a
2.35 subdivision; 245.697, subdivision 2a; 245.814, subdivision 3; 245.826; 245.91,
2.36 subdivisions 2, 4; 245.92; 245.94, subdivision 1; 245.975, subdivision 1; 245A.03,
2.37 subdivision 2; 245A.04, subdivisions 1, 7; 245A.05; 245A.07, subdivision 2;
2.38 245A.16, subdivision 1; 245A.18, subdivision 1; 245A.242, subdivision 2; 245A.26,
2.39 subdivisions 1, 2; 245C.02, by adding a subdivision; 245C.05, by adding a
2.40 subdivision; 245C.08, subdivision 3; 245C.13, subdivision 2; 245C.14, by adding
2.41 a subdivision; 245C.15, subdivision 4a, by adding a subdivision; 245C.22,
2.42 subdivision 5; 245D.02, subdivision 4a; 245I.05, subdivisions 3, 5; 245I.06,
2.43 subdivision 3; 245I.11, subdivision 5; 245I.12, subdivision 5; 245I.23, subdivision
2.44 7; 246C.12, subdivision 4; 252.27, subdivision 1; 254B.04, subdivision 1a; 254B.05,
2.45 subdivision 1a; 254B.06, by adding a subdivision; 256.01, by adding a subdivision;
2.46 256.478, subdivision 2; 256.9657, by adding a subdivision; 256.969, subdivision
2.47 2b; 256.98, subdivision 1; 256.983, subdivision 4; 256B.02, subdivision 11;
2.48 256B.0371, subdivision 3; 256B.04, subdivision 21; 256B.051, subdivision 3;
2.49 256B.055, subdivision 12; 256B.0615, subdivisions 1, 3; 256B.0616, subdivisions
2.50 1, 4, 5; 256B.0622, subdivisions 1, 3a, 7a, 8, 11, 12; 256B.0625, subdivisions 2,
2.51 3b, 13, 13c, 13d, 13e, 17a, 20, 25c, 30, 54, by adding subdivisions; 256B.064,
2.52 subdivision 1a; 256B.0659, subdivision 21; 256B.0757, subdivisions 2, 5, by
2.53 adding a subdivision; 256B.0943, subdivisions 1, 3, 9, 12, 13; 256B.0945,
2.54 subdivision 1; 256B.0946, subdivision 6; 256B.0947, subdivision 3a; 256B.12;
2.55 256B.1973, by adding a subdivision; 256B.69, subdivisions 6d, 23, by adding a
2.56 subdivision; 256B.692, subdivision 2; 256B.76, subdivisions 1, 6, by adding a
2.57 subdivision; 256B.761; 256B.766; 256B.77, subdivision 7a; 256B.82; 256B.85,
2.58 subdivision 12; 256D.44, subdivision 5; 256L.03, subdivision 5; 256R.01, by

adding a subdivision; 260.65; 260.66, subdivision 1; 260.691, subdivision 1; 260.692; 260.810, subdivisions 1, 2; 260.821, subdivision 2; 260B.157, subdivision 3; 260C.001, subdivision 2; 260C.007, subdivisions 16, 19, 26d, 27b; 260C.150, subdivision 3; 260C.157, subdivision 3; 260C.201, subdivisions 1, 2; 260C.202, subdivision 2, by adding a subdivision; 260C.204; 260C.221, subdivision 2; 260C.223, subdivisions 1, 2; 260C.301, subdivision 4; 260C.331, subdivision 1; 260C.452, subdivision 4; 260D.01; 260D.02, subdivisions 5, 9; 260D.03, subdivision 1; 260D.04; 260D.06, subdivision 2; 260D.07; 260E.03, subdivision 15; 260E.09; 260E.11, subdivision 3; 260E.20, subdivision 1; 260E.24, subdivisions 1, 2; 295.50, subdivisions 3, 9b; 295.52, subdivisions 1, 1a, 2, 3, 4; 326.72, subdivision 1; 326.75, subdivisions 3, 3a; 327.15, subdivisions 2, 3, 4, by adding a subdivision; 354B.20, subdivision 7; Laws 2021, First Special Session chapter 7, article 2, section 81; Laws 2023, chapter 70, article 7, section 34; article 20, section 2, subdivision 30; Laws 2024, chapter 127, article 67, sections 4; 6; proposing coding for new law in Minnesota Statutes, chapters 62J; 62Q; 62V; 142B; 142F; 144; 144E; 145; 148; 153; 245; 256B; 260E; 295; 306; 307; 609; proposing coding for new law as Minnesota Statutes, chapter 148G; repealing Minnesota Statutes 2024, sections 62E.21; 62E.22; 62E.23; 62E.24; 62E.25; 62J.824; 62K.10, subdivision 3; 103I.550; 136A.29, subdivision 4; 138.912, subdivision 7; 148.108, subdivisions 2, 3, 4; 148.6402, subdivision 22a; 148.6420, subdivisions 2, 3, 4; 148.6423, subdivisions 4, 5, 7, 8, 9; 148.6425, subdivision 3; 148.6430; 148.6445, subdivisions 5, 6, 8; 156.015, subdivision 1; 245A.11, subdivision 8; 256B.0622, subdivision 4; 256B.0625, subdivision 38; Minnesota Rules, parts 2500.1150; 2500.2030; 4695.2900; 6800.5100, subpart 5; 6800.5400, subparts 5, 6; 6900.0250, subparts 1, 2; 9100.0400, subparts 1, 3; 9100.0500; 9100.0600.

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

ARTICLE 1

DEPARTMENT OF HEALTH FINANCE

Section 1. Minnesota Statutes 2024, section 62D.21, is amended to read:

62D.21 FEES.

Every health maintenance organization subject to sections 62D.01 to 62D.30 shall pay to the commissioner of health the following fees as prescribed by the commissioner of health pursuant to section 144.122 for the following:

(1) filing an application for a certificate of authority: \$10,000;

(2) filing an amendment to a certificate of authority: \$125;

(3) filing each annual report: \$400; and

~~(4) other filings, as specified by rule.~~

(4) filing each quarterly report: \$200; and

(5) filing annual plan review documents, amendments to plan documents, and quality plans: \$125.

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

Sec. 2. Minnesota Statutes 2024, section 62D.211, is amended to read:

62D.211 RENEWAL FEE.

Each health maintenance organization subject to sections 62D.01 to 62D.30 shall submit to the commissioner of health each year before June 15 a certificate of authority renewal fee in the amount of ~~\$10,000~~ \$30,000 each plus ~~20~~ 88 cents per person enrolled in the health maintenance organization on December 31 of the preceding year. ~~The commissioner may adjust the renewal fee in rule under the provisions of chapter 14.~~

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

Sec. 3. **[62J.8241] FACILITY FEES PROHIBITED.**

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

(b) "Control" has the meaning given in section 145D.01.

(c) "Facility fee" means any separate charge or billing by a provider-based clinic in addition to a professional fee for physicians' services that is intended to cover building, electronic medical records systems, billing, and other administrative and operational expenses.

(d) "Health care clearinghouse" has the meaning given in Code of Federal Regulations, title 45, section 160.103.

(e) "Health care provider" has the meaning given in section 145B.02. Health care provider does not include any hospital that:

(1) is certified by the Centers for Medicare and Medicaid Services as a Medicare critical access hospital; and

(2) is not affiliated, by governance or control, with a health system or other hospital.

(f) "NPI" means the standard, unique health identifier for health care providers that is issued by the national provider system in accordance with Code of Federal Regulations, title 45, section 162.

(g) "Provider-based clinic" means the site of an off-campus clinic or provider office, located at least 250 yards from the main hospital buildings or as determined by the Centers for Medicare and Medicaid Services, that is owned by a hospital licensed under chapter 144

or a health system that operates one or more hospitals licensed under chapter 144 and is primarily engaged in providing diagnostic and therapeutic care, including medical history, physical examinations, assessment of health status, and treatment monitoring. This definition does not include clinics that are exclusively providing laboratory, x-ray, testing, therapy, pharmacy, or educational services and does not include facilities designated as rural health clinics.

Subd. 2. **Provider-based clinic prohibition.** (a) Health care providers are prohibited from charging, billing, or collecting a facility fee for the following when provided at a provider-based clinic: (1) services provided by telehealth as defined in section 62A.673, subdivision 2, paragraph (h), when the patient is located outside the facility; and (2) the provision of preventive items and services, as defined in section 62Q.46, subdivision 1.

(b) Health care providers are prohibited from charging, billing, or collecting a facility fee directly from a patient for those services set forth in paragraph (a), clause (2).

Subd. 3. **Unique NPI.** (a) Provider-based clinics must apply for, obtain, and use on all claims for reimbursement or payment for health services provided at the provider-based clinic, a unique NPI that is distinct from the hospital's NPI.

(b) The provider-based clinic's unique NPI must be included on any claim for reimbursement or payment for health services provided at the provider-based clinic, regardless of whether the claim is filed or submitted by or through a central office of the hospital or a health care clearinghouse.

Subd. 4. **Notification.** (a) If a hospital or health system charges a facility fee utilizing a CPT evaluation and management code or assessment and management code for outpatient services provided at a provider-based clinic where a professional fee is also expected to be charged, the hospital or health system must provide the patient with a written notice that includes the following information:

(1) that the provider-based clinic is part of a hospital or health system and that the hospital or health system charges a facility fee that is in addition to and separate from the professional fee charged by the provider;

(2) the amount of the patient's potential financial liability, including any facility fee likely to be charged, and, where professional medical services are provided by an affiliated provider, any professional fee likely to be charged, or, if the exact type and extent of the professional medical services needed are not known or the terms of a patient's health insurance coverage are not known with reasonable certainty, an estimate of the patient's

6.1 financial liability based on typical or average charges for visits to the provider-based clinic,
6.2 including the facility fee;

6.3 (3) a statement that the patient's actual financial liability will depend on the professional
6.4 medical services actually provided to the patient;

6.5 (4) an explanation that the patient may incur financial liability that is greater than the
6.6 patient would incur if the professional medical services were not provided by a
6.7 provider-based clinic;

6.8 (5) a telephone number the patient may call for additional information regarding the
6.9 patient's potential financial liability, including an estimate of the facility fee likely to be
6.10 charged based on the scheduled professional medical services; and

6.11 (6) that a patient covered by a health insurance policy should contact the health insurer
6.12 for additional information regarding the hospital's or health system's charges and fees,
6.13 including the patient's potential financial liability, if any, for the charges and fees.

6.14 (b) If a hospital or health system charges a facility fee without utilizing a CPT evaluation
6.15 and management code for outpatient services provided at a provider-based clinic, the hospital
6.16 or health system must provide the patient with a written notice that includes the following
6.17 information:

6.18 (1) that the provider-based clinic is part of a hospital or health system and that the hospital
6.19 or health system charges a facility fee that may be in addition to and separate from the
6.20 professional fee charged by a provider;

6.21 (2) a statement that the patient's actual financial liability will depend on the professional
6.22 medical services actually provided to the patient;

6.23 (3) an explanation that the patient may incur financial liability that is greater than the
6.24 patient would incur if the provider-based clinic was not hospital-based;

6.25 (4) a telephone number the patient may call for additional information regarding the
6.26 patient's potential financial liability, including an estimate of the facility fee likely to be
6.27 charged based on the scheduled professional medical services; and

6.28 (5) that a patient covered by a health insurance policy should contact the health insurer
6.29 for additional information regarding the hospital's or health system's charges and fees,
6.30 including the patient's potential financial liability, if any, for the charges and fees.

6.31 (c) Each initial billing statement that includes a facility fee must:

(1) clearly identify the fee as a facility fee that is billed in addition to, or separately from, any professional fee billed by the provider;

(2) provide the corresponding Medicare facility fee reimbursement rate for the same service as a comparison or, if there is no corresponding Medicare facility fee for the service:

(i) the approximate amount Medicare would have paid the hospital for the facility fee on the billing statement; or

(ii) the percentage of the hospital's charges that Medicare would have paid the hospital for the facility fee;

(3) include a statement that the facility fee is intended to cover the hospital's or health system's operational expenses;

(4) inform the patient that the patient's financial liability may have been less if the services had been provided at a facility not owned or operated by the hospital or health system; and

(5) include written notice of the patient's right to request a reduction in the facility fee or any other portion of the bill and a telephone number that the patient may use to request such a reduction without regard to whether the patient qualifies for, or is likely to be granted, any reduction.

No later than October 15, 2025, and annually thereafter, each hospital, health system, and provider-based clinic must submit to the commissioner of health a sample of a billing statement issued by the hospital, health system, or provider-based clinic that complies with the provisions of this paragraph and which represents the format of billing statements received by patients. The billing statement must not contain patient identifying information.

(d) The written notices described in paragraphs (a) to (c) and (g) to (i) must be in plain language and in a form that may be reasonably understood by a patient who does not possess special knowledge regarding hospital or health system facility fee charges. On and after October 1, 2025, the notices must include tag lines in at least the top 15 languages spoken in Minnesota indicating that the notice is available in each of those top 15 languages. The 15 languages must be either the languages in the list published by the Department of Health and Human Services in connection with section 1557 of the Patient Protection and Affordable Care Act, P.L. 111-148, or, as determined by the hospital or health system, the top 15 languages in the geographic area of the provider-based clinic.

(e) For nonemergency care, if a patient's appointment is scheduled to occur ten or more days after the appointment is made, such written notice must be sent to the patient by first class mail, encrypted electronic mail, or a secure patient Internet portal not more than three

days after the appointment is made. If an appointment is scheduled to occur less than ten days after the appointment is made or if the patient arrives without an appointment, such notice must be hand-delivered to the patient when the patient arrives at the provider-based clinic. For emergency care, such written notice must be provided to the patient as soon as practicable after the patient is stabilized in accordance with the federal Emergency Medical Treatment and Active Labor Act, United States Code, title 42, section 1395dd, as amended from time to time, or is determined not to have an emergency medical condition and before the patient leaves the provider-based clinic. If the patient is unconscious, under great duress, or for any other reason unable to read the notice and understand and act on the patient's rights, the notice must be provided to the patient's representative as soon as practicable.

(f) Paragraphs (a) to (e) do not apply if a patient is insured by Medicare or the medical assistance program under chapter 256B or is receiving services under a workers' compensation plan established to provide medical services.

(g) A provider-based clinic must prominently display written notice in locations that are readily accessible to and visible by patients, including patient waiting or appointment check-in areas, stating the following:

(1) that the provider-based clinic is part of a hospital or health system;

(2) the name of the hospital or health system; and

(3) that if the provider-based clinic charges a facility fee, the patient may incur a financial liability greater than the patient would incur if the provider-based clinic was not hospital-based.

On and after October 1, 2025, such notices must include tag lines in at least the top 15 languages spoken in Minnesota indicating that the notice is available in each of those top 15 languages. The 15 languages must be either the languages in the list published by the Department of Health and Human Services in connection with section 1557 of the Patient Protection and Affordable Care Act, P.L. 111-148, or, as determined by the hospital or health system, the top 15 languages in the geographic area of the provider-based clinic. No later than October 1, 2025, and annually thereafter, each provider-based clinic must submit a copy of the written notice required by this paragraph to the commissioner of health.

(h) A provider-based clinic must identify itself to the public and payers as being hospital-based, including, at a minimum, by stating the name of the hospital or health system in its signage, marketing materials, websites, and stationery.

9.1 (i) A provider-based clinic must, when scheduling services for which a facility fee may
9.2 be charged, inform the patient:

9.3 (1) that the provider-based clinic is part of a hospital or health system;

9.4 (2) of the name of the hospital or health system;

9.5 (3) that the hospital or health system may charge a facility fee in addition to and separate
9.6 from the professional fee charged by the provider; and

9.7 (4) of the telephone number the patient may call for additional information regarding
9.8 such patient's potential financial liability.

9.9 (j) If any transaction described in section 145D.01, subdivision 2, results in the
9.10 establishment of a provider-based clinic where facility fees may be billed, the hospital or
9.11 health system that is the purchaser in the transaction must, no later than 30 days after the
9.12 transaction, provide written notice by first class mail of the transaction to each patient served
9.13 within the three years preceding the date of the transaction by the health care facility that
9.14 has been purchased as part of the transaction. The notice must include the following
9.15 information:

9.16 (1) a statement that the health care facility is now a provider-based clinic and is part of
9.17 a hospital or health system, the health care facility's full legal and business name, and the
9.18 date of the facility's acquisition by a hospital or health system;

9.19 (2) the name, business address, and telephone number of the hospital or health system
9.20 that is the purchaser of the health care facility;

9.21 (3) a statement that the provider-based clinic bills, or is likely to bill, patients a facility
9.22 fee that may be in addition to, and separate from, any professional fee billed by a health
9.23 care provider at the provider-based clinic;

9.24 (4) a statement that the patient's actual financial liability will depend on the professional
9.25 medical services actually provided to the patient and an explanation that the patient may
9.26 incur financial liability that is greater than the patient would incur if the provider-based
9.27 clinic were not a provider-based clinic;

9.28 (5) the estimated amount or range of amounts the provider-based clinic may bill for a
9.29 facility fee or an example of the average facility fee billed at the provider-based clinic for
9.30 the most common services provided at the provider-based clinic; and

9.31 (6) a statement that, before seeking services at the provider-based clinic, a patient covered
9.32 by a health insurance policy should contact the patient's health insurer for additional

information regarding the provider-based clinic fees, including the patient's potential financial liability, if any, for the fees.

A copy of the written notice provided to patients in accordance with this subdivision must be filed with the commissioner of health. The Department of Health must post a link to the notice on its website. A hospital, health system, or provider-based clinic must not collect a facility fee for services provided at a provider-based clinic that is subject to the provisions of this subdivision from the date of the transaction until at least 30 days after the written notice required pursuant to this subdivision is mailed to the patient or a copy of the notice is filed with the commissioner of health, whichever is later. By July 1, 2026, and annually thereafter, each provider-based clinic that was the subject of a transaction, as described in section 145D.01, subdivision 2, during the preceding calendar year must report to the commissioner of health the number of patients served by the provider-based clinic in the preceding three years.

Subd. 5. **Reporting.** (a) By January 15, 2027, and each year thereafter, hospitals licensed under chapter 144 and health systems operating one or more hospitals licensed under chapter 144 must submit a report to the commissioner of health identifying facility fees charged, billed, and collected during the preceding calendar year. The commissioner must publish the information reported on a publicly accessible website. The report shall be in the format prescribed by the commissioner of health.

(b) The report under this subdivision must include the following information for each facility owned or operated by the hospital or health system providing services for which a facility fee is charged, billed, or collected:

(1) the name and full address of each facility;

(2) the number of patient visits at each facility; and

(3) the number, total amount, and range of allowable facility fees paid at each facility by Medicare, medical assistance, MinnesotaCare, and private insurance.

(c) The report under this subdivision must include the following information for the entire hospital or health system:

(1) the total amount charged and billed for facility fees;

(2) the total amount collected from facility fees;

(3) the top ten procedures or services provided by the hospital or health system that generated the greatest amount of facility fee gross revenue, the volume of each of these ten procedures or services and the gross and net revenue totals for each procedure or service,

11.1 and the total net amount of revenue received by the hospital or health system derived from
11.2 facility fees;

11.3 (4) the top ten procedures or services, based on patient volume, provided by the hospital
11.4 or health system for which facility fees are charged, billed, or collected, based on patient
11.5 volume, including the gross and net revenue totals received for each such procedure or
11.6 service; and

11.7 (5) any other information related to facility fees that the commissioner of health may
11.8 require.

11.9 Subd. 6. **Interaction with medical assistance.** The medical assistance program in chapter
11.10 256B is not required to comply with any provision of this section if compliance with the
11.11 provision would:

11.12 (1) prevent the state from receiving federal financial participation for medical assistance
11.13 coverage; or

11.14 (2) result in a lower level of coverage or reduced access to coverage for medical assistance
11.15 enrollees.

11.16 Subd. 7. **Enforcement.** (a) A violation of this section is an unlawful business practice
11.17 for purposes of section 8.31. The attorney general may enforce this section pursuant to
11.18 section 8.31.

11.19 (b) In addition to penalties provided in paragraph (a), the commissioner of health may,
11.20 pursuant to the procedures in sections 144.99 and 144.991, impose an administrative penalty
11.21 on a health care provider for failure to comply with subdivision 6. The penalty must not
11.22 exceed \$1,000 per occurrence.

11.23 (c) The commissioner of health or the commissioner's designee may audit any health
11.24 care provider for compliance with the requirements of this section. A health care provider
11.25 must make available, upon written request of the commissioner or the commissioner's
11.26 designee, copies of any books, documents, records, or data that are necessary for the purposes
11.27 of completing the audit for four years after the furnishing of any services for which a facility
11.28 fee was charged, billed, or collected.

11.29 **EFFECTIVE DATE.** This section is effective January 1, 2026, except that subdivision
11.30 2 is effective January 1, 2027.

12.1 Sec. 4. Minnesota Statutes 2024, section 62U.04, is amended by adding a subdivision to
12.2 read:

12.3 Subd. 14. **Unique NPI.** Data submitted under this section relating to a provider-based
12.4 clinic, as defined in section 62J.8241, and that includes an NPI, as defined in section
12.5 62J.8241, must include the provider-based clinic's unique NPI that is distinct from the
12.6 hospital's NPI.

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

12.8 Sec. 5. Minnesota Statutes 2024, section 103I.101, subdivision 6, is amended to read:

12.9 Subd. 6. **Fees for variances.** The commissioner shall charge a nonrefundable application
12.10 fee of ~~\$275~~ \$325 to cover the ~~administrative~~ cost of processing a request for a variance or
12.11 modification of rules adopted by the commissioner under this chapter.

12.12 Sec. 6. Minnesota Statutes 2024, section 103I.208, subdivision 1, is amended to read:

12.13 Subdivision 1. **Well notification fee.** The well notification fee to be paid by a property
12.14 owner is:

12.15 (1) for construction of a water supply well, ~~\$275~~ \$325, which includes the state core
12.16 function fee;

12.17 (2) for a well sealing, ~~\$75~~ \$125 for each well or temporary boring, which includes the
12.18 state core function fee, except that: (i) a single notification and fee of ~~\$75~~ \$125 is required
12.19 for all temporary borings on a single property and sealed within 72 hours of start of
12.20 construction; and (ii) temporary borings less than 25 feet in depth are exempt from the
12.21 notification and fee requirements in this chapter;

12.22 (3) for construction of a dewatering well, ~~\$275~~ \$330, which includes the state core
12.23 function fee, for each dewatering well, except a dewatering project comprising five or more
12.24 dewatering wells shall be assessed a single fee of ~~\$1,375~~ \$1,620 for the dewatering wells
12.25 recorded on the notification; and

12.26 (4) for construction of an environmental well, ~~\$275~~ \$330, which includes the state core
12.27 function fee, ~~except that a single fee of \$275 is required for all environmental wells recorded~~
12.28 ~~on the notification that are located on a single property, and except that no fee is required~~
12.29 ~~for construction of a temporary boring for each environmental well, except an environmental~~
12.30 well site project comprising five or more environmental wells shall be assessed a single fee
12.31 of \$1,620 for the environmental wells recorded on the notification.

13.1 Sec. 7. Minnesota Statutes 2024, section 103I.208, subdivision 1a, is amended to read:

13.2 Subd. 1a. **State core function fee.** The state core function fee to be collected by the
13.3 state and delegated community health boards and used to support state core functions is:

13.4 (1) for a new well, ~~\$20~~ \$40; and

13.5 (2) for a well sealing, ~~\$5~~ \$15.

13.6 Sec. 8. Minnesota Statutes 2024, section 103I.208, subdivision 2, is amended to read:

13.7 Subd. 2. **Permit fee.** (a) The permit fee to be paid by a property owner is:

13.8 (1) for a water supply well that is not in use under a maintenance permit, ~~\$175~~ \$225
13.9 annually;

13.10 (2) for an environmental well that is unsealed under a maintenance permit, ~~\$175 annually~~
13.11 ~~except~~ no fee is required for an environmental well owned by a federal agency, state agency,
13.12 or local unit of government that is unsealed under a maintenance permit. "Local unit of
13.13 government" means a statutory or home rule charter city, town, county, or soil and water
13.14 conservation district, a watershed district, an organization formed for the joint exercise of
13.15 powers under section 471.59, a community health board, or other special purpose district
13.16 or authority with local jurisdiction in water and related land resources management;

13.17 (3) for environmental wells on an environmental well site that are unsealed under a
13.18 maintenance permit;

13.19 ~~\$175~~ (i) \$225 annually for one to ten environmental wells per site regardless of the
13.20 ~~number of environmental wells located on site;~~

13.21 (ii) \$325 annually for 11 to 20 environmental wells per site; and

13.22 (iii) \$425 annually for 21 or more environmental wells per site;

13.23 (4) for a groundwater thermal exchange device, in addition to the notification fee for
13.24 water supply wells, ~~\$275~~ \$350 for systems using 20 gallons per minute or less and \$590
13.25 for systems using over 20 gallons per minute, which includes the state core function fee;

13.26 (5) for a bored geothermal heat exchanger with less than ten tons of heating/cooling
13.27 capacity, ~~\$275~~ \$350;

13.28 (6) for a bored geothermal heat exchanger with ten to 50 tons of heating/cooling capacity,
13.29 ~~\$515~~ \$590;

13.30 (7) for a bored geothermal heat exchanger with greater than 50 tons of heating/cooling
13.31 capacity, ~~\$740~~ \$815;

14.1 (8) for a dewatering well that is unsealed under a maintenance permit, ~~\$175~~ \$330 annually
14.2 for each dewatering well, except a dewatering project comprising ~~more than~~ five or more
14.3 dewatering wells shall be issued a single permit for ~~\$875~~ \$1,620 annually for dewatering
14.4 wells recorded on the permit;

14.5 (9) for an elevator boring, ~~\$275~~ \$325 for each boring; and

14.6 (10) for a submerged closed loop heat exchanger system, in addition to the notification
14.7 fee for water supply wells, \$3,250, which includes the state core function fee.

14.8 (b) For purposes of this subdivision, an environmental well site includes all of the
14.9 environmental wells on a single property. A single property is considered one tax parcel or
14.10 multiple contiguous parcels with the same owner.

14.11 Sec. 9. Minnesota Statutes 2024, section 103I.235, subdivision 1, is amended to read:

14.12 Subdivision 1. **Disclosure of wells to buyer.** (a) Before signing an agreement to sell or
14.13 transfer real property, the seller must disclose in writing to the buyer information about the
14.14 status and location of all known wells on the property, by delivering to the buyer either a
14.15 statement by the seller that the seller does not know of any wells on the property, or a
14.16 disclosure statement indicating the legal description and county, and a map drawn from
14.17 available information showing the location of each well to the extent practicable. In the
14.18 disclosure statement, the seller must indicate, for each well, whether the well is in use, not
14.19 in use, or sealed.

14.20 (b) At the time of closing of the sale, the disclosure statement information, name and
14.21 mailing address of the buyer, and the quartile, section, township, and range in which each
14.22 well is located must be provided on a well disclosure certificate signed by the seller or a
14.23 person authorized to act on behalf of the seller.

14.24 (c) A well disclosure certificate need not be provided if the seller does not know of any
14.25 wells on the property and the deed or other instrument of conveyance contains the statement:
14.26 "The Seller certifies that the Seller does not know of any wells on the described real
14.27 property."

14.28 (d) If a deed is given pursuant to a contract for deed, the well disclosure certificate
14.29 required by this subdivision shall be signed by the buyer or a person authorized to act on
14.30 behalf of the buyer. If the buyer knows of no wells on the property, a well disclosure
14.31 certificate is not required if the following statement appears on the deed followed by the
14.32 signature of the grantee or, if there is more than one grantee, the signature of at least one
14.33 of the grantees: "The Grantee certifies that the Grantee does not know of any wells on the

15.1 described real property." The statement and signature of the grantee may be on the front or
15.2 back of the deed or on an attached sheet and an acknowledgment of the statement by the
15.3 grantee is not required for the deed to be recordable.

15.4 (e) This subdivision does not apply to the sale, exchange, or transfer of real property:

15.5 (1) that consists solely of a sale or transfer of severed mineral interests; or

15.6 (2) that consists of an individual condominium unit as described in chapters 515 and
15.7 515B.

15.8 (f) For an area owned in common under chapter 515 or 515B the association or other
15.9 responsible person must report to the commissioner by July 1, 1992, the location and status
15.10 of all wells in the common area. The association or other responsible person must notify
15.11 the commissioner within 30 days of any change in the reported status of wells.

15.12 (g) If the seller fails to provide a required well disclosure certificate, the buyer, or a
15.13 person authorized to act on behalf of the buyer, may sign a well disclosure certificate based
15.14 on the information provided on the disclosure statement required by this section or based
15.15 on other available information.

15.16 (h) A county recorder or registrar of titles may not record a deed or other instrument of
15.17 conveyance dated after October 31, 1990, for which a certificate of value is required under
15.18 section 272.115, or any deed or other instrument of conveyance dated after October 31,
15.19 1990, from a governmental body exempt from the payment of state deed tax, unless the
15.20 deed or other instrument of conveyance contains the statement made in accordance with
15.21 paragraph (c) or (d) or is accompanied by the well disclosure certificate containing all the
15.22 information required by paragraph (b) or (d). The county recorder or registrar of titles must
15.23 not accept a certificate unless it contains all the required information. The county recorder
15.24 or registrar of titles shall note on each deed or other instrument of conveyance accompanied
15.25 by a well disclosure certificate that the well disclosure certificate was received. The notation
15.26 must include the statement "No wells on property" if the disclosure certificate states there
15.27 are no wells on the property. The well disclosure certificate shall not be filed or recorded
15.28 in the records maintained by the county recorder or registrar of titles. After noting "No wells
15.29 on property" on the deed or other instrument of conveyance, the county recorder or registrar
15.30 of titles shall destroy or return to the buyer the well disclosure certificate. The county
15.31 recorder or registrar of titles shall collect from the buyer or the person seeking to record a
15.32 deed or other instrument of conveyance, a fee of ~~\$50~~ \$54 for receipt of a completed well
15.33 disclosure certificate. By the tenth day of each month, the county recorder or registrar of
15.34 titles shall transmit the well disclosure certificates to the commissioner of health. By the

16.1 tenth day after the end of each calendar quarter, the county recorder or registrar of titles
16.2 shall transmit to the commissioner of health ~~\$42.50~~ \$46.50 of the fee for each well disclosure
16.3 certificate received during the quarter. The commissioner shall maintain the well disclosure
16.4 certificate for at least six years. The commissioner may store the certificate as an electronic
16.5 image. A copy of that image shall be as valid as the original.

16.6 (i) No new well disclosure certificate is required under this subdivision if the buyer or
16.7 seller, or a person authorized to act on behalf of the buyer or seller, certifies on the deed or
16.8 other instrument of conveyance that the status and number of wells on the property have
16.9 not changed since the last previously filed well disclosure certificate. The following
16.10 statement, if followed by the signature of the person making the statement, is sufficient to
16.11 comply with the certification requirement of this paragraph: "I am familiar with the property
16.12 described in this instrument and I certify that the status and number of wells on the described
16.13 real property have not changed since the last previously filed well disclosure certificate."
16.14 The certification and signature may be on the front or back of the deed or on an attached
16.15 sheet and an acknowledgment of the statement is not required for the deed or other instrument
16.16 of conveyance to be recordable.

16.17 (j) The commissioner in consultation with county recorders shall prescribe the form for
16.18 a well disclosure certificate and provide well disclosure certificate forms to county recorders
16.19 and registrars of titles and other interested persons.

16.20 (k) Failure to comply with a requirement of this subdivision does not impair:

16.21 (1) the validity of a deed or other instrument of conveyance as between the parties to
16.22 the deed or instrument or as to any other person who otherwise would be bound by the deed
16.23 or instrument; or

16.24 (2) the record, as notice, of any deed or other instrument of conveyance accepted for
16.25 filing or recording contrary to the provisions of this subdivision.

16.26 Sec. 10. Minnesota Statutes 2024, section 103I.525, subdivision 2, is amended to read:

16.27 Subd. 2. **Certification fee.** (a) The application fee for certification as a representative
16.28 of a well contractor is ~~\$75~~ \$100. The commissioner may not act on an application until the
16.29 application fee is paid.

16.30 (b) The renewal fee for certification as a representative of a well contractor is ~~\$75~~ \$100.
16.31 The commissioner may not renew a certification until the renewal fee is paid.

16.32 (c) A certified representative must file an application and a renewal application fee to
16.33 renew the certification by the date stated in the certification. The renewal application must

17.1 include information that the certified representative has met continuing education
17.2 requirements established by the commissioner by rule.

17.3 Sec. 11. Minnesota Statutes 2024, section 103I.525, subdivision 6, is amended to read:

17.4 Subd. 6. **License fee.** The fee for a well contractor's license is ~~\$250~~ \$300.

17.5 Sec. 12. Minnesota Statutes 2024, section 103I.525, subdivision 8, is amended to read:

17.6 Subd. 8. **Renewal.** (a) A licensee must file an application and a renewal application fee
17.7 to renew the license by the date stated in the license.

17.8 (b) The renewal application fee for a well contractor's license is ~~\$250~~ \$300.

17.9 (c) The renewal application must include information that the certified representative
17.10 of the applicant has met continuing education requirements established by the commissioner
17.11 by rule.

17.12 (d) At the time of the renewal, the commissioner must have on file all properly completed
17.13 well and boring construction reports, well and boring sealing reports, reports of elevator
17.14 borings, water sample analysis reports, well and boring permits, and well notifications for
17.15 work conducted by the licensee since the last license renewal.

17.16 Sec. 13. Minnesota Statutes 2024, section 103I.531, subdivision 2, is amended to read:

17.17 Subd. 2. **Certification fee.** (a) The application fee for certification as a representative
17.18 of a limited well/boring contractor is ~~\$75~~ \$100. The commissioner may not act on an
17.19 application until the application fee is paid.

17.20 (b) The renewal fee for certification as a representative of a limited well/boring contractor
17.21 is ~~\$75~~ \$100. The commissioner may not renew a certification until the renewal fee is paid.

17.22 (c) The fee for three or more limited well/boring contractor certifications is ~~\$225~~ \$275.

17.23 (d) A certified representative must file an application and a renewal application fee to
17.24 renew the certification by the date stated in the certification. The renewal application must
17.25 include information that the certified representative has met continuing education
17.26 requirements established by the commissioner by rule.

17.27 Sec. 14. Minnesota Statutes 2024, section 103I.531, subdivision 6, is amended to read:

17.28 Subd. 6. **License fee.** The fee for a limited well/boring contractor's license is ~~\$75~~ \$100.
17.29 The fee for three or more limited well/boring contractor licenses is ~~\$225~~ \$275.

18.1 Sec. 15. Minnesota Statutes 2024, section 103I.531, subdivision 8, is amended to read:

18.2 Subd. 8. **Renewal.** (a) A person must file an application and a renewal application fee
18.3 to renew the limited well/boring contractor's license by the date stated in the license.

18.4 (b) The renewal application fee for a limited well/boring contractor's license is ~~\$75~~ \$100.

18.5 (c) The renewal application must include information that the certified representative
18.6 of the applicant has met continuing education requirements established by the commissioner
18.7 by rule.

18.8 (d) At the time of the renewal, the commissioner must have on file all properly completed
18.9 well and boring construction reports, well and boring sealing reports, well and boring
18.10 permits, water quality sample reports, and well notifications for work conducted by the
18.11 licensee since the last license renewal.

18.12 Sec. 16. Minnesota Statutes 2024, section 103I.535, subdivision 2, is amended to read:

18.13 Subd. 2. **Certification fee.** (a) The application fee for certification as a representative
18.14 of an elevator boring contractor is ~~\$75~~ \$100. The commissioner may not act on an application
18.15 until the application fee is paid.

18.16 (b) The renewal fee for certification as a representative of an elevator boring contractor
18.17 is ~~\$75~~ \$100. The commissioner may not renew a certification until the renewal fee is paid.

18.18 (c) A certified representative must file an application and a renewal application fee to
18.19 renew the certification by the date stated in the certification. The renewal application must
18.20 include information that the certified representative has met continuing education
18.21 requirements established by the commissioner by rule.

18.22 Sec. 17. Minnesota Statutes 2024, section 103I.535, subdivision 6, is amended to read:

18.23 Subd. 6. **License fee.** The fee for an elevator boring contractor's license is ~~\$75~~ \$100.

18.24 Sec. 18. Minnesota Statutes 2024, section 103I.535, subdivision 8, is amended to read:

18.25 Subd. 8. **Renewal.** (a) A person must file an application and a renewal application fee
18.26 to renew the license by the date stated in the license.

18.27 (b) The renewal application fee for an elevator boring contractor's license is ~~\$75~~ \$100.

18.28 (c) The renewal application must include information that the certified representative
18.29 of the applicant has met continuing education requirements established by the commissioner
18.30 by rule.

19.1 (d) At the time of renewal, the commissioner must have on file all reports and permits
19.2 for elevator boring work conducted by the licensee since the last license renewal.

19.3 Sec. 19. Minnesota Statutes 2024, section 103I.541, subdivision 2b, is amended to read:

19.4 Subd. 2b. **Issuance of license.** If a person employs a certified representative, submits
19.5 the bond under subdivision 3, and pays the license fee of ~~\$75~~ \$100 for an environmental
19.6 well contractor license, the commissioner shall issue an environmental well contractor
19.7 license to the applicant. The fee for an individual registration is ~~\$75~~ \$100. The commissioner
19.8 may not act on an application until the application fee is paid.

19.9 Sec. 20. Minnesota Statutes 2024, section 103I.541, subdivision 2c, is amended to read:

19.10 Subd. 2c. **Certification fee.** (a) The application fee for certification as a representative
19.11 of an environmental well contractor is ~~\$75~~ \$100. The commissioner may not act on an
19.12 application until the application fee is paid.

19.13 (b) The renewal fee for certification as a representative of an environmental well
19.14 contractor is ~~\$75~~ \$100. The commissioner may not renew a certification until the renewal
19.15 fee is paid.

19.16 (c) A certified representative must file an application and a renewal application fee to
19.17 renew the certification by the date stated in the certification. The renewal application must
19.18 include information that the certified representative has met continuing education
19.19 requirements established by the commissioner by rule.

19.20 Sec. 21. Minnesota Statutes 2024, section 103I.541, subdivision 4, is amended to read:

19.21 Subd. 4. **License renewal.** (a) A person must file an application and a renewal application
19.22 fee to renew the license by the date stated in the license.

19.23 (b) The renewal application fee for an environmental well contractor's license is ~~\$75~~
19.24 \$100.

19.25 (c) The renewal application must include information that the certified representative
19.26 of the applicant has met continuing education requirements established by the commissioner
19.27 by rule.

19.28 (d) At the time of the renewal, the commissioner must have on file all well and boring
19.29 construction reports, well and boring sealing reports, well permits, and notifications for
19.30 work conducted by the licensed person since the last license renewal.

20.1 Sec. 22. Minnesota Statutes 2024, section 103I.545, subdivision 1, is amended to read:

20.2 Subdivision 1. **Drilling machine.** (a) A person may not use a drilling machine such as
20.3 a cable tool, rotary tool, hollow rod tool, or auger for a drilling activity requiring a license
20.4 under this chapter unless the drilling machine is registered with the commissioner.

20.5 (b) A person must apply for the registration on forms prescribed by the commissioner
20.6 and submit a ~~\$75~~ \$125 registration fee.

20.7 (c) A registration is valid for one year.

20.8 Sec. 23. Minnesota Statutes 2024, section 103I.545, subdivision 2, is amended to read:

20.9 Subd. 2. **Hoist.** (a) A person may not use a machine such as a hoist for an activity
20.10 requiring a license under this chapter to repair wells or borings, seal wells or borings, or
20.11 install pumps unless the machine is registered with the commissioner.

20.12 (b) A person must apply for the registration on forms prescribed by the commissioner
20.13 and submit a ~~\$75~~ \$125 registration fee.

20.14 (c) A registration is valid for one year.

20.15 Sec. 24. Minnesota Statutes 2024, section 103I.601, subdivision 2, is amended to read:

20.16 Subd. 2. **License required to make borings.** (a) Except as provided in paragraph (d),
20.17 a person must not make an exploratory boring without an explorer's license. The fee for an
20.18 explorer's license is ~~\$75~~ \$100. The explorer's license is valid until the date prescribed in the
20.19 license by the commissioner.

20.20 (b) A person must file an application and renewal application fee to renew the explorer's
20.21 license by the date stated in the license. The renewal application fee is ~~\$75~~ \$100.

20.22 (c) If the licensee submits an application fee after the required renewal date, the licensee:

20.23 (1) must include a late fee of \$75; and

20.24 (2) may not conduct activities authorized by an explorer's license until the renewal
20.25 application, renewal application fee, late fee, and sealing reports required in subdivision 9
20.26 are submitted.

20.27 (d) An explorer must designate a responsible individual to supervise and oversee the
20.28 making of exploratory borings.

(1) Before an individual supervises or oversees an exploratory boring, the individual must file an application and application fee of ~~\$75~~ \$100 to qualify as a certified responsible individual.

(2) The individual must take and pass an examination relating to construction, location, and sealing of exploratory borings. A professional engineer or geoscientist licensed under sections 326.02 to 326.15 or a professional geologist certified by the American Institute of Professional Geologists is not required to take the examination required in this subdivision, but must be certified as a responsible individual to supervise an exploratory boring.

(3) The individual must file an application and a renewal fee of ~~\$75~~ \$100 to renew the responsible individual's certification by the date stated in the certification. If the certified responsible individual submits an application fee after the renewal date, the certified responsible individual must include a late fee of \$75 and may not supervise or oversee exploratory borings until the renewal application, application fee, and late fee are submitted.

Sec. 25. Minnesota Statutes 2024, section 103I.601, subdivision 4, is amended to read:

Subd. 4. **Notification and map of borings.** (a) By ten days before beginning exploratory boring, an explorer must submit to the commissioner of health a notification of the proposed boring map and a fee of ~~\$275~~ \$325 for each boring constructed.

(b) By ten days before beginning exploratory boring, an explorer must submit to the commissioners of health and natural resources a county road map on a single sheet of paper that is 8-1/2 by 11 inches in size and having a scale of one-half inch equal to one mile, as prepared by the Department of Transportation, or a 7.5 minute series topographic map (1:24,000 scale), as prepared by the United States Geological Survey, showing the location of each proposed exploratory boring to the nearest estimated 40 acre parcel. Exploratory boring that is proposed on the map may not be commenced later than 180 days after submission of the map, unless a new map is submitted.

Sec. 26. **[144.063] DEMENTIA SERVICES PROGRAM ESTABLISHED.**

The commissioner of health shall establish the dementia services program to:

(1) facilitate the coordination and support of:

(i) state-funded policies and programs that relate to Alzheimer's disease and related forms of dementia;

(ii) outreach programs and services between state agencies, local public health departments, Tribal Nations, educational institutions, and community groups for the purpose

22.1 of fostering public awareness and education regarding Alzheimer's disease and related forms
22.2 of dementia; and

22.3 (iii) services and activities between groups that are interested in dementia research,
22.4 programs, and services, including area agencies on aging, service providers, advocacy
22.5 groups, legal services, emergency personnel, law enforcement, local public health
22.6 departments, Tribal Nations, and state colleges and universities;

22.7 (2) facilitate the coordination, review, publication, and implementation of and updates
22.8 to the Minnesota Dementia Strategic Plan;

22.9 (3) use and share data related to the impact of Alzheimer's disease and related forms of
22.10 dementia in Minnesota to guide statewide action; and

22.11 (4) incorporate early detection and risk reduction strategies into existing department-led
22.12 public health programs.

22.13 Sec. 27. Minnesota Statutes 2024, section 144.064, subdivision 3, is amended to read:

22.14 Subd. 3. **Commissioner duties.** (a) The commissioner shall make available to health
22.15 care practitioners, women who may become pregnant, expectant parents, and parents of
22.16 infants up-to-date and evidence-based information about congenital CMV that has been
22.17 reviewed by experts with knowledge of the disease. The information shall include the
22.18 following:

22.19 (1) the recommendation to consider testing for congenital CMV if the parent or legal
22.20 guardian of the infant elected not to have newborn screening performed under section
22.21 144.125, the infant failed a newborn hearing screening, or pregnancy history suggests
22.22 increased risk for congenital CMV infection;

22.23 (2) the incidence of CMV;

22.24 (3) the transmission of CMV to pregnant women and women who may become pregnant;

22.25 (4) birth defects caused by congenital CMV;

22.26 (5) available preventative measures to avoid the infection of women who are pregnant
22.27 or may become pregnant; and

22.28 (6) resources available for families of children born with congenital CMV.

22.29 (b) The commissioner shall follow existing department practice, inclusive of community
22.30 engagement, to ensure that the information in paragraph (a) is culturally and linguistically
22.31 appropriate for all recipients.

23.1 (c) The commissioner shall establish an outreach program to:

23.2 (1) educate women who may become pregnant, expectant parents, and parents of infants
23.3 about CMV; and

23.4 (2) raise awareness for CMV among health care practitioners.

23.5 (d) The Advisory Committee on Heritable and Congenital Disorders established under
23.6 section 144.1255 shall review congenital CMV for inclusion on the list of tests to be
23.7 performed under section 144.125. If the committee recommends and the commissioner
23.8 approves the recommendation of adding congenital CMV to the newborn screening panel,
23.9 the commissioner shall publish the addition in the State Register and the per specimen fee
23.10 for screening under section 144.125, subdivision 1, paragraph (c), shall be increased by
23.11 ~~\$43, for a total of \$220 per specimen,~~ effective upon publication in the State Register.

23.12 Sec. 28. Minnesota Statutes 2024, section 144.1205, subdivision 2, is amended to read:

23.13 Subd. 2. **Initial and annual fee.** (a) A licensee must pay an initial fee that is equivalent
23.14 to the annual fee upon issuance of the initial license.

23.15 (b) A licensee must pay an annual fee at least 60 days before the anniversary date of the
23.16 issuance of the license. The annual fee is as follows:

23.17	TYPE	LICENSE FEE
23.18		~~\$25,896~~
23.19	Academic broad scope - type A, B, or C	<u>\$34,500</u>
23.20		~~\$31,075~~
23.21	Academic broad scope - type A, B, or C (4-8 locations)	<u>\$41,400</u>
23.22		~~\$36,254~~
23.23	Academic broad scope - type A, B, or C (9 or more locations)	<u>\$48,300</u>
23.24		~~\$25,896~~
23.25	Medical broad scope - type A	<u>\$34,500</u>
23.26		~~\$31,075~~
23.27	Medical broad scope - type A (4-8 locations)	<u>\$41,400</u>
23.28		~~\$36,254~~
23.29	Medical broad scope - type A (9 or more locations)	<u>\$48,300</u>
23.30	Medical - diagnostic, diagnostic and therapeutic, mobile nuclear	
23.31	medicine, eye applicators, high dose rate afterloaders, and	<u>\$4,784</u>
23.32	medical therapy emerging technologies	<u>\$6,600</u>
23.33	Medical - diagnostic, diagnostic and therapeutic, mobile nuclear	
23.34	medicine, eye applicators, high dose rate afterloaders, and	<u>\$5,740</u>
23.35	medical therapy emerging technologies (4-8 locations)	<u>\$7,900</u>
23.36	Medical - diagnostic, diagnostic and therapeutic, mobile nuclear	
23.37	medicine, eye applicators, high dose rate afterloaders, and	<u>\$6,697</u>
23.38	medical therapy emerging technologies (9 or more locations)	<u>\$9,200</u>

24.1		<u>\$11,648</u>
24.2	Teletherapy	<u>\$15,500</u>
24.3		<u>\$11,648</u>
24.4	Gamma knife	<u>\$15,500</u>
24.5		<u>\$2,600</u>
24.6	Veterinary medicine	<u>\$3,500</u>
24.7		<u>\$2,600</u>
24.8	In vitro testing lab	<u>\$3,500</u>
24.9		<u>\$11,440</u>
24.10	Nuclear pharmacy	<u>\$15,300</u>
24.11		<u>\$13,728</u>
24.12	Nuclear pharmacy (5 or more locations)	<u>\$18,300</u>
24.13		<u>\$4,992</u>
24.14	Radiopharmaceutical distribution (10 CFR 32.72)	<u>\$6,700</u>
24.15	Radiopharmaceutical processing and distribution (10 CFR	<u>\$11,440</u>
24.16	32.72)	<u>\$15,300</u>
24.17	Radiopharmaceutical processing and distribution (10 CFR	<u>\$13,728</u>
24.18	32.72) (5 or more locations)	<u>\$18,300</u>
24.19		<u>\$4,992</u>
24.20	Medical sealed sources - distribution (10 CFR 32.74)	<u>\$6,700</u>
24.21	Medical sealed sources - processing and distribution (10 CFR	<u>\$11,440</u>
24.22	32.74)	<u>\$15,300</u>
24.23	Medical sealed sources - processing and distribution (10 CFR	<u>\$13,728</u>
24.24	32.74) (5 or more locations)	<u>\$18,300</u>
24.25		<u>\$4,888</u>
24.26	Well logging - sealed sources	<u>\$6,600</u>
24.27	Measuring systems - (fixed gauge, portable gauge, gas	<u>\$2,600</u>
24.28	chromatograph, other)	<u>\$3,800</u>
24.29	Measuring systems - (fixed gauge, portable gauge, gas	<u>\$3,120</u>
24.30	chromatograph, other) (4-8 locations)	<u>\$4,500</u>
24.31	Measuring systems - (fixed gauge, portable gauge, gas	<u>\$3,640</u>
24.32	chromatograph, other) (9 or more locations)	<u>\$5,200</u>
24.33		<u>\$1,976</u>
24.34	X-ray fluorescent analyzer	<u>\$2,700</u>
24.35		<u>\$25,896</u>
24.36	Manufacturing and distribution - type A broad scope	<u>\$34,500</u>
24.37	Manufacturing and distribution - type A broad scope (4-8	<u>\$31,075</u>
24.38	locations)	<u>\$41,400</u>
24.39	Manufacturing and distribution - type A broad scope (9 or more	<u>\$36,254</u>
24.40	locations)	<u>\$48,300</u>
24.41		<u>\$22,880</u>
24.42	Manufacturing and distribution - type B or C broad scope	<u>\$30,500</u>
24.43	Manufacturing and distribution - type B or C broad scope (4-8	<u>\$27,456</u>
24.44	locations)	<u>\$36,600</u>
24.45	Manufacturing and distribution - type B or C broad scope (9	<u>\$32,032</u>
24.46	or more locations)	<u>\$42,700</u>

25.1		~~\$6,864~~
25.2	Manufacturing and distribution - other	<u>\$9,200</u>
25.3		~~\$8,236~~
25.4	Manufacturing and distribution - other (4-8 locations)	<u>\$11,000</u>
25.5		~~\$9,609~~
25.6	Manufacturing and distribution - other (9 or more locations)	<u>\$12,800</u>
25.7		~~\$24,232~~
25.8	Nuclear laundry	<u>\$32,300</u>
25.9		~~\$6,448~~
25.10	Decontamination services	<u>\$8,600</u>
25.11		~~\$2,600~~
25.12	Leak test services only	<u>\$3,500</u>
25.13		~~\$2,600~~
25.14	Instrument calibration service only	<u>\$3,500</u>
25.15		~~\$6,448~~
25.16	Service, maintenance, installation, source changes, etc.	<u>\$8,600</u>
25.17		~~\$7,800~~
25.18	Waste disposal service, prepackaged only	<u>\$10,400</u>
25.19		~~\$10,816~~
25.20	Waste disposal	<u>\$14,400</u>
25.21		~~\$2,288~~
25.22	Distribution - general licensed devices (sealed sources)	<u>\$3,100</u>
25.23		~~\$1,456~~
25.24	Distribution - general licensed material (unsealed sources)	<u>\$2,000</u>
25.25		~~\$12,792~~
25.26	Industrial radiography - fixed or temporary location	<u>\$17,200</u>
25.27	Industrial radiography - fixed or temporary location (5 or more	~~\$16,629~~
25.28	locations)	<u>\$22,300</u>
25.29		~~\$3,744~~
25.30	Irradiators, self-shielding	<u>\$5,000</u>
25.31		~~\$6,968~~
25.32	Irradiators, other, less than 10,000 curies	<u>\$9,300</u>
25.33		~~\$12,376~~
25.34	Research and development - type A, B, or C broad scope	<u>\$16,500</u>
25.35	Research and development - type A, B, or C broad scope (4-8	~~\$14,851~~
25.36	locations)	<u>\$19,800</u>
25.37	Research and development - type A, B, or C broad scope (9 or	~~\$17,326~~
25.38	more locations)	<u>\$23,100</u>
25.39		~~\$5,824~~
25.40	Research and development - other	<u>\$7,800</u>
25.41		~~\$2,600~~
25.42	Storage - no operations	<u>\$3,500</u>
25.43		~~\$759~~
25.44	Source material - shielding	<u>\$1,100</u>
25.45		~~\$4,784~~
25.46	Special nuclear material plutonium - neutron source in device	<u>\$6,400</u>

26.1	Pacemaker by-product and/or special nuclear material - medical	\$4,784
26.2	(institution)	<u>\$6,400</u>
26.3	Pacemaker by-product and/or special nuclear material -	~~\$6,864~~
26.4	manufacturing and distribution	<u>\$9,200</u>
26.5		~~\$4,992~~
26.6	Accelerator-produced radioactive material	<u>\$6,700</u>
26.7		~~\$500~~
26.8	Nonprofit educational institutions	<u>\$700</u>

26.9 Sec. 29. Minnesota Statutes 2024, section 144.1205, subdivision 4, is amended to read:

26.10 Subd. 4. **Initial and renewal application fee.** A licensee must pay an initial and a
26.11 renewal application fee according to this subdivision.

26.12	TYPE	APPLICATION FEE
26.13		~~\$6,808~~
26.14	Academic broad scope - type A, B, or C	<u>\$9,100</u>
26.15		~~\$4,508~~
26.16	Medical broad scope - type A	<u>\$6,000</u>
26.17	Medical - diagnostic, diagnostic and therapeutic, mobile nuclear	
26.18	medicine, eye applicators, high dose rate afterloaders, and	~~\$1,748~~
26.19	medical therapy emerging technologies	<u>\$2,350</u>
26.20		~~\$6,348~~
26.21	Teletherapy	<u>\$8,450</u>
26.22		~~\$6,348~~
26.23	Gamma knife	<u>\$8,450</u>
26.24		~~\$1,104~~
26.25	Veterinary medicine	<u>\$1,500</u>
26.26		~~\$1,104~~
26.27	In vitro testing lab	<u>\$1,500</u>
26.28		~~\$5,612~~
26.29	Nuclear pharmacy	<u>\$7,500</u>
26.30		~~\$2,484~~
26.31	Radiopharmaceutical distribution (10 CFR 32.72)	<u>\$3,350</u>
26.32	Radiopharmaceutical processing and distribution (10 CFR	~~\$5,612~~
26.33	32.72)	<u>\$7,500</u>
26.34		~~\$2,484~~
26.35	Medical sealed sources - distribution (10 CFR 32.74)	<u>\$3,350</u>
26.36	Medical sealed sources - processing and distribution (10 CFR	~~\$5,612~~
26.37	32.74)	<u>\$7,500</u>
26.38		~~\$1,840~~
26.39	Well logging - sealed sources	<u>\$2,450</u>
26.40	Measuring systems - (fixed gauge, portable gauge, gas	~~\$1,104~~
26.41	chromatograph, other)	<u>\$1,500</u>
26.42		~~\$671~~
26.43	X-ray fluorescent analyzer	<u>\$900</u>

27.1		~~\$6,854~~
27.2	Manufacturing and distribution - type A, B, and C broad scope	<u>\$9,150</u>
27.3		~~\$2,668~~
27.4	Manufacturing and distribution - other	<u>\$3,550</u>
27.5		~~\$11,592~~
27.6	Nuclear laundry	<u>\$15,450</u>
27.7		~~\$3,036~~
27.8	Decontamination services	<u>\$4,050</u>
27.9		~~\$1,104~~
27.10	Leak test services only	<u>\$1,500</u>
27.11		~~\$1,104~~
27.12	Instrument calibration service only	<u>\$1,500</u>
27.13		~~\$3,036~~
27.14	Service, maintenance, installation, source changes, etc.	<u>\$4,050</u>
27.15		~~\$2,576~~
27.16	Waste disposal service, prepackaged only	<u>\$3,450</u>
27.17		~~\$1,748~~
27.18	Waste disposal	<u>\$2,350</u>
27.19		~~\$1,012~~
27.20	Distribution - general licensed devices (sealed sources)	<u>\$1,350</u>
27.21		~~\$598~~
27.22	Distribution - general licensed material (unsealed sources)	<u>\$800</u>
27.23		~~\$3,036~~
27.24	Industrial radiography - fixed or temporary location	<u>\$4,050</u>
27.25		~~\$1,656~~
27.26	Irradiators, self-shielding	<u>\$2,250</u>
27.27		~~\$3,404~~
27.28	Irradiators, other, less than 10,000 curies	<u>\$4,550</u>
27.29		~~\$5,704~~
27.30	Research and development - type A, B, or C broad scope	<u>\$7,600</u>
27.31		~~\$2,760~~
27.32	Research and development - other	<u>\$3,700</u>
27.33		~~\$1,104~~
27.34	Storage - no operations	<u>\$1,500</u>
27.35		~~\$156~~
27.36	Source material - shielding	<u>\$250</u>
27.37		~~\$1,380~~
27.38	Special nuclear material plutonium - neutron source in device	<u>\$1,850</u>
27.39	Pacemaker by-product and/or special nuclear material - medical	~~\$1,380~~
27.40	(institution)	<u>\$1,850</u>
27.41	Pacemaker by-product and/or special nuclear material -	~~\$2,668~~
27.42	manufacturing and distribution	<u>\$3,550</u>
27.43		~~\$4,715~~
27.44	Accelerator-produced radioactive material	<u>\$6,300</u>
27.45		~~\$345~~
27.46	Nonprofit educational institutions	<u>\$500</u>

28.1 Sec. 30. Minnesota Statutes 2024, section 144.1205, subdivision 8, is amended to read:

28.2 Subd. 8. **Reciprocity fee.** A licensee submitting an application for reciprocal recognition
28.3 of a materials license issued by another agreement state or the United States Nuclear
28.4 Regulatory Commission for a period of 180 days or less during a calendar year must pay
28.5 ~~\$2,400~~ \$3,200. For a period of 181 days or more, the licensee must obtain a license under
28.6 subdivision 4.

28.7 Sec. 31. Minnesota Statutes 2024, section 144.1205, subdivision 9, is amended to read:

28.8 Subd. 9. **Fees for license amendments.** A licensee must pay a fee of ~~\$600~~ \$800 to
28.9 amend a license as follows:

28.10 (1) to amend a license requiring review including, but not limited to, addition of isotopes,
28.11 procedure changes, new authorized users, or a new radiation safety officer; or

28.12 (2) to amend a license requiring review and a site visit including, but not limited to,
28.13 facility move or addition of processes.

28.14 Sec. 32. Minnesota Statutes 2024, section 144.1205, subdivision 10, is amended to read:

28.15 Subd. 10. **Fees for general license registrations.** A person required to register generally
28.16 licensed devices according to Minnesota Rules, part 4731.3215, must pay an annual
28.17 registration fee of ~~\$450~~ \$600.

28.18 Sec. 33. Minnesota Statutes 2024, section 144.121, subdivision 1a, is amended to read:

28.19 Subd. 1a. **Fees for ionizing radiation-producing equipment.** (a) A facility with ionizing
28.20 radiation-producing equipment and other sources of ionizing radiation must pay an initial
28.21 or annual renewal registration fee consisting of a base facility fee of ~~\$100~~ \$155 and an
28.22 additional fee for each x-ray tube, as follows:

28.23	(1) medical or veterinary equipment	\$	~~100~~
28.24			<u>130</u>
28.25	(2) dental x-ray equipment	\$	~~40~~
28.26			<u>60</u>
28.27	(3) x-ray equipment not used on	\$	~~100~~
28.28	humans or animals		<u>130</u>
28.29	(4) devices with sources of ionizing	\$	~~100~~
28.30	radiation not used on humans or		<u>130</u>
28.31	animals		
28.32	(5) security screening system	\$	~~100~~
28.33			<u>160</u>

29.1	<u>(6) radiation therapy and accelerator</u>	<u>\$ 1,000</u>
29.2	<u>x-ray equipment</u>	

29.3	<u>(7) industrial accelerator x-ray</u>	\$	<u>300</u>
29.4	<u>equipment</u>		

~~(b) A facility with radiation therapy and accelerator equipment must pay an initial or annual registration fee of \$500. A facility with an industrial accelerator must pay an initial or annual registration fee of \$150.~~

29.8 ~~(e)~~ (b) Electron microscopy equipment is exempt from the registration fee requirements
29.9 of this section.

29.10 ~~(d)~~ (c) For purposes of this section, a security screening system means ionizing
29.11 radiation-producing equipment designed and used for security screening of humans who
29.12 are in the custody of a correctional or detention facility, and used by the facility to image
29.13 and identify contraband items concealed within or on all sides of a human body. For purposes
29.14 of this section, a correctional or detention facility is a facility licensed under section 241.021
29.15 and operated by a state agency or political subdivision charged with detection, enforcement,
29.16 or incarceration in respect to state criminal and traffic laws. The commissioner shall adopt
29.17 rules to establish requirements for the use of security screening systems. Notwithstanding
29.18 section 14.125, the authority to adopt these rules does not expire.

29.19 Sec. 34. Minnesota Statutes 2024, section 144.121, is amended by adding a subdivision
29.20 to read:

29.21 Subd. 1e. **Fee for service provider of ionizing radiation-producing equipment.** A
29.22 service provider of ionizing radiation-producing equipment and other sources of ionizing
29.23 radiation must pay an initial or annual renewal fee of \$115.

29.24 Sec. 35. Minnesota Statutes 2024, section 144.121, subdivision 2, is amended to read:

Subd. 2. **Inspections.** Periodic radiation safety inspections of the x-ray equipment and other sources of ionizing radiation shall be made by the commissioner of health. The frequency of safety inspections shall be prescribed by the commissioner ~~on the basis of~~ based on the frequency of radiation exposure risk to occupational and public health from use of the x-ray equipment and other source of ionizing radiation, ~~provided that each source shall be inspected at least once every four years.~~

30.1 Sec. 36. Minnesota Statutes 2024, section 144.121, subdivision 5, is amended to read:

30.2 Subd. 5. **Examination for individual operating x-ray systems.** (a) An individual in a
30.3 facility with x-ray systems for use on living humans that is registered under subdivision 1
30.4 may not operate, nor may the facility allow the individual to operate, x-ray systems unless
30.5 the individual has passed a national or state examination.

30.6 (b) Individuals who may operate x-ray systems include:

30.7 (1) an individual who has passed the American Registry of Radiologic Technologists
30.8 (ARRT) registry for radiography examination;

30.9 (2) an individual who has passed the American Chiropractic Registry of Radiologic
30.10 Technologists (ACRRT) registry examination and is limited to radiography of spines and
30.11 extremities;

30.12 (3) a registered limited scope x-ray operator and a registered bone densitometry equipment
30.13 operator who passed the examination requirements in paragraphs (d) and (e) and practices
30.14 according to subdivision 5a;

30.15 (4) an x-ray operator who has the original certificate or the original letter of passing the
30.16 examination that was required before January 1, 2008, under Minnesota Statutes 2008,
30.17 section 144.121, subdivision 5a, paragraph (b), clause (1);

30.18 (5) an individual who has passed the American Registry of Radiologic Technologists
30.19 (ARRT) registry for radiation therapy examination according to subdivision 5e;

30.20 (6) a cardiovascular technologist according to subdivision 5c;

30.21 (7) a nuclear medicine technologist according to subdivision 5d;

30.22 (8) an individual who has passed the examination for a dental hygienist under section
30.23 150A.06 and only operates dental x-ray systems;

30.24 (9) an individual who has passed the examination for a dental therapist under section
30.25 150A.06 and only operates dental x-ray systems;

30.26 (10) an individual who has passed the examination for a dental assistant under section
30.27 150A.06 and only operates dental x-ray systems;

30.28 (11) an individual who has passed the examination under Minnesota Rules, part
30.29 ~~3100.8500, subpart 3~~ 3100.1320, and only operates dental x-ray systems; and

30.30 (12) a qualified practitioner who is licensed by a health-related licensing board with
30.31 active practice authority and is working within the practitioner's scope of practice.

31.1 (c) Except for individuals under clauses (3) and (4), an individual who is participating
31.2 in a training or educational program in any of the occupations listed in paragraph (b) is
31.3 exempt from the examination requirement within the scope and for the duration of the
31.4 training or educational program.

31.5 (d) The Minnesota examination for limited scope x-ray operators must include:

31.6 (1) radiation protection, radiation physics and radiobiology, equipment operation and
31.7 quality assurance, image acquisition and technical evaluation, and patient interactions and
31.8 management; and

31.9 (2) at least one of the following regions of the human anatomy: chest, extremities, skull
31.10 and sinus, spine, or podiatry. The examinations must include the anatomy of, and radiographic
31.11 positions and projections for, the specific regions.

31.12 (e) The examination for bone densitometry equipment operators must include:

31.13 (1) osteoporosis, bone physiology, bone health and patient education, patient preparation,
31.14 fundamental principals, biological effects of radiation, units of measurements, radiation
31.15 protection in bone densitometry, fundamentals of x-ray production, quality control, measuring
31.16 bone mineral testing, determining quality in bone mineral testing, file and database
31.17 management; and

31.18 (2) dual x-ray absorptiometry scanning of the lumbar spine, proximal femur, and forearm.
31.19 The examination must include the anatomy, scan acquisition, and scan analysis for these
31.20 three procedures.

31.21 (f) A limited scope x-ray operator, and a bone densitometry equipment operator, who
31.22 are required to take an examination under this subdivision must submit to the commissioner
31.23 a registration application for the examination and a \$25 processing fee. The processing fee
31.24 shall be deposited in the state treasury and credited to the state government special revenue
31.25 fund.

31.26 Sec. 37. Minnesota Statutes 2024, section 144.121, is amended by adding a subdivision
31.27 to read:

31.28 Subd. 10. Service provider practice; service technician. (a) A service technician is a
31.29 service provider who performs one or more of the following, including but not limited to:
31.30 assembly, installation, calibration, equipment performance evaluation, preventive
31.31 maintenance, repair, replacement, or disabling of ionizing radiation-producing equipment
31.32 and other sources of ionizing radiation. A service technician may not perform an equipment

32.1 performance evaluation on computed tomography, medical cone beam computed tomography,
32.2 and fluoroscopy equipment.

32.3 (b) In order to provide service technician services, a service provider must register with
32.4 the commissioner as a service technician, meet the applicable requirements in Minnesota
32.5 Rules, chapter 4732, and pay the fee in subdivision 1e.

32.6 Sec. 38. Minnesota Statutes 2024, section 144.121, is amended by adding a subdivision
32.7 to read:

32.8 Subd. 11. **Service provider practice; vendor.** (a) A vendor is a service provider who
32.9 performs one or more of the following services, including but not limited to: sales, leasing,
32.10 lending, transferring, disposal, or demonstration of ionizing radiation-producing equipment
32.11 and other sources of ionizing radiation.

32.12 (b) In order to provide vendor services, a service provider must register with the
32.13 commissioner as a vendor, meet the applicable requirements in Minnesota Rules, chapter
32.14 4732, and pay the fee in subdivision 1e.

32.15 Sec. 39. Minnesota Statutes 2024, section 144.121, is amended by adding a subdivision
32.16 to read:

32.17 Subd. 12. **Service provider practice; qualified medical physicist.** (a) A qualified
32.18 medical physicist is a service provider who provides medical physics services and must be
32.19 certified in diagnostic medical physics, diagnostic radiological physics, radiological physics,
32.20 diagnostic imaging physics, or diagnostic radiology physics by the American Board of
32.21 Radiology, the American Board of Medical Physics, or the Canadian College of Physicists
32.22 in Medicine.

32.23 (b) In order to provide medical physics services a service provider must register with
32.24 the commissioner as a qualified medical physicist, meet the applicable requirements in
32.25 Minnesota Rules, chapter 4732, and pay the fee in subdivision 1e.

32.26 Sec. 40. Minnesota Statutes 2024, section 144.121, is amended by adding a subdivision
32.27 to read:

32.28 Subd. 13. **Service provider practice; qualified expert.** (a) A qualified expert is a service
32.29 provider who provides expert physics services, and must be certified in the appropriate
32.30 fields or specialties in which physics services are provided by the American Board of Health
32.31 Physics, the American Board of Medical Physics, the American Board of Radiology, the

33.1 American Board of Science in Nuclear Medicine, or the Canadian College of Physicists in
33.2 Medicine.

33.3 (b) In order to provide health physics services, a service provider must register with the
33.4 commissioner as a qualified expert, meet the applicable requirements in Minnesota Rules,
33.5 chapter 4732, and pay the fee in subdivision 1e.

33.6 Sec. 41. Minnesota Statutes 2024, section 144.121, is amended by adding a subdivision
33.7 to read:

33.8 Subd. 14. **Service provider practice; physicist assistant.** (a) A physicist assistant is a
33.9 service provider who provides expert physics or medical physics services under the
33.10 supervision of a qualified expert or a qualified medical physicist and must be deemed
33.11 competent by a qualified expert or a qualified medical physicist in the appropriate fields or
33.12 specialties in which services are provided.

33.13 (b) In order to provide health physics or medical physics services under the supervision
33.14 of a qualified expert or a qualified medical physicist, a physicist assistant must register with
33.15 the commissioner as a physicist assistant, meet the applicable requirements in Minnesota
33.16 Rules, chapter 4732, and pay the fee under subdivision 1e.

33.17 (c) Supervision as used in this subdivision refers to either personal or general supervision
33.18 of a physicist assistant by a qualified expert or a qualified medical physicist according to
33.19 Minnesota Rules, chapter 4732.

33.20 Sec. 42. Minnesota Statutes 2024, section 144.121, is amended by adding a subdivision
33.21 to read:

33.22 Subd. 15. **Service provider compliance.** A service provider registered with the
33.23 commissioner under Minnesota Rules, chapter 4732, must, upon renewal of registration,
33.24 comply with the applicable requirements under this section and submit the fee under
33.25 subdivision 1e.

33.26 Sec. 43. Minnesota Statutes 2024, section 144.1215, is amended by adding a subdivision
33.27 to read:

33.28 Subd. 5. **Rulemaking authority.** The commissioner shall adopt rules to implement this
33.29 section. Notwithstanding section 14.125, the authority to adopt these rules does not expire.

34.1 Sec. 44. Minnesota Statutes 2024, section 144.1222, subdivision 1a, is amended to read:

34.2 Subd. 1a. **Fees.** All plans and specifications for public pool and spa construction,
34.3 installation, or alteration or requests for a variance that are submitted to the commissioner
34.4 according to Minnesota Rules, part 4717.3975, shall be accompanied by the appropriate
34.5 fees. All public pool construction plans submitted for review after January 1, 2009, must
34.6 be certified by a professional engineer registered in the state of Minnesota. If the
34.7 commissioner determines, upon review of the plans, that inadequate fees were paid, the
34.8 necessary additional fees shall be paid before plan approval. For purposes of determining
34.9 fees, a project is defined as a proposal to construct or install a public pool, spa, special
34.10 purpose pool, or wading pool and all associated water treatment equipment and drains,
34.11 gutters, decks, water recreation features, spray pads, and those design and safety features
34.12 that are within five feet of any pool or spa. Plans submitted less than 30 days prior to
34.13 construction are subject to 50 percent of the original plan review fee. The commissioner
34.14 shall charge the following fees for plan review and inspection of public pools and spas and
34.15 for requests for variance from the public pool and spa rules:

34.16 (1) each pool, ~~\$1,500~~ \$1,600;

34.17 (2) each spa pool, ~~\$800~~ \$900;

34.18 (3) each slide, ~~\$600~~ \$650;

34.19 (4) projects valued at \$250,000 or more, the greater of the sum of the fees in clauses (1),
34.20 (2), and (3) or 0.5 percent of the documented estimated project cost to a maximum fee of
34.21 \$15,000;

34.22 (5) alterations to an existing pool without changing the size or configuration of the pool,
34.23 ~~\$600~~ \$700;

34.24 (6) removal or replacement of pool disinfection equipment only, ~~\$100~~ \$200; and

34.25 (7) request for variance from the public pool and spa rules, ~~\$500~~ \$550.

34.26 Sec. 45. **[144.1223] REGISTERED SANITARIANS AND REGISTERED**
34.27 **ENVIRONMENTAL HEALTH SPECIALIST APPLICATION FEES.**

34.28 (a) Fees to be submitted with initial or renewal applications are as follows:

34.29 (1) initial application fee, \$55;

34.30 (2) biennial renewal application fee, \$55; and

35.1 (3) penalty for late submission of renewal application, \$20, if not renewed by designated
35.2 renewal date.

35.3 (b) Additionally, a \$5 technology fee must be paid with the initial registration or
35.4 registration renewal.

35.5 Sec. 46. Minnesota Statutes 2024, section 144.125, subdivision 1, is amended to read:

35.6 Subdivision 1. **Duty to perform testing.** (a) It is the duty of (1) the administrative officer
35.7 or other person in charge of each institution caring for infants 28 days or less of age, (2) the
35.8 person required in pursuance of the provisions of section 144.215, to register the birth of a
35.9 child, or (3) the nurse midwife or midwife in attendance at the birth, to arrange to have
35.10 administered to every infant or child in its care tests for heritable and congenital disorders
35.11 according to subdivision 2 and rules prescribed by the state commissioner of health.

35.12 (b) Testing, recording of test results, reporting of test results, and follow-up of infants
35.13 with heritable congenital disorders, including hearing loss detected through the early hearing
35.14 detection and intervention program in section 144.966, shall be performed at the times and
35.15 in the manner prescribed by the commissioner of health.

35.16 (c) The fee to support the newborn screening program, including tests administered
35.17 under this section and section 144.966, shall be ~~\$177~~ \$184 per specimen. This fee amount
35.18 shall be deposited in the state treasury and credited to the state government special revenue
35.19 fund.

35.20 (d) The fee to offset the cost of the support services provided under section 144.966,
35.21 subdivision 3a, shall be \$15 per specimen. This fee shall be deposited in the state treasury
35.22 and credited to the general fund.

35.23 Sec. 47. Minnesota Statutes 2024, section 144.125, subdivision 2, is amended to read:

35.24 Subd. 2. **Determination of tests to be administered.** (a) The commissioner shall
35.25 periodically revise the list of tests to be administered for determining the presence of a
35.26 heritable or congenital disorder. Revisions to the list shall reflect advances in medical
35.27 science, new and improved testing methods, or other factors that will improve the public
35.28 health. In determining whether a test must be administered, the commissioner shall take
35.29 into consideration the adequacy of analytical methods to detect the heritable or congenital
35.30 disorder, the ability to treat or prevent medical conditions caused by the heritable or
35.31 congenital disorder, and the severity of the medical conditions caused by the heritable or
35.32 congenital disorder. The list of tests to be performed may be revised if the changes are

recommended by the advisory committee established under section 144.1255, approved by the commissioner, and published in the State Register. The revision is exempt from the rulemaking requirements in chapter 14, and sections 14.385 and 14.386 do not apply.

(b) The commissioner shall revise the list of tests to be administered for determining the presence of a heritable or congenital disorder to include metachromatic leukodystrophy (MLD).

Sec. 48. Minnesota Statutes 2024, section 144.3831, subdivision 1, is amended to read:

Subdivision 1. **Fee setting.** The commissioner of health may assess an annual fee of ~~\$9.72~~ \$15.22 for every service connection to a public water supply that is owned or operated by a home rule charter city, a statutory city, a city of the first class, or a town. The commissioner of health may also assess an annual fee for every service connection served by a water user district defined in section 110A.02.

Sec. 49. Minnesota Statutes 2024, section 144.55, subdivision 1a, is amended to read:

Subd. 1a. **License fee.** The annual license fee for outpatient surgical centers is ~~\$1,512~~ \$1,966.

Sec. 50. Minnesota Statutes 2024, section 144.554, is amended to read:

144.554 HEALTH FACILITIES CONSTRUCTION PLAN SUBMITTAL AND FEES.

For hospitals, nursing homes, assisted living facilities, boarding care homes, residential hospices, supervised living facilities, freestanding outpatient surgical centers, and end-stage renal disease facilities, the commissioner shall collect a fee for the review and approval of architectural, mechanical, and electrical plans and specifications submitted before construction begins for each project relative to construction of new buildings, additions to existing buildings, or remodeling or alterations of existing buildings. All fees collected in this section shall be deposited in the state treasury and credited to the state government special revenue fund. Fees must be paid at the time of submission of final plans for review and are not refundable. The fee is calculated as follows:

Construction project total estimated cost	Fee
\$0 - \$10,000	~~\$30~~ <u>\$45</u>
\$10,001 - \$50,000	~~\$150~~ <u>\$225</u>
\$50,001 - \$100,000	~~\$300~~ <u>\$450</u>
\$100,001 - \$150,000	~~\$450~~ <u>\$675</u>

37.1	\$150,001 - \$200,000	~~\$600~~ <u>\$900</u>
37.2	\$200,001 - \$250,000	~~\$750~~ <u>\$1,125</u>
37.3	\$250,001 - \$300,000	~~\$900~~ <u>\$1,350</u>
37.4	\$300,001 - \$350,000	~~\$1,050~~ <u>\$1,575</u>
37.5	\$350,001 - \$400,000	~~\$1,200~~ <u>\$1,800</u>
37.6	\$400,001 - \$450,000	~~\$1,350~~ <u>\$2,025</u>
37.7	\$450,001 - \$500,000	~~\$1,500~~ <u>\$2,250</u>
37.8	\$500,001 - \$550,000	~~\$1,650~~ <u>\$2,475</u>
37.9	\$550,001 - \$600,000	~~\$1,800~~ <u>\$2,700</u>
37.10	\$600,001 - \$650,000	~~\$1,950~~ <u>\$2,925</u>
37.11	\$650,001 - \$700,000	~~\$2,100~~ <u>\$3,150</u>
37.12	\$700,001 - \$750,000	~~\$2,250~~ <u>\$3,375</u>
37.13	\$750,001 - \$800,000	~~\$2,400~~ <u>\$3,600</u>
37.14	\$800,001 - \$850,000	~~\$2,550~~ <u>\$3,825</u>
37.15	\$850,001 - \$900,000	~~\$2,700~~ <u>\$4,050</u>
37.16	\$900,001 - \$950,000	~~\$2,850~~ <u>\$4,275</u>
37.17	\$950,001 - \$1,000,000	~~\$3,000~~ <u>\$4,500</u>
37.18	\$1,000,001 - \$1,050,000	~~\$3,150~~ <u>\$4,725</u>
37.19	\$1,050,001 - \$1,100,000	~~\$3,300~~ <u>\$4,950</u>
37.20	\$1,100,001 - \$1,150,000	~~\$3,450~~ <u>\$5,175</u>
37.21	\$1,150,001 - \$1,200,000	~~\$3,600~~ <u>\$5,400</u>
37.22	\$1,200,001 - \$1,250,000	~~\$3,750~~ <u>\$5,625</u>
37.23	\$1,250,001 - \$1,300,000	~~\$3,900~~ <u>\$5,850</u>
37.24	\$1,300,001 - \$1,350,000	~~\$4,050~~ <u>\$6,075</u>
37.25	\$1,350,001 - \$1,400,000	~~\$4,200~~ <u>\$6,300</u>
37.26	\$1,400,001 - \$1,450,000	~~\$4,350~~ <u>\$6,525</u>
37.27	\$1,450,001 - \$1,500,000	~~\$4,500~~ <u>\$6,750</u>
37.28	~~\$1,500,001 and over~~ <u>\$1,500,001 - \$2,000,000</u>	~~\$4,800~~ <u>\$7,200</u>
37.29	<u>\$2,000,001 - \$3,000,000</u>	<u>\$7,650</u>
37.30	<u>\$3,000,001 - \$4,000,000</u>	<u>\$8,100</u>
37.31	<u>\$4,000,001 - \$7,000,000</u>	<u>\$8,550</u>
37.32	<u>\$7,000,001 - \$15,000,000</u>	<u>\$9,000</u>
37.33	<u>\$15,000,001 - \$50,000,000</u>	<u>\$9,450</u>
37.34	<u>\$50,000,001 and over</u>	<u>\$9,900</u>

Sec. 51. Minnesota Statutes 2024, section 144.562, subdivision 2, is amended to read:

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

(b) Except for those critical access hospitals established under section 144.1483, clause (9), and section 1820 of the federal Social Security Act, United States Code, title 42, section 1395i-4, that have an attached nursing home or that owned a nursing home located in the same municipality as of May 1, 2005, eligible hospitals are allowed a total number of days of swing bed use per year as provided in paragraph (c). Critical access hospitals that have an attached nursing home or that owned a nursing home located in the same municipality as of May 1, 2005, are allowed swing bed use as provided in federal law. A critical access hospital described in section 144.5621 is allowed an unlimited number of days of swing bed use per year.

(c) An eligible hospital is allowed a total of 3,000 days of swing bed use in calendar year 2020. Beginning in calendar year 2021, and for each subsequent calendar year until calendar year 2027, the total number of days of swing bed use per year is increased by 200 swing bed use days. Beginning in calendar year 2028, an eligible hospital is allowed a total of 4,500 days of swing bed use per year.

(d) Days of swing bed use for medical care that an eligible hospital has determined are charity care shall not count toward the applicable limit in paragraph (b) or (c). For purposes of this paragraph, "charity care" means care that an eligible hospital provided for free or at a discount to persons who cannot afford to pay and for which the eligible hospital did not expect payment.

(e) Days of swing bed use for care of a person who has been denied admission to every Medicare-certified skilled nursing facility within 25 miles of the eligible hospital shall not count toward the applicable limit in paragraphs (b) and (c). Eligible hospitals must maintain documentation that they have contacted each skilled nursing facility within 25 miles to

determine if any skilled nursing facility beds are available and if the skilled nursing facilities are willing to admit the patient. Skilled nursing facilities that are contacted must admit the patient or deny admission within 24 hours of being contacted by the eligible hospital. Failure to respond within 24 hours is deemed a denial of admission.

~~(f) Except for critical access hospitals that have an attached nursing home or that owned a nursing home located in the same municipality as of May 1, 2005, the commissioner of health may approve swing bed use beyond 2,000 days as long as there are no Medicare certified skilled nursing facility beds available within 25 miles of that hospital that are willing to admit the patient and the patient agrees to the referral being sent to the skilled nursing facility. Critical access hospitals exceeding 2,000 swing bed days must maintain documentation that they have contacted skilled nursing facilities within 25 miles to determine if any skilled nursing facility beds are available that are willing to admit the patient and the patient agrees to the referral being sent to the skilled nursing facility. This paragraph expires January 1, 2020.~~

~~(g) After reaching 2,000 days of swing bed use in a year, an eligible hospital to which this limit applies may admit six additional patients to swing beds each year without seeking approval from the commissioner or being in violation of this subdivision. These six swing bed admissions are exempt from the limit of 2,000 annual swing bed days for hospitals subject to this limit. This paragraph expires January 1, 2020.~~

~~(h) A health care system that is in full compliance with this subdivision may allocate its total limit of swing bed days among the hospitals within the system, provided that no hospital in the system without an attached nursing home may exceed 2,000 swing bed days per year. This paragraph expires January 1, 2020.~~

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

Sec. 52. Minnesota Statutes 2024, section 144.562, subdivision 3, is amended to read:

Subd. 3. **Approval of license condition.** (a) The commissioner of health shall approve a license condition for swing beds if the hospital meets all of the criteria of this subdivision.

(b) The hospital must meet the eligibility criteria in subdivision 2.

(c) The hospital must be in compliance with the Medicare conditions of participation for swing beds under Code of Federal Regulations, title 42, section 482.66.

(d) Except as provided in section 144.5621, the hospital must agree, in writing, to limit the length of stay of a patient receiving services in a swing bed to not more than 40 days, or the duration of Medicare eligibility, unless the commissioner of health approves a greater length of stay in an emergency situation. To determine whether an emergency situation exists, the commissioner shall require the hospital to provide documentation that continued services in the swing bed are required by the patient; that no skilled nursing facility beds are available within 25 miles from the patient's home, or in some more remote facility of the resident's choice, that can provide the appropriate level of services required by the patient; and that other alternative services are not available to meet the needs of the patient. If the commissioner approves a greater length of stay, the hospital shall develop a plan providing for the discharge of the patient upon the availability of a nursing home bed or other services that meet the needs of the patient. Permission to extend a patient's length of stay must be requested by the hospital at least ten days prior to the end of the maximum length of stay.

(e) Except as provided in section 144.5621, the hospital must agree, in writing, to limit admission to a swing bed only to (1) patients who have been hospitalized and not yet discharged from the facility, or (2) patients who are transferred directly from an acute care hospital.

(f) The hospital must agree, in writing, to report to the commissioner of health by December 1, 1985, and annually thereafter, in a manner required by the commissioner (1) the number of patients readmitted to a swing bed within 60 days of a patient's discharge from the facility, (2) the hospital's charges for care in a swing bed during the reporting period with a description of the care provided for the rate charged, and (3) the number of beds used by the hospital for transitional care and similar subacute inpatient care.

(g) The hospital must agree, in writing, to report statistical data on the utilization of the swing beds on forms supplied by the commissioner. The data must include the number of swing beds, the number of admissions to and discharges from swing beds, Medicare reimbursed patient days, total patient days, and other information required by the commissioner to assess the utilization of swing beds.

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

Sec. 53. **[144.5621] SWING BED APPROVAL; EXCEPTIONS.**

The conditions and limitations in section 144.562, paragraphs (d) and (e), do not apply to any hospital located in Cook County that:

(1) is designated as a critical access hospital under section 144.1483, clause (9), and United States Code, title 42, section 1395i-4; and

(2) has an attached nursing home.

Any swing bed located in a hospital described in this section may be used to provide nursing care without requiring a prior hospital stay. The nursing care provided to a patient in a swing bed is a covered medical assistance service under section 256B.0625, subdivision 2b.

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

Sec. 54. Minnesota Statutes 2024, section 144.563, is amended to read:

144.563 NURSING SERVICES PROVIDED IN A HOSPITAL; PROHIBITED PRACTICES.

A hospital that has been granted a license condition under section 144.562 or 144.5621 must not provide to patients not reimbursed by Medicare or medical assistance the types of services that would be usually and customarily provided and reimbursed under medical assistance or Medicare as services of a skilled nursing facility or intermediate care facility for more than 42 days and only for patients who have been hospitalized and no longer require an acute level of care. Permission to extend a patient's length of stay may be granted by the commissioner if requested by the physician at least ten days prior to the end of the maximum length of stay.

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

Sec. 55. Minnesota Statutes 2024, section 144E.35, is amended to read:

144E.35 REIMBURSEMENT TO AMBULANCE SERVICES FOR ~~VOLUNTEER~~ EDUCATION COSTS.

Subdivision 1. **Repayment for volunteer Reimbursement for education costs; ambulance service eligibility.** ~~A licensed ambulance service shall be reimbursed by the~~

~~director for the necessary expense of the initial education of a volunteer ambulance attendant upon successful completion by the attendant of an EMT education course, or a continuing education course for EMT care, or both, which has been approved by the director, pursuant to section 144E.285 (a) Except as provided in subdivision 3, the director must reimburse all eligible Minnesota licensed ambulance services that apply for reimbursement under this section for the necessary expenses of initial EMR and EMT education and EMR and EMT continuing education for ambulance attendants who satisfy the criteria in subdivision 2. Reimbursement may include tuition, transportation, food, lodging, hourly payment for the time spent in the education course, and other necessary expenditures, except that in no instance shall a volunteer licensed ambulance attendant service be reimbursed more than \$900:~~

(1) \$1,200 for an ambulance attendant's successful completion of an initial EMT education course; and \$375;

(2) \$400 for an ambulance attendant's successful completion of a an EMT continuing education course;

(3) \$600 for an ambulance attendant's successful completion of an initial EMR education course; and

(4) \$200 for an ambulance attendant's successful completion of an EMR continuing education course.

(b) To be eligible for reimbursement, a licensed ambulance service must have responded to 5,000 or fewer calls in the most recent calendar year.

Subd. 2. ~~Reimbursement provisions~~ **Ambulance attendant criteria.** Reimbursement must be paid under ~~provisions of this section~~ when documentation is provided to the director that the individual ambulance attendant:

(1) successfully completed an initial EMR or EMT education course approved by the director under section 144E.285, a continuing education course for EMR or EMT care approved by the director under section 144E.285, or both; and

(2) has served for one year from the date of the final certification exam as an active member of a Minnesota licensed ambulance service.

Subd. 3. **Discontinuance of reimbursement.** If the state is unable to meet its financial obligations under subdivision 1 as the obligations become due, the director must discontinue reimbursing ambulance services for education costs until the state is again able to meet the financial obligations under subdivision 1 as the obligations become due. An ambulance

43.1 service whose application is not approved due to lack of funding may resubmit the application
43.2 in the next fiscal year.

43.3 Sec. 56. **[144E.38] AMBULANCE SERVICE TRAINING AND STAFFING GRANT**
43.4 **PROGRAM.**

43.5 Subdivision 1. **Definition.** For purposes of this section, "employee" has the meaning
43.6 given in section 181.960, subdivision 2.

43.7 Subd. 2. **Grant program.** The director must establish and administer a program to award
43.8 grants to eligible ambulance services for certain costs to train ambulance service employees
43.9 as emergency medical technicians and staff the ambulance service.

43.10 Subd. 3. **Eligible ambulance services.** To be eligible for a grant under this section, an
43.11 ambulance service must:

43.12 (1) be licensed under this chapter; and

43.13 (2) in the calendar year prior to the year in which the ambulance service first applies for
43.14 a grant under this section, have had at least 50 percent of its staffing provided by emergency
43.15 medical technicians.

43.16 Subd. 4. **Application.** An eligible ambulance service seeking a grant under this section
43.17 must apply to the director in a form and manner and according to a timeline specified by
43.18 the director. In its application, the eligible ambulance service must specify the number of
43.19 individuals it plans to hire using the grant money, the number of employee training hours
43.20 it plans to fund using the grant money, and other information required by the director.

43.21 Subd. 5. **Allowable uses of grant money; maximum grant amount.** (a) An ambulance
43.22 service must use grant money awarded under this section only for one or more of the
43.23 following:

43.24 (1) tuition for employees attending an emergency medical technician (EMT) education
43.25 program approved by the director;

43.26 (2) employee examination fees for EMT certification;

43.27 (3) fees for background studies for new EMT employees; and

43.28 (4) incurred wage and benefit costs of employees while attending an EMT education
43.29 program or program-related activities. Wage and benefit costs under this clause must be
43.30 commensurate with the wages and benefits the ambulance service provides to an entry-level
43.31 EMT and must not exceed \$26 per hour.

(b) The grant amount awarded to an ambulance service must not exceed the amount needed for the costs in paragraph (a).

Subd. 6. Grant program oversight. An ambulance service receiving a grant under this section must provide the director with information necessary for the director to administer and evaluate the grant program.

Subd. 7. Reporting to municipalities. (a) In order to be eligible to receive a grant under this section, an ambulance service must collect and report to each respective municipality in the licensee's primary service area prehospital care data for all emergency responses provided by the licensee within the boundaries of each respective municipality. For purposes of this subdivision, "municipality" means a city or town.

(b) A licensee must collect and report the following prehospital care data items as provided in paragraph (a):

(1) total number of emergency ambulance calls;

(2) dispatch reason;

(3) type of emergency service requested for each emergency ambulance call;

(4) response mode to scene;

(5) fee schedule for service;

(6) percent transport disposition;

(7) transport destination;

(8) unit hour utilization by service area; and

(9) mutual aid given and received by municipality.

(c) A licensee must provide the report of prehospital care data of all data items listed in paragraph (b) to the governing body of the municipality by February 15 of each year.

Sec. 57. Minnesota Statutes 2024, section 144G.45, subdivision 6, is amended to read:

Subd. 6. New construction; plans. (a) For all new licensure and construction beginning on or after August 1, 2021, the following must be provided to the commissioner:

(1) architectural and engineering plans and specifications for new construction must be prepared and signed by architects and engineers who are registered in Minnesota. Final working drawings and specifications for proposed construction must be submitted to the commissioner for review and approval;

(2) final architectural plans and specifications must include elevations and sections through the building showing types of construction, and must indicate dimensions and assignments of rooms and areas, room finishes, door types and hardware, elevations and details of nurses' work areas, utility rooms, toilet and bathing areas, and large-scale layouts of dietary and laundry areas. Plans must show the location of fixed equipment and sections and details of elevators, chutes, and other conveying systems. Fire walls and smoke partitions must be indicated. The roof plan must show all mechanical installations. The site plan must indicate the proposed and existing buildings, topography, roadways, walks and utility service lines; and

(3) final mechanical and electrical plans and specifications must address the complete layout and type of all installations, systems, and equipment to be provided. Heating plans must include heating elements, piping, thermostatic controls, pumps, tanks, heat exchangers, boilers, breeching, and accessories. Ventilation plans must include room air quantities, ducts, fire and smoke dampers, exhaust fans, humidifiers, and air handling units. Plumbing plans must include the fixtures and equipment fixture schedule; water supply and circulating piping, pumps, tanks, riser diagrams, and building drains; the size, location, and elevation of water and sewer services; and the building fire protection systems. Electrical plans must include fixtures and equipment, receptacles, switches, power outlets, circuits, power and light panels, transformers, and service feeders. Plans must show location of nurse call signals, cable lines, fire alarm stations, and fire detectors and emergency lighting.

(b) Unless construction is begun within one year after approval of the final working drawing and specifications, the drawings must be resubmitted for review and approval.

(c) The commissioner must be notified within 30 days before completion of construction so that the commissioner can make arrangements for a final inspection by the commissioner.

(d) At least one set of complete life safety plans, including changes resulting from remodeling or alterations, must be kept on file in the facility.

(e) For new construction beginning on or after July 1, 2025, the licensee must comply with section 144.554 to submit applicable construction plans and fees to the commissioner.

Sec. 58. [145.9231] EPILEPSY AND RELATED SEIZURE DISORDERS; DATA COLLECTION AND STATE COORDINATION PLAN.

Subdivision 1. Data collection. The commissioner of health must collect, analyze, and report data on epilepsy and related seizure disorders in Minnesota. The data must include

number of diagnoses, clinical outcomes, mortality rates, and related population health data for each calendar year. Deidentified data must be made publicly available.

Subd. 2. **State coordination plan.** The commissioner of health must use the data on epilepsy and seizure disorders to inform statewide efforts and build coordinated systems and partnerships to support community-led and culturally responsive strategies to ensure that Minnesotans at risk for or living with epilepsy and seizure disorders and their caregivers have equitable access to opportunities and resources to support their well-being and quality of life. The commissioner of health must use the data to identify areas of need and recommend strategies to address gaps.

Sec. 59. Minnesota Statutes 2024, section 151.555, subdivision 6, is amended to read:

Subd. 6. **Standards and procedures for accepting donations of drugs and supplies and purchasing drugs from licensed wholesalers.** (a) Notwithstanding any other law or rule, a donor may donate drugs or medical supplies to the central repository or a local repository if the drug or supply meets the requirements of this section as determined by a pharmacist or practitioner who is employed by or under contract with the central repository or a local repository.

(b) A drug is eligible for donation under the medication repository program if the following requirements are met:

(1) the drug's expiration date is at least six months after the date the drug was donated. If a donated drug bears an expiration date that is less than six months from the donation date, the drug may be accepted and distributed if the drug is in high demand and can be dispensed for use by a patient before the drug's expiration date;

(2) the drug is in its original, sealed, unopened, tamper-evident packaging that includes the expiration date. Single-unit-dose drugs may be accepted if the single-unit-dose packaging is unopened;

(3) the drug or the packaging does not have any physical signs of tampering, misbranding, deterioration, compromised integrity, or adulteration;

(4) the drug does not require storage temperatures other than normal room temperature as specified by the manufacturer or United States Pharmacopoeia, unless the drug is being donated directly by its manufacturer, a wholesale drug distributor, or a pharmacy located in Minnesota; and

(5) the drug is not a controlled substance.

47.1 (c) A medical supply is eligible for donation under the medication repository program
47.2 if the following requirements are met:

47.3 (1) the supply has no physical signs of tampering, misbranding, or alteration and there
47.4 is no reason to believe it has been adulterated, tampered with, or misbranded;

47.5 (2) the supply is in its original, unopened, sealed packaging; and

47.6 (3) if the supply bears an expiration date, the date is at least six months later than the
47.7 date the supply was donated. If the donated supply bears an expiration date that is less than
47.8 six months from the date the supply was donated, the supply may be accepted and distributed
47.9 if the supply is in high demand and can be dispensed for use by a patient before the supply's
47.10 expiration date.

47.11 (d) The board shall develop the medication repository donor form and make it available
47.12 on the board's website. Prior to the first donation from a new donor, a central repository or
47.13 local repository shall verify and record the following information on the donor form:

47.14 (1) the donor's name, address, phone number, and license number, if applicable;

47.15 (2) that the donor will only make donations in accordance with the program;

47.16 (3) to the best of the donor's knowledge, only drugs or supplies that have been properly
47.17 stored under appropriate temperature and humidity conditions will be donated; and

47.18 (4) to the best of the donor's knowledge, only drugs or supplies that have never been
47.19 opened, used, tampered with, adulterated, or misbranded will be donated.

47.20 (e) Notwithstanding any other law or rule, a central repository or a local repository may
47.21 receive donated drugs from donors. Donated drugs and supplies may be shipped or delivered
47.22 to the premises of the central repository or a local repository, and shall be inspected by a
47.23 pharmacist or an authorized practitioner who is employed by or under contract with the
47.24 repository and who has been designated by the repository prior to dispensing. A drop box
47.25 must not be used to deliver or accept donations.

47.26 (f) The central repository and local repository shall maintain a written or electronic
47.27 inventory of all drugs and supplies donated to the repository upon acceptance of each drug
47.28 or supply. For each drug, the inventory must include the drug's name, strength, quantity,
47.29 manufacturer, expiration date, and the date the drug was donated. For each medical supply,
47.30 the inventory must include a description of the supply, its manufacturer, the date the supply
47.31 was donated, and, if applicable, the supply's brand name and expiration date. The board
47.32 may waive the requirement under this paragraph if an entity is under common ownership

or control with a central repository or local repository and either the entity or the repository maintains an inventory containing all the information required under this paragraph.

(g) The central repository may purchase a drug from a wholesaler licensed by the Board of Pharmacy to fill prescriptions for eligible patients when the repository does not have a sufficient supply of donated drugs to fill the prescription. The central repository may use any purchased drugs remaining after filling the prescriptions for which the drugs were initially purchased to fill other prescriptions. Whenever possible, the repository must use donated drugs to fill prescriptions.

Sec. 60. Minnesota Statutes 2024, section 151.555, subdivision 10, is amended to read:

Subd. 10. Distribution of donated drugs and supplies. (a) The central repository and local repositories may distribute drugs and supplies donated under the medication repository program to other participating repositories for use pursuant to this program.

(b) A local repository that elects not to dispense donated drugs or supplies that are suitable for donation and dispensing must transfer all those donated drugs and supplies to the central repository. A copy of the donor form that was completed by the original donor under subdivision 6 must be provided to the central repository at the time of transfer. A local repository must dispose of drugs and supplies in its possession that are not suitable for donation or dispensing pursuant to subdivision 7.

Sec. 61. Minnesota Statutes 2024, section 157.16, subdivision 2, is amended to read:

Subd. 2. License renewal. Initial and renewal licenses for all food and beverage service establishments, youth camps, hotels, motels, lodging establishments, public pools, and resorts shall be issued on an annual basis. Any person who operates a place of business after the expiration date of a license or without having submitted an application and paid the fee shall be deemed to have violated the provisions of this chapter and shall be subject to enforcement action, as provided in the Health Enforcement Consolidation Act, sections 144.989 to 144.993. In addition, a penalty of ~~\$60~~ \$100 shall be added to the total of the license fee for any food and beverage service establishment operating without a license as a mobile food unit, a seasonal temporary or seasonal permanent food stand, or a special event food stand, and a penalty of ~~\$120~~ \$200 shall be added to the total of the license fee for all restaurants, food carts, hotels, motels, lodging establishments, youth camps, public pools, and resorts operating without a license for a period of up to 30 days. A late fee of ~~\$360~~ \$450 shall be added to the license fee for establishments operating more than 30 days without a license.

49.1 Sec. 62. Minnesota Statutes 2024, section 157.16, subdivision 2a, is amended to read:

49.2 Subd. 2a. **Food manager certification.** An applicant for certification or certification
49.3 renewal as a food manager must submit to the commissioner a ~~\$35~~ \$45 nonrefundable
49.4 certification fee payable to the Department of Health. The commissioner shall issue a
49.5 duplicate certificate to replace a lost, destroyed, or mutilated certificate if the applicant
49.6 submits a completed application on a form provided by the commissioner for a duplicate
49.7 certificate and pays ~~\$20~~ \$25 to the department for the cost of duplication. In addition, a \$5
49.8 technology fee must be paid with the initial certification, certification renewal, or duplicate
49.9 certificate application.

49.10 Sec. 63. Minnesota Statutes 2024, section 157.16, subdivision 3, is amended to read:

49.11 Subd. 3. **Establishment fees; definitions.** (a) The following fees are required for food
49.12 and beverage service establishments, youth camps, hotels, motels, lodging establishments,
49.13 public pools, and resorts licensed under this chapter. Food and beverage service
49.14 establishments must pay the highest applicable fee under paragraph (d), clause (1), (2), (3),
49.15 or (4). The license fee for new operators previously licensed under this chapter for the same
49.16 calendar year is one-half of the appropriate annual license fee, plus any penalty that may
49.17 be required. The license fee for operators opening on or after October 1 is one-half of the
49.18 appropriate annual license fee, plus any penalty that may be required.

49.19 (b) All food and beverage service establishments, except special event food stands, and
49.20 all hotels, motels, lodging establishments, public pools, and resorts shall pay an annual base
49.21 fee of ~~\$165~~ \$300.

49.22 (c) A special event food stand shall pay a flat fee of ~~\$55~~ \$75 annually. "Special event
49.23 food stand" means a fee category where food is prepared or served in conjunction with
49.24 celebrations, county fairs, or special events from a special event food stand as defined in
49.25 section 157.15.

49.26 (d) In addition to the base fee in paragraph (b), each food and beverage service
49.27 establishment, other than a special event food stand and a school concession stand, and each
49.28 hotel, motel, lodging establishment, public pool, and resort shall pay an additional annual
49.29 fee for each fee category, additional food service, or required additional inspection specified
49.30 in this paragraph:

49.31 (1) Category 1 establishment, ~~\$110~~ \$185. "Category 1 establishment" means a fee
49.32 category that provides one or more of the following items or is one of the listed
49.33 establishments or facilities:

- 50.1 (i) serves prepackaged food that is served in the package;
- 50.2 (ii) serves a continental breakfast such as rolls, coffee, juice, milk, and cold cereal;
- 50.3 (iii) serves soft drinks, coffee, or nonalcoholic beverages;
- 50.4 (iv) provides cleaning for eating, drinking, or cooking utensils, when the only food
50.5 served is prepared off site;
- 50.6 (v) a food establishment where the method of food preparation meets the definition of
50.7 a low-risk establishment in section 157.20; or
- 50.8 (vi) operates as a child care facility licensed under section 142B.05 and Minnesota Rules,
50.9 chapter 9503.
- 50.10 (2) Category 2 establishment, ~~\$245~~ \$430. "Category 2 establishment" means an
50.11 establishment that is not a Category 1 establishment and is either:
- 50.12 (i) a food establishment where the method of food preparation meets the definition of a
50.13 medium-risk establishment in section 157.20; or
- 50.14 (ii) an elementary or secondary school as defined in section 120A.05.
- 50.15 (3) Category 3 establishment, ~~\$385~~ \$670. "Category 3 establishment" means an
50.16 establishment that is not a Category 1 or Category 2 establishment and is either:
- 50.17 (i) a food establishment where the method of food preparation meets the definition of a
50.18 high-risk establishment in section 157.20; or
- 50.19 (ii) an establishment where 500 or more meals are prepared per day and served at one
50.20 or more separate locations.
- 50.21 (4) Other food and beverage service, including food carts, mobile food units, seasonal
50.22 temporary food stands, and seasonal permanent food stands, ~~\$85~~ \$150.
- 50.23 (5) Lodging per sleeping accommodation unit, ~~\$14~~ \$15, including hotels, motels, lodging
50.24 establishments, and resorts, up to a maximum of ~~\$1,100~~ \$1,500. "Lodging per sleeping
50.25 accommodation unit" means a fee category including the number of guest rooms, cottages,
50.26 or other rental units of a hotel, motel, lodging establishment, or resort; or the number of
50.27 beds in a dormitory.
- 50.28 (6) First public pool, ~~\$355~~ \$455; each additional public pool, ~~\$200~~ \$300. "Public pool"
50.29 means a fee category that has the meaning given in section 144.1222, subdivision 4.
- 50.30 (7) First spa, ~~\$200~~ \$300; each additional spa, ~~\$110~~ \$200. "Spa pool" means a fee category
50.31 that has the meaning given in Minnesota Rules, part 4717.0250, subpart 9.

(8) Private sewer or water, ~~\$60~~ \$85. "Individual private water" means a fee category with a water supply other than a community public water supply as defined in Minnesota Rules, chapter 4720. "Individual private sewer" means a fee category with an individual sewage treatment system which uses subsurface treatment and disposal.

(9) Additional food service, ~~\$175~~ \$250. "Additional food service" means a location at a food service establishment, other than the primary food preparation and service area, used to prepare or serve beverages or food to the public. Additional food service does not apply to school concession stands.

(10) Additional inspection fee, ~~\$250~~ \$350. "Additional inspection fee" means a fee to conduct the second inspection each year for elementary and secondary education facility school lunch programs when required by the Richard B. Russell National School Lunch Act.

(11) HACCP verification, ~~\$175~~ \$225. "HACCP verification" means an annual fee category for a business that performs one or more specialized process that requires an HACCP plan as required in chapter 31 and Minnesota Rules, chapter 4626.

(e) A fee for review of construction plans must accompany the initial license application for restaurants, hotels, motels, lodging establishments, resorts, seasonal food stands, and mobile food units. Plans submitted less than 30 days prior to construction are subject to 50 percent of the original plan review fee. A fee for review of an HACCP plan for specialized processing must be submitted and approved prior to preparing and serving the specialized processed food for human consumption. The fees for construction plan reviews and HACCP plan reviews are as follows:

Service Area	Type	Fee
Food	category 1 establishment	~~\$400~~
		<u>\$550</u>
	category 2 establishment	~~\$450~~
		<u>\$750</u>
	category 3 food establishment	~~\$500~~
Transient food service	additional food service	<u>\$800</u>
		~~\$250~~
	HACCP Plan Review	<u>\$400</u>
		~~\$500~~
		<u>\$600</u>
	food cart	~~\$250~~
		<u>\$500</u>
	seasonal permanent food stand	~~\$250~~
		<u>\$500</u>

52.1			~~\$250~~
52.2		seasonal temporary food stand	<u>\$500</u>
52.3			~~\$350~~
52.4		mobile food unit	<u>\$700</u>
52.5			~~\$375~~
52.6	Lodging	less than 25 rooms	<u>\$450</u>
52.7			~~\$400~~
52.8		25 to less than 100 rooms	<u>\$500</u>
52.9			~~\$500~~
52.10		100 rooms or more	<u>\$600</u>
52.11			~~\$350~~
52.12		less than five cabins	<u>\$400</u>
52.13			~~\$400~~
52.14		five to less than ten cabins	<u>\$450</u>
52.15			~~\$450~~
52.16		ten cabins or more	<u>\$500</u>
52.17	(f) When existing food and beverage service establishments, hotels, motels, lodging		
52.18	establishments, resorts, seasonal food stands, and mobile food units are extensively		
52.19	remodeled, a fee must be submitted with the remodeling plans. The fee for this construction		
52.20	plan review is as follows:		
52.21	Service Area	Type	Fee
52.22			~~\$300~~
52.23	Food	category 1 establishment	<u>\$450</u>
52.24			~~\$350~~
52.25		category 2 establishment	<u>\$500</u>
52.26			~~\$400~~
52.27		category 3 establishment	<u>\$550</u>
52.28			~~\$250~~
52.29		additional food service	<u>\$400</u>
52.30			~~\$250~~
52.31	Transient food service	food cart	<u>\$400</u>
52.32			~~\$250~~
52.33		seasonal permanent food stand	<u>\$400</u>
52.34			~~\$250~~
52.35		seasonal temporary food stand	<u>\$400</u>
52.36			~~\$250~~
52.37		mobile food unit	<u>\$400</u>
52.38			~~\$250~~
52.39	Lodging	less than 25 rooms	<u>\$300</u>
52.40			~~\$300~~
52.41		25 to less than 100 rooms	<u>\$350</u>
52.42			~~\$450~~
52.43		100 rooms or more	<u>\$500</u>

53.1		~~\$250~~
53.2	less than five cabins	<u>\$300</u>
53.3		~~\$350~~
53.4	five to less than ten cabins	<u>\$400</u>
53.5		~~\$400~~
53.6	ten cabins or more	<u>\$450</u>

53.7 (g) Special event food stands are not required to submit construction or remodeling plans
53.8 for review.

53.9 (h) Youth camps shall pay an annual single fee for food and lodging as follows:

53.10 (1) camps with up to 99 campers, ~~\$325~~ \$375;

53.11 (2) camps with 100 to 199 campers, ~~\$550~~ \$600; and

53.12 (3) camps with 200 or more campers, ~~\$750~~ \$800.

53.13 (i) A youth camp which pays fees under paragraph (d) is not required to pay fees under
53.14 paragraph (h).

53.15 Sec. 64. Minnesota Statutes 2024, section 157.16, subdivision 3a, is amended to read:

53.16 Subd. 3a. **Statewide hospitality fee.** Every person, firm, or corporation that operates a
53.17 licensed boarding establishment, food and beverage service establishment, seasonal temporary
53.18 or permanent food stand, special event food stand, mobile food unit, food cart, resort, hotel,
53.19 motel, or lodging establishment in Minnesota must submit to the commissioner a ~~\$40~~ \$50
53.20 annual statewide hospitality fee for each licensed activity. The fee for establishments licensed
53.21 by the Department of Health is required at the same time the licensure fee is due. For
53.22 establishments licensed by local governments, the fee is due by July 1 of each year.

53.23 Sec. 65. Minnesota Statutes 2024, section 157.16, is amended by adding a subdivision to
53.24 read:

53.25 Subd. 3b. **Technology fee.** Every food and beverage service establishment, youth camp,
53.26 hotel, motel, lodging establishment, public pool, and resort licensed under this chapter must
53.27 pay a \$5 technology fee for each licensed activity for the initial license and with each
53.28 renewal.

53.29 Sec. 66. Minnesota Statutes 2024, section 256B.0625, subdivision 2, is amended to read:

53.30 Subd. 2. **Skilled and intermediate nursing care.** ~~(a)~~ Medical assistance covers skilled
53.31 nursing home services and services of intermediate care facilities, including training and
53.32 habilitation services, as defined in section 252.41, subdivision 3, for persons with

developmental disabilities who are residing in intermediate care facilities for persons with developmental disabilities. ~~Medical assistance must not be used to pay the costs of nursing care provided to a patient in a swing bed as defined in section 144.562, unless (1) the facility in which the swing bed is located is eligible as a sole community provider, as defined in Code of Federal Regulations, title 42, section 412.92, or the facility is a public hospital owned by a governmental entity with 15 or fewer licensed acute care beds; (2) the Centers for Medicare and Medicaid Services approves the necessary state plan amendments; (3) the patient was screened as provided by law; (4) the patient no longer requires acute care services; and (5) no nursing home beds are available within 25 miles of the facility. The commissioner shall exempt a facility from compliance with the sole community provider requirement in clause (1) if, as of January 1, 2004, the facility had an agreement with the commissioner to provide medical assistance swing bed services.~~

~~(b) Medical assistance also covers up to ten days of nursing care provided to a patient in a swing bed if: (1) the patient's physician, advanced practice registered nurse, or physician assistant certifies that the patient has a terminal illness or condition that is likely to result in death within 30 days and that moving the patient would not be in the best interests of the patient and patient's family; (2) no open nursing home beds are available within 25 miles of the facility; and (3) no open beds are available in any Medicare hospice program within 50 miles of the facility. The daily medical assistance payment for nursing care for the patient in the swing bed is the statewide average medical assistance skilled nursing care per diem as computed annually by the commissioner on July 1 of each year.~~

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

Sec. 67. Minnesota Statutes 2024, section 256B.0625, is amended by adding a subdivision to read:

Subd. 2b. Nursing care provided to a patient in a swing bed. (a) Medical assistance must not be used to pay the costs of nursing care provided to a patient in a swing bed as defined in section 144.562, unless:

(1) the facility where the swing bed is located is eligible as a sole community provider, as defined in Code of Federal Regulations, title 42, section 412.92, or the facility is a public hospital owned by a governmental entity with 15 or fewer licensed acute care beds;

(2) the Centers for Medicare and Medicaid Services approves the necessary state plan amendments;

55.1 (3) the patient was screened as provided by law;

55.2 (4) the patient no longer requires acute care services; and

55.3 (5) no nursing home beds are available within 25 miles of the facility.

55.4 (b) The commissioner shall exempt a facility from compliance with the sole community
55.5 provider requirement in paragraph (a), clause (1), if, as of January 1, 2004, the facility had
55.6 an agreement with the commissioner to provide medical assistance swing bed services.

55.7 (c) Medical assistance also covers up to ten days of nursing care provided to a patient
55.8 in a swing bed if:

55.9 (1) the patient's physician, advanced practice registered nurse, or physician assistant
55.10 certifies that the patient has a terminal illness or condition that is likely to result in death
55.11 within 30 days and that moving the patient would not be in the best interests of the patient
55.12 and patient's family;

55.13 (2) no open nursing home beds are available within 25 miles of the facility; and

55.14 (3) no open beds are available in any Medicare hospice program within 50 miles of the
55.15 facility.

55.16 (d) The commissioner shall exempt any facility described under section 144.5621 from
55.17 compliance with the requirements of paragraph (a), clauses (3) and (5), and paragraph (c),
55.18 and medical assistance covers an unlimited number of days of nursing care provided to a
55.19 patient in a swing bed at a facility described under section 144.5621.

55.20 (e) The daily medical assistance payment for nursing care for the patient in the swing
55.21 bed is the statewide average medical assistance skilled nursing care per diem as computed
55.22 annually by the commissioner on July 1 of each year.

55.23 **EFFECTIVE DATE.** This section is effective January 1, 2026, or upon federal approval,
55.24 whichever is later. The commissioners of health and human services shall inform the revisor
55.25 of statutes when federal approval is obtained.

55.26 Sec. 68. Minnesota Statutes 2024, section 256B.692, subdivision 2, is amended to read:

55.27 Subd. 2. **Duties of commissioner of health.** (a) Notwithstanding chapters 62D and 62N,
55.28 a county that elects to purchase medical assistance in return for a fixed sum without regard
55.29 to the frequency or extent of services furnished to any particular enrollee is not required to
55.30 obtain a certificate of authority under chapter 62D or 62N. The county board of
55.31 commissioners is the governing body of a county-based purchasing program. In a multicounty
55.32 arrangement, the governing body is a joint powers board established under section 471.59.

56.1 (b) A county that elects to purchase medical assistance services under this section must
56.2 satisfy the commissioner of health that the requirements for assurance of consumer protection,
56.3 provider protection, and fiscal solvency of chapter 62D, applicable to health maintenance
56.4 organizations will be met according to the following schedule:

56.5 (1) for a county-based purchasing plan approved on or before June 30, 2008, the plan
56.6 must have in reserve:

56.7 (i) at least 50 percent of the minimum amount required under chapter 62D as of January
56.8 1, 2010;

56.9 (ii) at least 75 percent of the minimum amount required under chapter 62D as of January
56.10 1, 2011;

56.11 (iii) at least 87.5 percent of the minimum amount required under chapter 62D as of
56.12 January 1, 2012; and

56.13 (iv) at least 100 percent of the minimum amount required under chapter 62D as of January
56.14 1, 2013; and

56.15 (2) for a county-based purchasing plan first approved after June 30, 2008, the plan must
56.16 have in reserve:

56.17 (i) at least 50 percent of the minimum amount required under chapter 62D at the time
56.18 the plan begins enrolling enrollees;

56.19 (ii) at least 75 percent of the minimum amount required under chapter 62D after the first
56.20 full calendar year;

56.21 (iii) at least 87.5 percent of the minimum amount required under chapter 62D after the
56.22 second full calendar year; and

56.23 (iv) at least 100 percent of the minimum amount required under chapter 62D after the
56.24 third full calendar year.

56.25 (c) Until a plan is required to have reserves equaling at least 100 percent of the minimum
56.26 amount required under chapter 62D, the plan may demonstrate its ability to cover any losses
56.27 by satisfying the requirements of chapter 62N. A county-based purchasing plan must also
56.28 assure the commissioner of health that the requirements of sections 62J.041; 62J.48; 62J.71
56.29 to 62J.73; all applicable provisions of chapter 62Q, including sections 62Q.075; 62Q.1055;
56.30 62Q.106; 62Q.12; 62Q.135; 62Q.14; 62Q.19; 62Q.23, paragraph (c); 62Q.43; 62Q.47;
56.31 62Q.50; 62Q.52 to 62Q.56; 62Q.58; 62Q.68 to 62Q.72; and 72A.201 will be met.

(d) All enforcement and rulemaking powers available under chapters 62D, 62J, 62N, and 62Q are hereby granted to the commissioner of health with respect to counties that purchase medical assistance services under this section.

(e) The commissioner, in consultation with county government, shall develop administrative and financial reporting requirements for county-based purchasing programs relating to sections 62D.041, 62D.042, 62D.045, 62D.08, 62N.28, 62N.29, and 62N.31, and other sections as necessary, that are specific to county administrative, accounting, and reporting systems and consistent with other statutory requirements of counties.

(f) The commissioner shall collect from a county-based purchasing plan under this section the following fees:

(1) fees attributable to the costs of audits and other examinations of plan financial operations. These fees are subject to the provisions of Minnesota Rules, part 4685.2800, subpart 1, item F; and

(2) an annual fee of ~~\$21,500~~ \$30,000, to be paid by June 15 of each calendar year.

All fees collected under this paragraph shall be deposited in the state government special revenue fund.

Sec. 69. Minnesota Statutes 2024, section 256R.01, is amended by adding a subdivision to read:

Subd. 1a. Payment rates for nursing care provided to a patient in a swing bed. Payment rates paid to any hospital for nursing care provided to a patient in a swing bed must be those rates established pursuant to section 256B.0625, subdivision 2b.

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

Sec. 70. Minnesota Statutes 2024, section 326.72, subdivision 1, is amended to read:

Subdivision 1. When license required. ~~A person within the state intending to directly perform or cause to be performed through subcontracting or similar delegation any asbestos-related work either for financial gain or with respect to the person's own property shall first apply for and obtain a license from the commissioner. The license shall be in writing, be dated when issued, contain an expiration date, be signed by the commissioner, and give the name and address of the person to whom it is issued.~~

~~The domiciled owner of a single family residence is not required to hold a license or pay a project permit fee to conduct asbestos-related work in the domiciled residence.~~

Any person performing any asbestos-related work within the state must be licensed by the commissioner, whether directly performing asbestos work or causing it to be performed through subcontracting or similar delegation. A domiciled owner of a single-family residence is not required to hold a license or pay a project permit fee to conduct asbestos-related work in the domiciled residence.

Sec. 71. Minnesota Statutes 2024, section 326.75, subdivision 3, is amended to read:

Subd. 3. **Permit fee.** Five calendar days before beginning asbestos-related work, a person shall pay a project permit fee to the commissioner equal to ~~two~~ three percent of the total costs of the asbestos-related work. For asbestos-related work performed in single or multifamily residences, of greater than ten but less than 260 linear feet of asbestos-containing material on pipes, or greater than six but less than 160 square feet of asbestos-containing material on other facility components, a person shall pay a project permit fee of \$35 to the commissioner.

Sec. 72. Minnesota Statutes 2024, section 326.75, subdivision 3a, is amended to read:

Subd. 3a. **Asbestos-related training course permit fee.** ~~The commissioner shall establish by rule a permit fee to be paid by~~ A training course provider shall pay the commissioner a fee of \$500 on application for a training course permit or and \$250 for the renewal of a permit of each asbestos-related training course required for certification or registration.

Sec. 73. Minnesota Statutes 2024, section 327.15, subdivision 2, is amended to read:

Subd. 2. **License renewal.** Initial and renewal licenses for all manufactured home parks and recreational camping areas shall be issued annually and shall have an expiration date included on the license. Any person who operates a manufactured home park or recreational camping area after the expiration date of a license or without having submitted an application and paid the fee shall be deemed to have violated the provisions of this chapter and shall be subject to enforcement action, as provided in the Health Enforcement Consolidation Act, sections 144.989 to 144.993. In addition, a penalty of ~~\$120~~ \$200 shall be added to the total of the license fee for any manufactured home park or recreational camping area operating without a license for a period of up to 30 days. A late fee of ~~\$360~~ \$450 shall be added to the license fee for any manufactured home park or recreational camping area operating more than 30 days without a license.

Sec. 74. Minnesota Statutes 2024, section 327.15, subdivision 3, is amended to read:

Subd. 3. Fees, manufactured home parks and recreational camping areas. (a) The following fees are required for manufactured home parks and recreational camping areas licensed under this chapter. Fees collected under this section shall be deposited in the state government special revenue fund. Recreational camping areas and manufactured home parks shall pay the highest applicable base fee under paragraph (b). The license fee for new operators of a manufactured home park or recreational camping area previously licensed under this chapter for the same calendar year is one-half of the appropriate annual license fee, plus any penalty that may be required. The license fee for operators opening on or after October 1 is one-half of the appropriate annual license fee, plus any penalty that may be required.

(b) All manufactured home parks and recreational camping areas shall pay the following annual base fee:

(1) a manufactured home park, ~~\$165~~ \$280; and

(2) a recreational camping area with:

(i) 24 or less sites, ~~\$55~~ \$100;

(ii) 25 to 99 sites, ~~\$230~~ \$410; and

(iii) 100 or more sites, ~~\$330~~ \$610.

In addition to the base fee, manufactured home parks and recreational camping areas shall pay ~~\$5~~ \$8 for each licensed site. This paragraph does not apply to special event recreational camping areas. Operators of a manufactured home park or a recreational camping area also licensed under section 157.16 for the same location shall pay only one base fee, whichever is the highest of the base fees found in this section or section 157.16.

(c) In addition to the fee in paragraph (b), each manufactured home park or recreational camping area shall pay an additional annual fee for each fee category specified in this paragraph:

(1) Manufactured home parks and recreational camping areas with public swimming pools and spas shall pay the appropriate fees specified in section 157.16.

(2) Individual private sewer or water, ~~\$60~~ \$85. "Individual private water" means a fee category with a water supply other than a community public water supply as defined in Minnesota Rules, chapter 4720. "Individual private sewer" means a fee category with a subsurface sewage treatment system which uses subsurface treatment and disposal.

(d) The following fees must accompany a plan review application for initial construction of a manufactured home park or recreational camping area:

(1) for initial construction of less than 25 sites, ~~\$375~~ \$400;

(2) for initial construction of 25 to 99 sites, ~~\$400~~ \$425; and

(3) for initial construction of 100 or more sites, ~~\$500~~ \$525.

(e) The following fees must accompany a plan review application when an existing manufactured home park or recreational camping area is expanded:

(1) for expansion of less than 25 sites, ~~\$250~~ \$300;

(2) for expansion of 25 to 99 sites, ~~\$300~~ \$350; and

(3) for expansion of 100 or more sites, ~~\$450~~ \$500.

Sec. 75. Minnesota Statutes 2024, section 327.15, subdivision 4, is amended to read:

Subd. 4. **Fees, special event recreational camping areas.** (a) The following fees are required for special event recreational camping areas licensed under this chapter.

(b) All special event recreational camping areas shall pay an annual fee of ~~\$150~~ \$250 plus ~~\$1~~ \$4 for each licensed site.

(c) A special event recreational camping area shall pay a late fee of ~~\$360~~ \$450 for failing to obtain a license prior to operating.

(d) The following fees must accompany a plan review application for initial construction of a special event recreational camping area:

(1) for initial construction of less than 25 special event recreational camping sites, ~~\$375~~ \$475;

(2) for initial construction of 25 to 99 sites, ~~\$400~~ \$500; and

(3) for initial construction of 100 or more sites, ~~\$500~~ \$600.

(e) The following fees must accompany a plan review application for expansion of a special event recreational camping area:

(1) for expansion of less than 25 sites, ~~\$250~~ \$300;

(2) for expansion of 25 to 99 sites, ~~\$300~~ \$350; and

(3) for expansion of 100 or more sites, ~~\$450~~ \$500.

61.1 Sec. 76. Minnesota Statutes 2024, section 327.15, is amended by adding a subdivision to
61.2 read:

61.3 Subd. 5. **Technology fee.** All manufactured home parks, recreational camping areas,
61.4 and special event camping areas must pay a \$5 technology fee at initial licensing and upon
61.5 each renewal.

61.6 Sec. 77. **SPOKEN LANGUAGE HEALTH CARE INTERPRETER WORK GROUP.**

61.7 Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have
61.8 the meanings given.

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

61.10 (c) "Common languages" means the 15 most frequent languages without regard to dialect
61.11 in Minnesota.

61.12 (d) "Registered interpreter" means a spoken language interpreter who is listed on the
61.13 Department of Health's spoken language health care interpreter roster.

61.14 (e) "Work group" means the spoken language health care interpreter work group
61.15 established in subdivision 2.

61.16 Subd. 2. **Composition.** The commissioner shall, after receiving work group candidate
61.17 applications, appoint 15 members to the work group consisting of the following members:

61.18 (1) three members who are interpreters listed on the Department of Health's spoken
61.19 language health care interpreter roster and who are Minnesota residents. Of these members:
61.20 (i) each must be an interpreter for a different language; (ii) at least one must have a national
61.21 certification credential; and (iii) at least one must have been listed on the roster as an
61.22 interpreter in a language other than the common languages and must have completed a
61.23 nationally recognized training program for health care interpreters that is, at a minimum,
61.24 40 hours in length;

61.25 (2) three members representing limited English proficiency (LEP) individuals. Of these
61.26 members, two must represent LEP individuals who are not proficient in a common language
61.27 and one must represent LEP individuals who are proficient in a language that is not one of
61.28 the common languages;

61.29 (3) one member representing a health plan company;

61.30 (4) one member representing a Minnesota health system who is not an interpreter;

62.1 (5) two members representing interpreter agencies, including one member representing
62.2 agencies whose main office is located outside the seven-county metropolitan area and one
62.3 member representing agencies whose main office is located within the seven-county
62.4 metropolitan area;

62.5 (6) one member representing the Department of Health;

62.6 (7) one member representing the Department of Human Services;

62.7 (8) one member representing an interpreter training program or postsecondary educational
62.8 institution program providing interpreter courses or skills assessment;

62.9 (9) one member who is affiliated with a Minnesota-based or Minnesota chapter of a
62.10 national or international organization representing interpreters; and

62.11 (10) one member who is a licensed direct care health provider.

62.12 Subd. 3. **Duties.** The work group must compile a list of recommendations to support
62.13 and improve access to the critical health care interpreting services provided across the state,
62.14 including but not limited to:

62.15 (1) changing requirements for registered and certified interpreters to reflect changing
62.16 needs of the Minnesota health care community and emerging national standards of training,
62.17 competency, and testing;

62.18 (2) addressing barriers for interpreters to gain access to the roster, including barriers to
62.19 interpreters of uncommon languages and interpreters in rural areas;

62.20 (3) reimbursing spoken language health care interpreting;

62.21 (4) identifying gaps in interpreter services in rural areas and recommending ways to
62.22 address interpreter training and funding needs;

62.23 (5) providing training, certification, and continuing education programs;

62.24 (6) convening a meeting of public and private sector representatives of the spoken
62.25 language health care interpreters community to identify ongoing sources of financial
62.26 assistance to aid individual interpreters in meeting interpreter training and testing registry
62.27 requirements;

62.28 (7) conducting surveys of people receiving and providing interpreter services to
62.29 understand changing needs and consumer quality care; and

62.30 (8) suggesting changes in requirements and qualifications on telehealth or remote
62.31 interpreting.

63.1 Subd. 4. **Compensation; expense reimbursement.** Compensation shall be offered to
63.2 work group members not being compensated for their participation in work group activities
63.3 as part of their existing job duties. Work group members shall be compensated and
63.4 reimbursed for expenses for work group activities under section 15.059, subdivision 3.

63.5 Subd. 5. **Administrative support; meeting space; meeting facilitation.** The
63.6 commissioner must provide meeting space and administrative support for the work group.
63.7 The commissioner may contract with a neutral independent consultant to provide this
63.8 administrative support and to facilitate and lead the meetings of the work group.

63.9 Subd. 6. **Deadline for appointments.** The commissioner must appoint members to the
63.10 work group by August 15, 2025.

63.11 Subd. 7. **Expiration.** This section expires on November 2, 2026, or upon submission
63.12 of the report required under subdivision 9, whichever is earlier.

63.13 Subd. 8. **Initial spoken language health care interpreter work group meetings.** The
63.14 commissioner shall convene the first meeting of the work group by October 1, 2025. Prior
63.15 to the first meeting, work group members must receive results from previously conducted
63.16 surveys and gather evidence-based research on interpreter services in Minnesota. During
63.17 the first meetings, work group members may consult with subject matter experts, including
63.18 but not limited to signed language interpreting experts, academic experts with knowledge
63.19 of interpreting research, and academic health experts to address specific gaps in spoken
63.20 language health care interpreting. The work group shall provide a minimum of two
63.21 opportunities for public comment. These opportunities shall be announced with at least four
63.22 weeks' notice, with publicity in the five most common languages in Minnesota. Interpreters
63.23 for those same languages shall be provided during the public comment opportunities.

63.24 Subd. 9. **Report.** The commissioner must provide the chairs and ranking minority
63.25 members of the legislative committees with jurisdiction over health care interpreter services
63.26 with recommendations, including draft legislation and any statutory changes needed to
63.27 implement the recommendations, to improve and support access to health care interpreting
63.28 services statewide by November 1, 2026.

63.29 Sec. 78. **AFRICAN AMERICAN-FOCUSED HOMEPLACE GRANT PROGRAM.**

63.30 (a) The commissioner of health must establish a grant program to strengthen and
63.31 implement the current model of the African American-focused Homeplace in Hennepin
63.32 County. The purpose of the model is to improve access to culturally centered healing and

64.1 care during pregnancy and the postpartum period, with the goal of improving maternal and
64.2 child health outcomes.

64.3 (b) By December 15, 2026, the grantee must submit a report to the commissioner of
64.4 health on the implementation and progress of Homeplace in Hennepin County. The report
64.5 must outline outcomes achieved and recommendations for future funding and program
64.6 expansion.

64.7 Sec. 79. **EMERGENCY AMBULANCE SERVICE GRANTS.**

64.8 Subdivision 1. Definitions. (a) For purposes of this section, the following terms have
64.9 the meanings given.

64.10 (b) "Ambulance service" has the meaning given in Minnesota Statutes, section 144E.001,
64.11 subdivision 3.

64.12 (c) "Capital expenses" means expenses that are incurred by a licensed ambulance service
64.13 provider for the purchase, improvement, or maintenance of long-term assets to improve the
64.14 efficiency or capability of the ambulance services, with an expected useful life of greater
64.15 than five years.

64.16 (d) "Director" means the director of the Office of Emergency Medical Services.

64.17 (e) "EMS responses" means the number of responses provided within a primary service
64.18 area during calendar year 2024 by the licensed ambulance service provider designated to
64.19 serve the primary service area.

64.20 (f) "Licensed ambulance service provider" or "provider" means a natural person,
64.21 partnership, association, corporation, Tribal government, or unit of government that possesses
64.22 an ambulance service license under Minnesota Statutes, chapter 144E.

64.23 (g) "Metropolitan county" means a metropolitan county listed in Minnesota Statutes,
64.24 section 473.121, subdivision 4.

64.25 (h) "Multiple license holder" means a licensed ambulance service provider, a licensed
64.26 ambulance service provider's parent company, a subsidiary of the licensed ambulance service
64.27 provider, or a subsidiary of the licensed ambulance service provider's parent company that
64.28 collectively holds more than one license.

64.29 (i) "Nonexcluded license" means a license that is not excluded under subdivision 3 from
64.30 receiving grants under this section.

65.1 (j) "Operational expenses" means costs related to personnel expenses, supplies and
65.2 equipment, fuel, vehicle maintenance, travel, education, fundraising, and expenses associated
65.3 with obtaining advanced life support intercepts.

65.4 (k) "Primary service area" has the meaning given in Minnesota Statutes, section 144E.001,
65.5 subdivision 10.

65.6 (l) "Response density" means the quotient of EMS responses divided by the square
65.7 mileage of the primary service area.

65.8 (m) "Unit of government" means a county, a statutory or home rule charter city, or a
65.9 township.

65.10 Subd. 2. **Excluded services.** The director must exclude EMS responses by a specialized
65.11 life support service as described in Minnesota Statutes, section 144E.101, subdivision 9,
65.12 when calculating EMS responses, response density, and grant payments under this section.

65.13 Subd. 3. **Certain multiple license holders excluded.** (a) Except as provided under
65.14 paragraph (b), all licenses held by a multiple license holder are ineligible for grant payments
65.15 under this section if any license held by a multiple license holder is designated to serve a
65.16 primary service area, any portion of which is located within the cities of Duluth, Mankato,
65.17 Moorhead, Rochester, or St. Cloud, or a metropolitan county.

65.18 (b) For a multiple license holder affiliated with a private, nonprofit adult hospital that
65.19 is located in Hennepin County and designated by the commissioner of health as a level I
65.20 trauma hospital, only the licenses held by the multiple license holder and located entirely
65.21 within one or more metropolitan counties are ineligible for grant payments under this section.

65.22 Subd. 4. **Eligibility.** A licensed ambulance service provider is eligible for grants under
65.23 this section if the licensed ambulance service provider:

65.24 (1) possessed a nonexcluded license in calendar year 2023;

65.25 (2) continues to operate under the nonexcluded license during calendar year 2025; and

65.26 (3) completes the requirements under subdivision 5.

65.27 Subd. 5. **Application process.** (a) An eligible licensed ambulance service provider may
65.28 apply to the director, in the form and manner determined by the director, for a grant under
65.29 this section. Applications must be submitted by September 16, 2025. The director may
65.30 require an eligible licensed ambulance service provider to submit any information necessary,
65.31 including financial statements, to make the calculations under subdivision 6. An eligible

66.1 licensed ambulance service provider who applies for a grant under this section must provide
66.2 a copy of the application to the executive director of the board by September 16, 2025.

66.3 (b) The director must establish a process for verifying the data submitted with applications
66.4 under this section. By September 20, 2025, for each eligible licensed ambulance service
66.5 provider that applies for a grant under paragraph (a), the director must certify the following
66.6 information:

66.7 (1) EMS responses by primary service area reported for calendar year 2024;

66.8 (2) EMS responses by primary service area reported for calendar year 2024 that were
66.9 provided by a specialized life support service;

66.10 (3) information necessary to determine the location of each primary service area, including
66.11 municipalities served; and

66.12 (4) the square mileage of each primary service area as of January 1, 2025.

66.13 Subd. 6. Director calculations. (a) Prior to determining a grant amount for eligible
66.14 licensed ambulance service providers, the director must make the calculations in paragraphs
66.15 (b) to (d).

66.16 (b) The director must determine the amount equal to dividing 20 percent of the amount
66.17 appropriated for grant payments under this section equally among all eligible licensed
66.18 ambulance service providers who possess at least one nonexcluded license. Eligible licensed
66.19 ambulance service providers who possess only one nonexcluded license do not qualify for
66.20 a payment under this paragraph if the nonexcluded license has a response density greater
66.21 than 30.

66.22 (c) For each nonexcluded license with a response density less than or equal to 30 held
66.23 by an eligible licensed ambulance service provider, the director must determine the amount
66.24 equal to the product of 40 percent of the amount appropriated for grants under this section
66.25 multiplied by the quotient of the square mileage of the primary service area served under
66.26 the nonexcluded license divided by the total square mileage of all primary service areas
66.27 served under nonexcluded licenses.

66.28 (d) For each nonexcluded license with a response density less than or equal to 30 held
66.29 by an eligible licensed ambulance service provider, the director must determine the amount
66.30 equal to the product of 40 percent of the amount appropriated for grants under this section
66.31 multiplied by the quotient of the number of points determined under clauses (1) to (4) for
66.32 each nonexcluded license with a response density less than or equal to 30 divided by the
66.33 total points determined under clauses (1) to (4) for all nonexcluded licenses with a response

67.1 density less than or equal to 30 held by eligible licensed ambulance service providers. For
67.2 calculations under this paragraph, the director must determine points as follows:

67.3 (1) for EMS response one to EMS response 500, a nonexcluded license is awarded ten
67.4 points for each EMS response;

67.5 (2) for EMS response 501 to EMS response 1,500, a nonexcluded license is awarded
67.6 five points for each EMS response;

67.7 (3) for EMS response 1,501 to EMS response 2,500, a nonexcluded license is awarded
67.8 zero points for each EMS response; and

67.9 (4) for EMS response 2,501 and each subsequent EMS response, a nonexcluded license's
67.10 points are reduced by two points for each EMS response, except a nonexcluded license's
67.11 total awarded points must not be reduced below zero.

67.12 Subd. 7. **Grant amount.** The director must make a grant award to each eligible licensed
67.13 ambulance service provider in the amount equal to the sum of the amounts calculated in
67.14 subdivision 6, paragraphs (b) to (d), for each nonexcluded license held by the eligible
67.15 licensed ambulance service.

67.16 Subd. 8. **Eligible uses.** A licensed ambulance service provider must spend grant money
67.17 received under this section on operational expenses and capital expenses incurred to provide
67.18 ambulance services within the licensed ambulance service provider's primary service area
67.19 that is located in Minnesota.

67.20 Subd. 9. **Administration.** (a) The director must certify the grant amount to each licensed
67.21 ambulance service provider by December 1, 2025.

67.22 (b) The director must award the full grant amount to each eligible licensed ambulance
67.23 service provider by December 26, 2025.

67.24 (c) Any money not spent on or encumbered for eligible uses by December 31, 2026,
67.25 must be returned to the director.

67.26 Subd. 10. **Report.** By February 15, 2027, each licensed ambulance service provider that
67.27 receives a grant under this section must submit a report to the director and the chairs and
67.28 ranking minority members of the legislative committees with jurisdiction over health finance
67.29 and policy. The report must include the grant amount that each licensed ambulance service
67.30 provider received, the grant amount that was spent on or encumbered for operational
67.31 expenses, the grant amount that was spent on or encumbered for capital expenses, and
67.32 documentation sufficient to establish that grant money was spent on or encumbered for

68.1 eligible uses as defined in subdivision 8. The director may request financial statements or
68.2 other information necessary to verify that grants were spent on eligible uses.

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

68.4 Sec. 80. **RULEMAKING.**

68.5 The Department of Health must adopt rules using the expedited process under Minnesota
68.6 Statutes, section 14.389, to amend certain parts in Minnesota Rules, chapter 4695, to conform
68.7 with the changes made in this act.

68.8 Sec. 81. **REPEALER.**

68.9 (a) Minnesota Statutes 2024, sections 62J.824; and 103I.550, are repealed.

68.10 (b) Minnesota Rules, part 4695.2900, is repealed.

68.11 **ARTICLE 2**

68.12 **DEPARTMENT OF HEALTH POLICY**

68.13 Section 1. Minnesota Statutes 2024, section 62J.461, subdivision 3, is amended to read:

68.14 Subd. 3. **Reporting by covered entities to the commissioner.** (a) Each 340B covered
68.15 entity shall report to the commissioner by April 1 of each year the following information
68.16 for transactions conducted by the 340B covered entity or on its behalf, and related to its
68.17 participation in the federal 340B program for the previous calendar year:

68.18 (1) the aggregated acquisition cost for prescription drugs obtained under the 340B
68.19 program;

68.20 (2) the aggregated payment amount received for drugs obtained under the 340B program
68.21 and dispensed or administered to patients;

68.22 (i) that are net of the contracted price for insurance claims payments; and

68.23 (ii) that reflect the portion of payment received from grants, cash, or other payment types
68.24 that relate to the dispensing or administering of drugs obtained under the 340B program;

68.25 (3) the number of pricing units dispensed or administered for prescription drugs described
68.26 in clause (2); and

68.27 (4) the aggregated payments made:

68.28 (i) to contract pharmacies to dispense drugs obtained under the 340B program;

(ii) to any other entity that is not the covered entity and is not a contract pharmacy for managing any aspect of the covered entity's 340B program; and

(iii) for all other internal, direct expenses related to administering the 340B program with a detailed description of the direct costs included.

The information under clauses (2) and (3) must be reported by payer type, including but not limited to commercial insurance, medical assistance, MinnesotaCare, and Medicare, in the form and manner prescribed by the commissioner.

(b) For covered entities that are hospitals, the information required under paragraph (a), clauses (1) to (3), must also be reported at the national drug code level for the 50 most frequently dispensed or administered drugs by the facility under the 340B program.

(c) Data submitted to the commissioner under paragraphs (a) and (b) are classified as nonpublic data, as defined in section 13.02, subdivision 9.

Sec. 2. Minnesota Statutes 2024, section 62J.461, subdivision 4, is amended to read:

Subd. 4. Enforcement and exceptions. (a) Any ~~health-care~~ covered entity subject to reporting under this section that fails to provide data in the form and manner prescribed by the commissioner is subject to the levy of a fine ~~paid to the commissioner~~ of up to \$500 for each day the data are past due. Any fine levied against the entity under this subdivision is subject to the contested case and judicial review provisions of sections 14.57 ~~and~~ to 14.69.

(b) The commissioner may grant an entity an extension of or exemption from the reporting obligations under this ~~subdivision~~ section, upon a showing of good cause by the entity.

Sec. 3. Minnesota Statutes 2024, section 62J.461, subdivision 5, is amended to read:

Subd. 5. Reports to the legislature. By November 15, 2024, and by November 15 of each year thereafter, the commissioner shall submit to the chairs and ranking minority members of the legislative committees with jurisdiction over health care finance and policy, a report that aggregates the data submitted under subdivision 3, paragraphs (a) and (b). ~~The following information must be included in the report~~ For all 340B entities whose net 340B revenue constitutes a significant share, as determined by the commissioner, of all net 340B revenue across all 340B covered entities in Minnesota, the following information must also be included in the report:

(1) the information submitted under subdivision 2; and

(2) for each 340B entity identified in subdivision 2, that entity's 340B net revenue as calculated using the data submitted under subdivision 3, paragraph (a), with net revenue being subdivision 3, paragraph (a), clause (2), less the sum of subdivision 3, paragraph (a), clauses (1) and (4).

For all other entities, the data in the report must be aggregated to the entity type or groupings of entity types in a manner that prevents the identification of an individual entity and any entity's specific data value reported for an individual data element.

Sec. 4. Minnesota Statutes 2024, section 62J.51, subdivision 19a, is amended to read:

Subd. 19a. **Uniform explanation of benefits document.** "Uniform explanation of benefits document" means either the document associated with and explaining the details of a group purchaser's claim adjudication for services rendered or its electronic equivalent under section 62J.581, which is sent to a patient.

Sec. 5. Minnesota Statutes 2024, section 62J.581, is amended to read:

62J.581 STANDARDS FOR MINNESOTA UNIFORM HEALTH CARE REIMBURSEMENT DOCUMENTS.

Subdivision 1. **Minnesota uniform remittance advice.** All group purchasers shall provide a uniform claim payment/advice transaction to health care providers when a claim is adjudicated. The uniform claim payment/advice transaction shall comply with section 62J.536, subdivision 1, paragraph (b), and rules adopted under section 62J.536, subdivision 2.

Subd. 2. **Minnesota uniform explanation of benefits document.** (a) All group purchasers shall provide a uniform explanation of benefits document to health care patients when an explanation of benefits document is provided as otherwise required or permitted by law. The uniform explanation of benefits document shall comply with the standards prescribed in this section.

(b) Notwithstanding paragraph (a), this section does not apply to group purchasers not included as covered entities under United States Code, title 42, sections 1320d to 1320d-8, as amended from time to time, and the regulations promulgated under those sections.

Subd. 3. **Scope.** For purposes of sections 62J.50 to 62J.61, the ~~uniform claim payment/advice transaction and~~ uniform explanation of benefits document format specified in subdivision 4 shall apply to all health care services delivered by a health care provider or health care provider organization in Minnesota, regardless of the location of the payer.

Health care services not paid on an individual claims basis, such as capitated payments, are not included in this section. A health plan company is excluded from the requirements in ~~subdivisions 1 and~~ subdivision 2 if they comply with section 62A.01, subdivisions 2 and 3.

Subd. 4. **Specifications.** (a) The uniform explanation of benefits document shall be provided by use of a paper document conforming to the specifications in this section or its electronic equivalent under paragraph (b).

(b) Group purchasers may make the uniform explanation of benefits available in a version that can be accessed by health care patients electronically if:

(1) the group purchaser making the uniform explanation of benefits available electronically provides health care patients the ability to choose whether to receive paper, electronic, or both paper and electronic versions of their uniform explanation of benefits;

(2) the group purchaser provides clear, readily accessible information and instructions for the patient to communicate their choice; and

(3) health care patients not responding to the opportunity to make a choice will receive at a minimum a paper uniform explanation of benefits.

(c) The commissioner, after consulting with the Administrative Uniformity Committee, shall specify the data elements and definitions for the paper uniform explanation of benefits document. The commissioner and the Administrative Uniformity Committee must consult with the Minnesota Dental Association and Delta Dental Plan of Minnesota before requiring under this section the use of a paper document for the uniform explanation of benefits document or the uniform claim payment/advice transaction for dental care services. Any electronic version of the uniform explanation of benefits must use the same data elements and definitions as the paper uniform explanation of benefits.

~~Subd. 5. **Effective date.** The requirements in subdivisions 1 and 2 are effective June 30, 2007. The requirements in subdivisions 1 and 2 apply regardless of when the health care service was provided to the patient.~~

Sec. 6. Minnesota Statutes 2024, section 62J.84, subdivision 2, is amended to read:

Subd. 2. **Definitions.** (a) For purposes of this section, the terms defined in this subdivision have the meanings given.

(b) "Biosimilar" means a drug that is produced or distributed pursuant to a biologics license application approved under United States Code, title 42, section 262(K)(3).

72.1 (c) "Brand name drug" means a drug that is produced or distributed pursuant to:

72.2 (1) a new drug application approved under United States Code, title 21, section 355(c),
72.3 except for a generic drug as defined under Code of Federal Regulations, title 42, section
72.4 447.502; or

72.5 (2) a biologics license application approved under United States Code, title 42, section
72.6 262(a)(c).

72.7 (d) "Commissioner" means the commissioner of health.

72.8 (e) "Generic drug" means a drug that is marketed or distributed pursuant to:

72.9 (1) an abbreviated new drug application approved under United States Code, title 21,
72.10 section 355(j);

72.11 (2) an authorized generic as defined under Code of Federal Regulations, title 42, section
72.12 447.502; or

72.13 (3) a drug that entered the market the year before 1962 and was not originally marketed
72.14 under a new drug application.

72.15 (f) "Manufacturer" means a drug manufacturer licensed under section 151.252.

72.16 (g) "New prescription drug" or "new drug" means a prescription drug approved for
72.17 marketing by the United States Food and Drug Administration (FDA) for which no previous
72.18 wholesale acquisition cost has been established for comparison.

72.19 (h) "Patient assistance program" means a program that a manufacturer offers to the public
72.20 in which a consumer may reduce the consumer's out-of-pocket costs for prescription drugs
72.21 by using coupons, discount cards, prepaid gift cards, manufacturer debit cards, or by other
72.22 means.

72.23 (i) "Prescription drug" or "drug" has the meaning provided in section 151.441, subdivision
72.24 8.

72.25 (j) "Price" means the wholesale acquisition cost as defined in United States Code, title
72.26 42, section 1395w-3a(c)(6)(B).

72.27 (k) "30-day supply" means the total daily dosage units of a prescription drug
72.28 recommended by the prescribing label approved by the FDA for 30 days. If the
72.29 FDA-approved prescribing label includes more than one recommended daily dosage, the
72.30 30-day supply is based on the maximum recommended daily dosage on the FDA-approved
72.31 prescribing label.

73.1 (l) "Course of treatment" means the total dosage of a single prescription for a prescription
73.2 drug recommended by the FDA-approved prescribing label. If the FDA-approved prescribing
73.3 label includes more than one recommended dosage for a single course of treatment, the
73.4 course of treatment is the maximum recommended dosage on the FDA-approved prescribing
73.5 label.

73.6 (m) "Drug product family" means a group of one or more prescription drugs that share
73.7 a unique generic drug description or nontrade name and dosage form.

73.8 ~~(n) "Individual salable unit" means the smallest container of product introduced into~~
73.9 ~~commerce by the manufacturer or repackager that is intended by the manufacturer or~~
73.10 ~~repackager for individual sale to a dispenser.~~

73.11 ~~(o)~~ (n) "National drug code" means the three-segment code maintained by the federal
73.12 Food and Drug Administration that includes a labeler code, a product code, and a package
73.13 code for a drug product and that has been converted to an 11-digit format consisting of five
73.14 digits in the first segment, four digits in the second segment, and two digits in the third
73.15 segment. A three-segment code shall be considered converted to an 11-digit format when,
73.16 as necessary, at least one "0" has been added to the front of each segment containing less
73.17 than the specified number of digits such that each segment contains the specified number
73.18 of digits.

73.19 ~~(p)~~ (o) "Pharmacy" or "pharmacy provider" means a community/outpatient pharmacy
73.20 as defined in Minnesota Rules, part 6800.0100, subpart 2, that is also licensed as a pharmacy
73.21 by the Board of Pharmacy under section 151.19.

73.22 ~~(q)~~ (p) "Pharmacy benefit manager" or "PBM" means an entity licensed to act as a
73.23 pharmacy benefit manager under section 62W.03.

73.24 ~~(r)~~ (q) "Pricing unit" means the smallest dispensable amount of a prescription drug
73.25 product that could be dispensed or administered.

73.26 ~~(s)~~ (r) "Rebate" means a discount, chargeback, or other price concession that affects the
73.27 price of a prescription drug product, regardless of whether conferred through regular
73.28 aggregate payments, on a claim-by-claim basis at the point of sale, as part of retrospective
73.29 financial reconciliations, including reconciliations that also reflect other contractual
73.30 arrangements, or by any other method. "Rebate" does not mean a bona fide service fee as
73.31 defined in Code of Federal Regulations, title 42, section 447.502.

73.32 ~~(t)~~ (s) "Reporting entity" means any manufacturer, pharmacy, pharmacy benefit manager,
73.33 wholesale drug distributor, or any other entity required to submit data under this section.

74.1 ~~(u)~~ (t) "Wholesale drug distributor" or "wholesaler" means an entity that:
74.2 ~~(1)~~ is licensed to act as a wholesale drug distributor under section 151.47; ~~and~~ and

74.3 ~~(2) distributes prescription drugs, for which it is not the manufacturer, to persons or~~
74.4 ~~entities, or both, other than a consumer or patient in the state.~~

74.5 Sec. 7. Minnesota Statutes 2024, section 62J.84, subdivision 3, is amended to read:

74.6 Subd. 3. **Prescription drug price increases reporting.** (a) Beginning January 1, 2022,
74.7 a drug manufacturer must submit to the commissioner the information described in paragraph
74.8 (b) for each prescription drug for which the price was \$100 or greater for a 30-day supply
74.9 or for a course of treatment lasting less than 30 days and:

74.10 (1) for brand name drugs where there is an increase of ten percent or greater in the price
74.11 over the previous 12-month period or an increase of 16 percent or greater in the price over
74.12 the previous 24-month period; and

74.13 (2) for generic or biosimilar drugs where there is an increase of 50 percent or greater in
74.14 the price over the previous 12-month period.

74.15 (b) For each of the drugs described in paragraph (a), the manufacturer shall submit to
74.16 the commissioner no later than 60 days after the price increase goes into effect, in the form
74.17 and manner prescribed by the commissioner, the following information, if applicable:

74.18 (1) the description and price of the drug and the net increase, expressed as a percentage,
74.19 with the following listed separately:

74.20 (i) the national drug code;

74.21 (ii) the product name;

74.22 (iii) the dosage form;

74.23 (iv) the strength; and

74.24 (v) the package size;

74.25 (2) the factors that contributed to the price increase;

74.26 (3) the name of any generic version of the prescription drug available on the market;

74.27 (4) the year the prescription drug was introduced for sale in the United States;

74.28 ~~(4)~~ (5) the introductory price of the prescription drug when it was introduced for sale in
74.29 the United States and the price of the drug on the last day of each of the five calendar years
74.30 preceding the price increase;

- 75.1 ~~(5)~~ (6) the direct costs incurred during the previous 12-month period by the manufacturer
75.2 that are associated with the prescription drug, listed separately:
- 75.3 (i) to manufacture the prescription drug;
- 75.4 (ii) to market the prescription drug, including advertising costs; and
- 75.5 (iii) to distribute the prescription drug;
- 75.6 (7) the number of units of the prescription drug sold during the previous 12-month period;
- 75.7 ~~(6)~~ (8) the total sales revenue for the prescription drug during the previous 12-month
75.8 period;
- 75.9 (9) the total rebate payable amount accrued for the prescription drug during the previous
75.10 12-month period;
- 75.11 ~~(7)~~ (10) the manufacturer's net profit attributable to the prescription drug during the
75.12 previous 12-month period;
- 75.13 ~~(8)~~ (11) the total amount of financial assistance the manufacturer has provided through
75.14 patient prescription assistance programs during the previous 12-month period, if applicable;
- 75.15 ~~(9)~~ (12) any agreement between a manufacturer and another entity contingent upon any
75.16 delay in offering to market a generic version of the prescription drug;
- 75.17 ~~(10)~~ (13) the patent expiration date of the prescription drug if it is under patent;
- 75.18 ~~(11)~~ (14) the name and location of the company that manufactured the drug;
- 75.19 ~~(12)~~ (15) if a brand name prescription drug, the highest price paid for the prescription
75.20 drug during the previous calendar year in the ten countries, excluding the United States,
75.21 that charged the highest single price for the prescription drug; and
- 75.22 ~~(13)~~ (16) if the prescription drug was acquired by the manufacturer during the previous
75.23 12-month period, all of the following information:
- 75.24 (i) price at acquisition;
- 75.25 (ii) price in the calendar year prior to acquisition;
- 75.26 (iii) name of the company from which the drug was acquired;
- 75.27 (iv) date of acquisition; and
- 75.28 (v) acquisition price.
- 75.29 (c) The manufacturer may submit any documentation necessary to support the information
75.30 reported under this subdivision.

76.1 Sec. 8. Minnesota Statutes 2024, section 62J.84, subdivision 6, is amended to read:

76.2 Subd. 6. **Public posting of prescription drug price information.** (a) The commissioner
76.3 shall post on the department's website, or may contract with a private entity or consortium
76.4 that satisfies the standards of section 62U.04, subdivision 6, to meet this requirement, the
76.5 following information:

76.6 (1) a list of the prescription drugs reported under subdivisions 3, 4, and 11 to 14 and the
76.7 manufacturers of those prescription drugs; ~~and~~

76.8 (2) a list of reporting entities that reported prescription drug price information under
76.9 subdivisions 3, 4, and 11 to 14; and

76.10 ~~(2)~~ (3) information reported to the commissioner under subdivisions 3, 4, and 11 to 14,
76.11 aggregated on a per-drug basis in a manner that does not allow the identification of a reporting
76.12 entity that is not the manufacturer of the drug.

76.13 (b) The information must be published in an easy-to-read format and in a manner that
76.14 identifies the information that is disclosed on a per-drug basis and must not be aggregated
76.15 in a manner that prevents the identification of the prescription drug.

76.16 (c) The commissioner shall not post to the department's website or a private entity
76.17 contracting with the commissioner shall not post any information described in this section
76.18 if the information is not public data under section 13.02, subdivision 8a; or is trade secret
76.19 information under section 13.37, subdivision 1, paragraph (b); or is trade secret information
76.20 pursuant to the Defend Trade Secrets Act of 2016, United States Code, title 18, section
76.21 1836, as amended. If a reporting entity believes information should be withheld from public
76.22 disclosure pursuant to this paragraph, the reporting entity must clearly and specifically
76.23 identify that information and describe the legal basis in writing when the reporting entity
76.24 submits the information under this section. If the commissioner disagrees with the reporting
76.25 entity's request to withhold information from public disclosure, the commissioner shall
76.26 provide the reporting entity written notice that the information will be publicly posted 30
76.27 days after the date of the notice.

76.28 (d) If the commissioner withholds any information from public disclosure pursuant to
76.29 this subdivision, the commissioner shall post to the department's website a report describing
76.30 the nature of the information and the commissioner's basis for withholding the information
76.31 from disclosure.

76.32 (e) To the extent the information required to be posted under this subdivision is collected
76.33 and made available to the public by another state, by the University of Minnesota, or through

77.1 an online drug pricing reference and analytical tool, the commissioner may reference the
77.2 availability of this drug price data from another source including, within existing
77.3 appropriations, creating the ability of the public to access the data from the source for
77.4 purposes of meeting the reporting requirements of this subdivision.

77.5 Sec. 9. Minnesota Statutes 2024, section 62J.84, subdivision 10, is amended to read:

77.6 Subd. 10. **Notice of prescription drugs of substantial public interest.** (a) No later than
77.7 January 31, 2024, and quarterly thereafter, the commissioner shall produce and post on the
77.8 department's website a list of prescription drugs that the commissioner determines to represent
77.9 a substantial public interest and for which the commissioner intends to request data under
77.10 subdivisions 11 to 14, subject to paragraph (c). The commissioner shall base its inclusion
77.11 of prescription drugs on any information the commissioner determines is relevant to providing
77.12 greater consumer awareness of the factors contributing to the cost of prescription drugs in
77.13 the state, and the commissioner shall consider drug product families that include prescription
77.14 drugs:

77.15 (1) that triggered reporting under subdivision 3 or 4 during the previous calendar quarter;

77.16 (2) for which average claims paid amounts exceeded 125 percent of the price as of the
77.17 claim incurred date during the most recent calendar quarter for which claims paid amounts
77.18 are available; or

77.19 (3) that are identified by members of the public during a public comment process.

77.20 (b) Not sooner than 30 days after publicly posting the list of prescription drugs under
77.21 paragraph (a), the department shall notify, via email, reporting entities registered with the
77.22 department of:

77.23 (1) the requirement to report under subdivisions 11 to 14; and

77.24 (2) the reporting period for which data must be provided.

77.25 (c) The commissioner must not designate more than 500 prescription drugs as having a
77.26 substantial public interest in any one notice.

77.27 (d) Notwithstanding subdivision 16, the commissioner is exempt from chapter 14,
77.28 including section 14.386, in implementing this subdivision.

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

78.1 Sec. 10. Minnesota Statutes 2024, section 62J.84, subdivision 11, is amended to read:

78.2 Subd. 11. **Manufacturer prescription drug substantial public interest reporting.** (a)
78.3 Beginning January 1, 2024, a manufacturer must submit to the commissioner the information
78.4 described in paragraph (b) for any prescription drug:

78.5 (1) included in a notification to report issued to the manufacturer by the department
78.6 under subdivision 10;

78.7 (2) which the manufacturer manufactures or repackages;

78.8 (3) for which the manufacturer sets the wholesale acquisition cost; and

78.9 (4) for which the manufacturer has not submitted data under subdivision 3 during the
78.10 120-day period prior to the date of the notification to report.

78.11 (b) For each of the drugs described in paragraph (a), the manufacturer shall submit to
78.12 the commissioner no later than 60 days after the date of the notification to report, in the
78.13 form and manner prescribed by the commissioner, the following information, if applicable:

78.14 (1) a description of the drug with the following listed separately:

78.15 (i) the national drug code;

78.16 (ii) the product name;

78.17 (iii) the dosage form;

78.18 (iv) the strength; and

78.19 (v) the package size;

78.20 (2) the price of the drug product on the later of:

78.21 (i) the day one year prior to the date of the notification to report;

78.22 (ii) the introduced to market date; or

78.23 (iii) the acquisition date;

78.24 (3) the price of the drug product on the date of the notification to report;

78.25 (4) the year the prescription drug was introduced for sale in the United States;

78.26 ~~(4)~~ (5) the introductory price of the prescription drug when it was introduced for sale in
78.27 the United States and the price of the drug on the last day of each of the five calendar years
78.28 preceding the date of the notification to report;

- 79.1 ~~(5)~~ (6) the direct costs incurred during the ~~12-month period prior to the date of reporting~~
79.2 period specified in the notification to report by the manufacturers that are associated with
79.3 the prescription drug, listed separately:
- 79.4 (i) to manufacture the prescription drug;
- 79.5 (ii) to market the prescription drug, including advertising costs; and
- 79.6 (iii) to distribute the prescription drug;
- 79.7 ~~(6)~~ (7) the number of units of the prescription drug sold during the ~~12-month period~~
79.8 prior to the date of reporting period specified in the notification to report;
- 79.9 ~~(7)~~ (8) the total sales revenue for the prescription drug during the ~~12-month period prior~~
79.10 to the date of reporting period specified in the notification to report;
- 79.11 ~~(8)~~ (9) the total rebate payable amount accrued for the prescription drug during the
79.12 ~~12-month period prior to the date of reporting period specified in~~ the notification to report;
- 79.13 ~~(9)~~ (10) the manufacturer's net profit attributable to the prescription drug during the
79.14 ~~12-month period prior to the date of reporting period specified in~~ the notification to report;
- 79.15 ~~(10)~~ (11) the total amount of financial assistance the manufacturer has provided through
79.16 patient prescription assistance programs during the ~~12-month period prior to the date of~~
79.17 reporting period specified in the notification to report, if applicable;
- 79.18 ~~(11)~~ (12) any agreement between a manufacturer and another entity contingent upon
79.19 any delay in offering to market a generic version of the prescription drug;
- 79.20 ~~(12)~~ (13) the patent expiration date of the prescription drug if the prescription drug is
79.21 under patent;
- 79.22 ~~(13)~~ (14) the name and location of the company that manufactured the drug;
- 79.23 ~~(14)~~ (15) if the prescription drug is a brand name prescription drug, the ten countries
79.24 other than the United States that paid the highest prices for the prescription drug during the
79.25 previous calendar year and their prices; and
- 79.26 ~~(15)~~ (16) if the prescription drug was acquired by the manufacturer within a ~~12-month~~
79.27 period prior to the date of the reporting period specified in the notification to report, all of
79.28 the following information:
- 79.29 (i) the price at acquisition;
- 79.30 (ii) the price in the calendar year prior to acquisition;
- 79.31 (iii) the name of the company from which the drug was acquired;

80.1 (iv) the date of acquisition; and

80.2 (v) the acquisition price.

80.3 (c) The manufacturer may submit any documentation necessary to support the information
80.4 reported under this subdivision.

80.5 Sec. 11. Minnesota Statutes 2024, section 62J.84, subdivision 12, is amended to read:

80.6 Subd. 12. **Pharmacy prescription drug substantial public interest reporting.** (a)
80.7 Beginning January 1, 2024, a pharmacy must submit to the commissioner the information
80.8 described in paragraph (b) for any prescription drug:

80.9 (1) included in a notification to report issued to the pharmacy by the department under
80.10 subdivision 10; and

80.11 (2) that the pharmacy dispensed in Minnesota or mailed to a Minnesota address.

80.12 (b) For each of the drugs described in paragraph (a), the pharmacy shall submit to the
80.13 commissioner no later than 60 days after the date of the notification to report, in the form
80.14 and manner prescribed by the commissioner, the following information, if applicable:

80.15 (1) a description of the drug with the following listed separately:

80.16 (i) the national drug code;

80.17 (ii) the product name;

80.18 (iii) the dosage form;

80.19 (iv) the strength; and

80.20 (v) the package size;

80.21 (2) the number of units of the drug acquired during the ~~12-month period prior to the date~~
80.22 ~~of reporting period specified in the notification to report;~~ of reporting period specified in the notification to report;

80.23 (3) the total spent before rebates by the pharmacy to acquire the drug during the ~~12-month~~
80.24 ~~period prior to the date of reporting period specified in the notification to report;~~ period prior to the date of reporting period specified in the notification to report;

80.25 (4) the total rebate receivable amount accrued by the pharmacy for the drug during the
80.26 ~~12-month period prior to the date of reporting period specified in the notification to report;~~ reporting period specified in the notification to report;

80.27 (5) the number of pricing units of the drug dispensed by the pharmacy during the
80.28 ~~12-month period prior to the date of reporting period specified in the notification to report;~~ reporting period specified in the notification to report;

81.1 (6) the total payment receivable by the pharmacy for dispensing the drug including
81.2 ingredient cost, dispensing fee, and administrative fees during the ~~12-month period prior~~
81.3 ~~to the date of~~ reporting period specified in the notification to report;

81.4 (7) the total rebate payable amount accrued by the pharmacy for the drug during the
81.5 ~~12-month period prior to the date of~~ reporting period specified in the notification to report;
81.6 and

81.7 (8) the average cash price paid by consumers per pricing unit for prescriptions dispensed
81.8 where no claim was submitted to a health care service plan or health insurer during the
81.9 ~~12-month period prior to the date of~~ reporting period specified in the notification to report.

81.10 (c) The pharmacy may submit any documentation necessary to support the information
81.11 reported under this subdivision.

81.12 (d) The commissioner may grant extensions, exemptions, or both to compliance with
81.13 the requirements of paragraphs (a) and (b) by small or independent pharmacies, if compliance
81.14 with paragraphs (a) and (b) would represent a hardship or undue burden to the pharmacy.
81.15 The commissioner may establish procedures for small or independent pharmacies to request
81.16 extensions or exemptions under this paragraph.

81.17 Sec. 12. Minnesota Statutes 2024, section 62J.84, subdivision 13, is amended to read:

81.18 Subd. 13. **PBM prescription drug substantial public interest reporting.** (a) Beginning
81.19 January 1, 2024, a PBM must submit to the commissioner the information described in
81.20 paragraph (b) for any prescription drug:

81.21 (1) included in a notification to report issued to the PBM by the department under
81.22 subdivision 10; and

81.23 (2) for which the PBM fulfilled pharmacy benefit management duties for Minnesota
81.24 residents.

81.25 (b) For each of the drugs described in paragraph (a), the PBM shall submit to the
81.26 commissioner no later than 60 days after the date of the notification to report, in the form
81.27 and manner prescribed by the commissioner, the following information, if applicable:

81.28 (1) a description of the drug with the following listed separately:

81.29 (i) the national drug code;

81.30 (ii) the product name;

81.31 (iii) the dosage form;

- 82.1 (iv) the strength; and
- 82.2 (v) the package size;
- 82.3 (2) the number of pricing units of the drug product filled for which the PBM administered
- 82.4 ~~claims during the 12-month period prior to the date of~~ reporting period specified in the
- 82.5 notification to report;
- 82.6 (3) the total reimbursement amount accrued and payable to pharmacies for pricing units
- 82.7 of the drug product filled for which the PBM administered ~~claims during the 12-month~~
- 82.8 ~~period prior to the date of~~ reporting period specified in the notification to report;
- 82.9 (4) the total reimbursement ~~or administrative fee amount, or both,~~ accrued and receivable
- 82.10 from payers for pricing units of the drug product filled for which the PBM administered
- 82.11 ~~claims during the 12-month period prior to the date of~~ reporting period specified in the
- 82.12 notification to report;
- 82.13 (5) the total administrative fee amount accrued and receivable from payers for pricing
- 82.14 units of the drug product filled during the reporting period specified in the notification to
- 82.15 report;
- 82.16 ~~(5)~~ (6) the total rebate receivable amount accrued by the PBM for the drug product
- 82.17 during the ~~12-month period prior to the date of~~ reporting period specified in the notification
- 82.18 to report; and
- 82.19 ~~(6)~~ (7) the total rebate payable amount accrued by the PBM for the drug product during
- 82.20 the ~~12-month period prior to the date of~~ reporting period specified in the notification to
- 82.21 report.
- 82.22 (c) The PBM may submit any documentation necessary to support the information
- 82.23 reported under this subdivision.

82.24 Sec. 13. Minnesota Statutes 2024, section 62J.84, subdivision 14, is amended to read:

82.25 Subd. 14. **Wholesale drug distributor prescription drug substantial public interest**

82.26 **reporting.** (a) Beginning January 1, 2024, a wholesale drug distributor that distributes

82.27 prescription drugs, for which it is not the manufacturer, to persons or entities, or both, other

82.28 than a consumer or patient in the state, must submit to the commissioner the information

82.29 described in paragraph (b) for any prescription drug:

- 82.30 (1) included in a notification to report issued to the wholesale drug distributor by the
- 82.31 department under subdivision 10; and
- 82.32 (2) that the wholesale drug distributor distributed within or into Minnesota.

83.1 (b) For each of the drugs described in paragraph (a), the wholesale drug distributor shall
83.2 submit to the commissioner no later than 60 days after the date of the notification to report,
83.3 in the form and manner prescribed by the commissioner, the following information, if
83.4 applicable:

83.5 (1) a description of the drug with the following listed separately:

83.6 (i) the national drug code;

83.7 (ii) the product name;

83.8 (iii) the dosage form;

83.9 (iv) the strength; and

83.10 (v) the package size;

83.11 (2) the number of units of the drug product acquired by the wholesale drug distributor
83.12 during the ~~12-month period prior to the date of~~ reporting period specified in the notification
83.13 to report;

83.14 (3) the total spent before rebates by the wholesale drug distributor to acquire the drug
83.15 product during the ~~12-month period prior to the date of~~ reporting period specified in the
83.16 notification to report;

83.17 (4) the total rebate receivable amount accrued by the wholesale drug distributor for the
83.18 drug product during the ~~12-month period prior to the date of~~ reporting period specified in
83.19 the notification to report;

83.20 (5) the number of units of the drug product sold by the wholesale drug distributor during
83.21 the ~~12-month period prior to the date of~~ reporting period specified in the notification to
83.22 report;

83.23 (6) gross revenue from sales in the United States generated by the wholesale drug
83.24 distributor for ~~this the~~ the drug product during the 12-month period prior to the date of reporting
83.25 period specified in the notification to report; and

83.26 (7) total rebate payable amount accrued by the wholesale drug distributor for the drug
83.27 product during the ~~12-month period prior to the date of~~ reporting period specified in the
83.28 notification to report.

83.29 (c) The wholesale drug distributor may submit any documentation necessary to support
83.30 the information reported under this subdivision.

84.1 Sec. 14. Minnesota Statutes 2024, section 62J.84, subdivision 15, is amended to read:

84.2 Subd. 15. **Registration requirements.** ~~Beginning~~ Effective January 1, ~~2024~~ 2026, a
84.3 reporting entity subject to this chapter shall register, or update existing registration
84.4 information, with the department in a form and manner prescribed by the commissioner by
84.5 January 30 each year.

84.6 Sec. 15. Minnesota Statutes 2024, section 62K.10, subdivision 2, is amended to read:

84.7 Subd. 2. ~~Primary care; mental health services; general hospital services~~ Time and
84.8 distance standards. ~~The maximum travel distance or time shall be the lesser of 30 miles~~
84.9 ~~or 30 minutes to the nearest provider of each of the following services: primary care services,~~
84.10 ~~mental health services, and general hospital services~~ Health carriers must meet the time and
84.11 distance standards under Code of Federal Regulations, title 45, section 155.1050.

84.12 Sec. 16. Minnesota Statutes 2024, section 62K.10, subdivision 5, is amended to read:

84.13 Subd. 5. **Waiver.** (a) A health carrier may apply to the commissioner of health for a
84.14 waiver of the requirements in subdivision 2 ~~or 3~~ if it is unable to meet the statutory
84.15 requirements. A waiver application must be submitted on a form provided by the
84.16 commissioner, must be accompanied by an application fee of \$500 for each application to
84.17 waive the requirements in subdivision 2 ~~or 3~~ for one or more provider types per county, and
84.18 must:

84.19 (1) demonstrate with specific data that the requirement of subdivision 2 ~~or 3~~ is not
84.20 feasible in a particular service area or part of a service area; and

84.21 (2) include specific information as to the steps that were and will be taken to address
84.22 the network inadequacy, and, for steps that will be taken prospectively to address network
84.23 inadequacy, the time frame within which those steps will be taken.

84.24 (b) The commissioner shall establish guidelines for evaluating waiver applications,
84.25 standards governing approval or denial of a waiver application, and standards for steps that
84.26 health carriers must take to address the network inadequacy and allow the health carrier to
84.27 meet network adequacy requirements within a reasonable time period. The commissioner
84.28 shall review each waiver application using these guidelines and standards and shall approve
84.29 a waiver application only if:

84.30 (1) the standards for approval established by the commissioner are satisfied; and

84.31 (2) the steps that were and will be taken to address the network inadequacy and the time
84.32 frame for taking these steps satisfy the standards established by the commissioner.

(c) If, in its waiver application, a health carrier demonstrates to the commissioner that there are no providers of a specific type or specialty in a county, the commissioner may approve a waiver in which the health carrier is allowed to address network inadequacy in that county by providing for patient access to providers of that type or specialty via telehealth, as defined in section 62A.673, subdivision 2.

(d) The waiver shall automatically expire after one year. Upon or prior to expiration of a waiver, a health carrier unable to meet the requirements in subdivision 2 ~~or 3~~ must submit a new waiver application under paragraph (a) and must also submit evidence of steps the carrier took to address the network inadequacy. When the commissioner reviews a waiver application for a network adequacy requirement which has been waived for the carrier for the most recent one-year period, the commissioner shall also examine the steps the carrier took during that one-year period to address network inadequacy, and shall only approve a subsequent waiver application that satisfies the requirements in paragraph (b), demonstrates that the carrier took the steps it proposed to address network inadequacy, and explains why the carrier continues to be unable to satisfy the requirements in subdivision 2 ~~or 3~~.

(e) Application fees collected under this subdivision shall be deposited in the state government special revenue fund in the state treasury.

Sec. 17. Minnesota Statutes 2024, section 62K.10, subdivision 6, is amended to read:

Subd. 6. **Referral centers.** ~~Subdivisions~~ Subdivision 2 and 3 shall not apply if an enrollee is referred to a referral center for health care services. A referral center is a medical facility that provides highly specialized medical care, including but not limited to organ transplants. A health carrier or preferred provider organization may consider the volume of services provided annually, case mix, and severity adjusted mortality and morbidity rates in designating a referral center.

Sec. 18. Minnesota Statutes 2024, section 103I.005, subdivision 17b, is amended to read:

Subd. 17b. **Temporary boring.** "Temporary boring" means an excavation that is 15 feet or more in depth, is sealed within 72 hours of the time of construction, and is drilled, cored, washed, driven, dug, jetted, or otherwise constructed to:

(1) conduct physical, chemical, or biological testing of groundwater, including groundwater quality monitoring;

86.1 (2) monitor or measure physical, chemical, radiological, or biological parameters of
86.2 earth materials or earth fluids, including hydraulic conductivity, bearing capacity, or
86.3 resistance;

86.4 (3) measure groundwater levels, including use of a piezometer; ~~and~~ or

86.5 (4) determine groundwater flow direction or velocity.

86.6 Sec. 19. Minnesota Statutes 2024, section 103I.101, subdivision 2, is amended to read:

86.7 Subd. 2. **Duties.** The commissioner shall:

86.8 (1) regulate the drilling, construction, modification, repair, and sealing of wells and
86.9 borings;

86.10 (2) examine and license:

86.11 (i) well contractors;

86.12 (ii) persons constructing, repairing, and sealing bored geothermal heat exchangers;

86.13 (iii) persons modifying or repairing well casings above the pitless unit or adaptor, well
86.14 screens, well diameters, and installing well pumps or pumping equipment;

86.15 (iv) persons constructing, repairing, and sealing dewatering wells;

86.16 (v) persons sealing wells or borings; ~~and~~

86.17 (vi) persons excavating or drilling holes for the installation of elevator borings; and

86.18 (vii) persons installing, removing, or maintaining groundwater thermal exchange devices
86.19 and submerged closed loop heat exchangers;

86.20 (3) examine and license environmental well contractors;

86.21 (4) license explorers engaged in exploratory boring and examine individuals who
86.22 supervise or oversee exploratory boring;

86.23 (5) after consultation with the commissioner of natural resources and the Pollution
86.24 Control Agency, establish standards for the design, location, construction, repair, and sealing
86.25 of wells and borings within the state; and

86.26 (6) issue permits for wells, groundwater thermal devices, bored geothermal heat
86.27 exchangers, installation of submerged closed loop heat exchanger systems, and elevator
86.28 borings.

87.1 Sec. 20. Minnesota Statutes 2024, section 103I.101, subdivision 5, is amended to read:

87.2 Subd. 5. **Commissioner to adopt rules.** The commissioner shall adopt rules including:

87.3 (1) issuance of licenses for:

87.4 (i) qualified well contractors;

87.5 (ii) persons constructing, repairing, and sealing dewatering wells;

87.6 (iii) persons sealing wells or borings;

87.7 (iv) persons installing, modifying, or repairing well casings, well screens, well diameters,

87.8 and well pumps or pumping equipment;

87.9 (v) persons constructing, repairing, and sealing bored geothermal heat exchangers;

87.10 (vi) persons constructing, repairing, and sealing elevator borings; ~~and~~

87.11 (vii) persons constructing, repairing, and sealing environmental wells; and

87.12 (viii) persons installing, removing, or maintaining groundwater thermal exchange devices

87.13 and submerged closed loop heat exchangers;

87.14 (2) establishment of conditions for examination and review of applications for license

87.15 and certification;

87.16 (3) establishment of conditions for revocation and suspension of license and certification;

87.17 (4) establishment of minimum standards for design, location, construction, repair, and

87.18 sealing of wells and borings to implement the purpose and intent of this chapter;

87.19 (5) establishment of a system for reporting on wells and borings drilled and sealed;

87.20 (6) establishment of standards for the construction, maintenance, sealing, and water

87.21 quality monitoring of wells in areas of known or suspected contamination;

87.22 (7) establishment of wellhead protection measures for wells serving public water supplies;

87.23 (8) establishment of procedures to coordinate collection of well and boring data with

87.24 other state and local governmental agencies;

87.25 (9) establishment of criteria and procedures for submission of well and boring logs,

87.26 formation samples or well or boring cuttings, water samples, or other special information

87.27 required for and water resource mapping; and

87.28 (10) establishment of minimum standards for design, location, construction, maintenance,

87.29 repair, sealing, safety, and resource conservation related to borings, including exploratory

87.30 borings as defined in section 103I.005, subdivision 9.

88.1 Sec. 21. Minnesota Statutes 2024, section 103I.101, is amended by adding a subdivision
88.2 to read:

88.3 Subd. 7. **Inspection.** At a minimum, the commissioner of health shall inspect at least
88.4 25 percent of well construction notifications each year under this section.

88.5 Sec. 22. Minnesota Statutes 2024, section 138.912, subdivision 1, is amended to read:

88.6 Subdivision 1. **Establishment.** The healthy eating, here at home program is established
88.7 to provide incentives for low-income Minnesotans to use federal Supplemental Nutrition
88.8 Assistance Program (SNAP) or SUN bucks (Summer EBT) benefits for healthy purchases
88.9 at Minnesota-based farmers' markets, mobile markets, and direct-farmer sales, including
88.10 community-supported agriculture shares.

88.11 Sec. 23. Minnesota Statutes 2024, section 138.912, subdivision 2, is amended to read:

88.12 Subd. 2. **Definitions.** (a) The definitions in this subdivision apply to this section.

88.13 (b) "Healthy eating, here at home" means a program administered by the ~~Minnesota~~
88.14 ~~Humanities Center~~ Department of Health to provide incentives for low-income Minnesotans
88.15 to use SNAP or SUN bucks (Summer EBT) benefits for healthy purchases at Minnesota-based
88.16 farmers' markets.

88.17 (c) "Healthy purchases" means SNAP-eligible foods.

88.18 (d) "Minnesota-based farmers' market" means a physical market as defined in section
88.19 28A.151, subdivision 1, paragraph (b), and also includes mobile markets and direct-farmer
88.20 sales, including through a community-supported agriculture model.

88.21 (e) "Voucher" means a physical or electronic credit.

88.22 (f) "Eligible household" means an individual or family that is determined to be a recipient
88.23 of SNAP or SUN bucks (Summer EBT).

88.24 Sec. 24. Minnesota Statutes 2024, section 138.912, subdivision 3, is amended to read:

88.25 Subd. 3. **Grants.** The ~~Minnesota Humanities Center~~ commissioner shall allocate grant
88.26 funds to nonprofit organizations that work with Minnesota-based farmers' markets to provide
88.27 up to \$10 vouchers to SNAP or SUN bucks (Summer EBT) participants who use electronic
88.28 benefits transfer (EBT) cards for healthy purchases. Funds may also be provided for vouchers
88.29 distributed through nonprofit organizations engaged in healthy cooking and food education
88.30 outreach to eligible households for use at farmers' markets. Funds appropriated under this
88.31 section may not be used for healthy cooking classes or food education outreach. When

89.1 awarding grants, the ~~Minnesota Humanities Center~~ commissioner must consider how the
89.2 nonprofit organizations will achieve geographic balance, including specific efforts to reach
89.3 eligible households across the state, and the organizations' capacity to manage the
89.4 programming and outreach.

89.5 Sec. 25. Minnesota Statutes 2024, section 138.912, subdivision 4, is amended to read:

89.6 Subd. 4. **Household eligibility; participation.** To be eligible for a healthy eating, here
89.7 at home voucher, an eligible household must meet the Minnesota SNAP or SUN bucks
89.8 (Summer EBT) eligibility requirements ~~under section 142F.10~~.

89.9 Sec. 26. Minnesota Statutes 2024, section 138.912, subdivision 6, is amended to read:

89.10 Subd. 6. **Program reporting.** The nonprofit organizations that receive grant funds must
89.11 report annually to the ~~Minnesota Humanities Center~~ commissioner with information regarding
89.12 the operation of the program, including the number of vouchers issued and the number of
89.13 people served. To the extent practicable, the nonprofit organizations must report on the
89.14 usage of the vouchers and evaluate the program's effectiveness.

89.15 Sec. 27. Minnesota Statutes 2024, section 144.0758, subdivision 3, is amended to read:

89.16 Subd. 3. **Eligible grantees.** (a) Organizations eligible to receive grant funding under
89.17 this section are Minnesota's Tribal Nations in accordance with paragraph (b) and urban
89.18 American Indian community-based organizations in accordance with paragraph (c).

89.19 (b) Minnesota's Tribal Nations may choose to receive funding under this section according
89.20 to a noncompetitive funding formula specified by the commissioner.

89.21 (c) Urban American Indian community-based organizations are eligible to apply for
89.22 funding under this section by submitting a proposal for consideration by the commissioner.

89.23 Sec. 28. Minnesota Statutes 2024, section 144.1222, subdivision 2d, is amended to read:

89.24 Subd. 2d. ~~Hot tubs~~ **Spa pools on rental houseboats property.** (a) For the purposes of
89.25 this subdivision, "spa pool" has the meaning given in Minnesota Rules, part 4717.0250,
89.26 subpart 9.

89.27 ~~(a)~~ (b) Except as provided in paragraph (c), a hot-water spa pool intended for seated
89.28 recreational use, including a hot tub or whirlpool, that is located on a houseboat that is rented
89.29 to the public the property of a stand-alone, single-unit rental property, offered for rent by

90.1 the property owner or through a resort, and only intended to be used by the occupants of
90.2 the rental property:

90.3 (1) is not a public pool and;

90.4 (2) is exempt from the requirements for public pools under subdivisions 1 to 2c, 4, and
90.5 5 and Minnesota Rules, chapter 4717, except as otherwise provided in this paragraph; and

90.6 (3) may be used by renters so long as:

90.7 (i) the water temperature in the spa pool does not exceed 106 degrees Fahrenheit; and

90.8 (ii) prior to check-in by each new rental party, the resort or property owner tests the
90.9 water in the spa pool for the concentration of chlorine or bromine, pH, and alkalinity, and
90.10 the water in the spa pool meets the requirements for disinfection residue, pH, and alkalinity
90.11 in Minnesota Rules, part 4717.1750, subparts 4, 5, and 6.

90.12 ~~(b)~~ (c) A spa pool intended for seated recreational use, including a hot tub or whirlpool,
90.13 that is located on a houseboat that is rented to the public:

90.14 (1) is not a public pool;

90.15 (2) is exempt from the requirements for public pools under subdivisions 1 to 2c, 4, and
90.16 5 and Minnesota Rules, chapter 4717; and

90.17 (3) is exempt from the requirements under paragraph (b), clause (3).

90.18 (d) A political subdivision must not adopt a local law, rule, or ordinance that prohibits
90.19 the operation of, or establishes additional requirements for, a spa pool that meets the criteria
90.20 in paragraph (b) or (c).

90.21 (e) A ~~hot water~~ spa pool under this subdivision must be conspicuously posted with the
90.22 following notice and must be provided to renters upon check in:

90.23 "NOTICE

90.24 This spa is exempt from state and local anti-entrapment and sanitary requirements that
90.25 prevent ~~disease transmission~~ waterborne diseases such as Legionnaires' disease, Pseudomonas
90.26 folliculitis (hot tub rash), and chemical burns and is not subject to inspection.

90.27 USE AT YOUR OWN RISK

90.28 This notice is required under Minnesota Statutes, section 144.1222, subdivision 2d."

91.1 Sec. 29. Minnesota Statutes 2024, section 144.50, is amended by adding a subdivision to
91.2 read:

91.3 Subd. 8. **Controlling person.** (a) "Controlling person" includes the following individuals,
91.4 if applicable, as deemed appropriate by the hospital:

91.5 (1) any officer of the organization;

91.6 (2) any hospital administrator; and

91.7 (3) any managerial official.

91.8 (b) Controlling person does not include:

91.9 (1) a bank, savings bank, trust company, savings association, credit union, industrial
91.10 loan and thrift company, investment banking firm, or insurance company unless the entity
91.11 directly or through a subsidiary operates a hospital;

91.12 (2) government and government-sponsored entities such as the United States Department
91.13 of Housing and Urban Development, Ginnie Mae, Fannie Mae, Freddie Mac, and the
91.14 Minnesota Housing Finance Agency which provide loans, financing, and insurance products
91.15 for housing sites;

91.16 (3) an individual who is a state or federal official, a state or federal employee, or a
91.17 member or employee of the governing body of a political subdivision of the state or federal
91.18 government that operates one or more hospitals, unless the individual is also an officer,
91.19 owner, or managerial official of the hospital, receives any remuneration from a hospital, or
91.20 who is a controlling person not otherwise excluded in this subdivision;

91.21 (4) a natural person who is a member of a tax-exempt organization under section 290.05,
91.22 subdivision 2, unless the individual is also a controlling person not otherwise excluded in
91.23 this subdivision; and

91.24 (5) a natural person who owns less than five percent of the outstanding common shares
91.25 of a corporation:

91.26 (i) whose securities are exempt by virtue of section 80A.45, clause (6); or

91.27 (ii) whose transactions are exempt by virtue of section 80A.46, clause (7).

91.28 Sec. 30. Minnesota Statutes 2024, section 144.555, subdivision 1a, is amended to read:

91.29 Subd. 1a. **Notice of closing, curtailing operations, relocating services, or ceasing to**
91.30 **offer certain services; hospitals.** (a) The controlling persons of a hospital licensed under
91.31 sections 144.50 to 144.56 or a hospital campus must notify the commissioner of health, the

public, and others at least 182 days before the hospital or hospital campus voluntarily plans to implement one of the scheduled actions listed in paragraph (b), unless the controlling persons can demonstrate to the commissioner that meeting the advanced notice requirement is not feasible and the commissioner approves a shorter advanced notice.

(b) The following scheduled actions require advanced notice under paragraph (a):

(1) ceasing operations;

(2) curtailing operations to the extent that ~~patients~~ inpatients or emergency department services must be relocated;

(3) relocating the provision of inpatient health services or emergency department services to another hospital or ~~another~~ hospital campus; or

(4) ceasing to offer inpatient maternity care and inpatient newborn care services, inpatient intensive care unit services, inpatient mental health services, or inpatient substance use disorder treatment services.

(c) A notice required under this subdivision must comply with the requirements in subdivision 1d.

(d) The commissioner shall cooperate with the controlling persons and advise them about relocating the patients.

(e) For purposes of this subdivision, "inpatient" means services that are provided to a person who has been admitted to a hospital for bed occupancy.

Sec. 31. Minnesota Statutes 2024, section 144.555, subdivision 1b, is amended to read:

Subd. 1b. **Public hearing.** Within 30 days after receiving notice under subdivision 1a, the commissioner shall conduct a public hearing on the scheduled cessation of operations, curtailment of operations, relocation of health services, or cessation in offering health services. The commissioner must provide adequate public notice of the hearing in a time and manner determined by the commissioner. The commissioner must ensure that video conferencing technology will be used to allow members of the public to view and participate in the hearing. The controlling persons of the hospital or hospital campus must participate in the public hearing. The public hearing must be held at a location that is within ten miles of the hospital or hospital campus and can accommodate anticipated public attendance or with the commissioner's approval as close as is practicable, and that is provided or arranged by the hospital or hospital campus. ~~Video conferencing technology must be used to allow~~

93.1 ~~members of the public to view and participate in the hearing.~~ The public hearing must
93.2 include:

93.3 (1) an explanation by the controlling persons of the reasons for ceasing or curtailing
93.4 operations, relocating health services, or ceasing to offer any of the listed health services;

93.5 (2) a description of the actions that controlling persons will take to ensure that residents
93.6 in the hospital's or campus's service area have continued access to the health services being
93.7 eliminated, curtailed, or relocated;

93.8 (3) an opportunity for public testimony for at least one hour on the scheduled cessation
93.9 or curtailment of operations, relocation of health services, or cessation in offering any of
93.10 the listed health services, and on the hospital's or campus's plan to ensure continued access
93.11 to those health services being eliminated, curtailed, or relocated; and

93.12 (4) an opportunity for the controlling persons to respond to questions from interested
93.13 persons.

93.14 Sec. 32. Minnesota Statutes 2024, section 144.608, subdivision 2, is amended to read:

93.15 Subd. 2. **Council administration.** (a) The council must meet at least twice a year but
93.16 may meet more frequently at the call of the chair, a majority of the council members, or the
93.17 commissioner.

93.18 (b) The terms, compensation, and removal of members of the council are governed by
93.19 section 15.059. The council expires June 30, ~~2025~~ 2035.

93.20 (c) The council may appoint subcommittees and work groups. Subcommittees shall
93.21 consist of council members. Work groups may include noncouncil members. Noncouncil
93.22 members shall be compensated for work group activities under section 15.059, subdivision
93.23 3, but shall receive expenses only.

93.24 Sec. 33. Minnesota Statutes 2024, section 144.966, subdivision 2, is amended to read:

93.25 Subd. 2. **Newborn Hearing Screening Advisory Committee.** (a) The commissioner
93.26 of health shall establish a Newborn Hearing Screening Advisory Committee to advise and
93.27 assist the Department of Health; Department of Children, Youth, and Families; and the
93.28 Department of Education in:

93.29 (1) developing protocols and timelines for screening, rescreening, and diagnostic
93.30 audiological assessment and early medical, audiological, and educational intervention
93.31 services for children who are deaf or hard-of-hearing;

94.1 (2) designing protocols for tracking children from birth through age three that may have
94.2 passed newborn screening but are at risk for delayed or late onset of permanent hearing
94.3 loss;

94.4 (3) designing a technical assistance program to support facilities implementing the
94.5 screening program and facilities conducting rescreening and diagnostic audiological
94.6 assessment;

94.7 (4) designing implementation and evaluation of a system of follow-up and tracking; and

94.8 (5) evaluating program outcomes to increase effectiveness and efficiency and ensure
94.9 culturally appropriate services for children with a confirmed hearing loss and their families.

94.10 (b) The commissioner of health shall appoint at least one member from each of the
94.11 following groups with no less than two of the members being deaf or hard-of-hearing:

94.12 (1) a representative from a consumer organization representing culturally deaf persons;

94.13 (2) a parent with a child with hearing loss representing a parent organization;

94.14 (3) a consumer from an organization representing oral communication options;

94.15 (4) a consumer from an organization representing cued speech communication options;

94.16 (5) an audiologist who has experience in evaluation and intervention of infants and
94.17 young children;

94.18 (6) a speech-language pathologist who has experience in evaluation and intervention of
94.19 infants and young children;

94.20 (7) two primary care providers who have experience in the care of infants and young
94.21 children, one of which shall be a pediatrician;

94.22 (8) a representative from the early hearing detection intervention teams;

94.23 (9) a representative from the Department of Education resource center for the deaf and
94.24 hard-of-hearing or the representative's designee;

94.25 (10) a representative of the Commission of the Deaf, DeafBlind and Hard of Hearing;

94.26 (11) a representative from the Department of Human Services Deaf and Hard-of-Hearing
94.27 Services Division;

94.28 (12) one or more of the Part C coordinators from the Department of Education; the
94.29 Department of Health; the Department of Children, Youth, and Families; or the Department
94.30 of Human Services or the department's designees;

- 95.1 (13) the Department of Health early hearing detection and intervention coordinators;
- 95.2 (14) two birth hospital representatives from one rural and one urban hospital;
- 95.3 (15) a pediatric geneticist;
- 95.4 (16) an otolaryngologist;
- 95.5 (17) a representative from the Newborn Screening Advisory Committee under this
- 95.6 subdivision;
- 95.7 (18) a representative of the Department of Education regional low-incidence facilitators;
- 95.8 (19) a representative from the deaf mentor program; and
- 95.9 (20) a representative of the Minnesota State Academy for the Deaf from the Minnesota
- 95.10 State Academies staff.
- 95.11 The commissioner must complete the initial appointments required under this subdivision
- 95.12 by September 1, 2007, and the initial appointments under clauses (19) and (20) by September
- 95.13 1, 2019.
- 95.14 (c) The Department of Health member shall chair the first meeting of the committee. At
- 95.15 the first meeting, the committee shall elect a chair from its membership. The committee
- 95.16 shall meet at the call of the chair, at least four times a year. The committee shall adopt
- 95.17 written bylaws to govern its activities. The Department of Health shall provide technical
- 95.18 and administrative support services as required by the committee. These services shall
- 95.19 include technical support from individuals qualified to administer infant hearing screening,
- 95.20 rescreening, and diagnostic audiological assessments.
- 95.21 Members of the committee shall receive no compensation for their service, but shall be
- 95.22 reimbursed as provided in section 15.059 for expenses incurred as a result of their duties
- 95.23 as members of the committee.
- 95.24 (d) By February 15, 2015, and by February 15 of the odd-numbered years after that date,
- 95.25 the commissioner shall report to the chairs and ranking minority members of the legislative
- 95.26 committees with jurisdiction over health and data privacy on the activities of the committee
- 95.27 that have occurred during the past two years.
- 95.28 ~~(e) This subdivision expires June 30, 2025.~~
- 95.29 **EFFECTIVE DATE.** This section is effective the day following final enactment or
- 95.30 June 30, 2025, whichever is earlier.

Sec. 34. Minnesota Statutes 2024, section 144E.123, subdivision 3, is amended to read:

Subd. 3. **Review.** Prehospital care data may be reviewed by the director or its designees.

The data shall be classified as private data on individuals under chapter 13, the Minnesota Government Data Practices Act. The director may share with the Washington/Baltimore High Intensity Drug Trafficking Area's Overdose Detection Mapping Application Program (ODMAP) data that identifies where and when an overdose incident happens, fatality status, suspected drug type, naloxone administration, and first responder type. ODMAP may:

(1) allow secure access to the system by authorized users to report information about an overdose incident;

(2) allow secure access to the system by authorized users to view, in near real time, information about overdose incidents reported;

(3) produce a map in near real time of the approximate locations of confirmed or suspected overdose incidents reported; and

(4) enable access to overdose incident information that assists in state and local decisions regarding the allocation of public health, public safety, and educational resources for the purposes of monitoring and reporting data related to suspected overdoses.

Sec. 35. **[145.076] INFORMED CONSENT REQUIRED FOR SENSITIVE EXAMINATIONS.**

Subdivision 1. **Definition.** For purposes of this section, "sensitive examination" means a pelvic, breast, urogenital, or rectal examination.

Subd. 2. **Informed consent required; exceptions.** A health professional, or a student or resident participating in a course of instruction, clinical training, or a residency program for a health profession, shall not perform a sensitive examination on an anesthetized or unconscious patient unless:

(1) the patient or the patient's legally authorized representative provided prior, written, informed consent to the sensitive examination and the sensitive examination is necessary for preventive, diagnostic, or treatment purposes;

(2) the patient or the patient's legally authorized representative provided prior, written, informed consent to a surgical procedure or diagnostic examination and the sensitive examination is within the scope of care ordered for that surgical procedure or diagnostic examination;

(3) the patient is unconscious and incapable of providing informed consent and the sensitive examination is necessary for diagnostic or treatment purposes; or

(4) a court ordered a sensitive examination to be performed for purposes of collection of evidence.

Subd. 3. **Penalty; ground for disciplinary action.** A person who violates this section is subject to disciplinary action by the health-related licensing board regulating the person.

Sec. 36. Minnesota Statutes 2024, section 145.8811, is amended to read:

145.8811 MATERNAL AND CHILD HEALTH ADVISORY ~~TASK FORCE~~ COMMITTEE.

Subdivision 1. **Composition of ~~task force~~ committee.** The commissioner shall establish and appoint a Maternal and Child Health Advisory ~~Task Force~~ Committee consisting of 15 members who will provide equal representation from:

(1) professionals with expertise in maternal and child health services;

(2) representatives of community health boards as defined in section 145A.02, subdivision 5; and

(3) consumer representatives interested in the health of mothers and children.

No members shall be employees of the Minnesota Department of Health. Section 15.059 governs the Maternal and Child Health Advisory ~~Task Force~~ Committee. Notwithstanding section 15.059, the Maternal and Child Health Advisory ~~Task Force~~ Committee does not expire.

Subd. 2. **Duties.** The advisory ~~task force~~ committee shall meet on a regular basis to perform the following duties:

(1) review and report on the health care needs of mothers and children throughout the state of Minnesota;

(2) review and report on the type, frequency, and impact of maternal and child health care services provided to mothers and children under existing maternal and child health care programs, including programs administered by the commissioner of health;

(3) establish, review, and report to the commissioner a list of program guidelines and criteria ~~which~~ the advisory ~~task force~~ committee considers essential to providing an effective maternal and child health care program to low-income populations and high-risk persons and fulfilling the purposes defined in section 145.88;

98.1 (4) make recommendations to the commissioner for the use of other federal and state
98.2 funds available to meet maternal and child health needs;

98.3 (5) make recommendations to the commissioner of health on priorities for funding the
98.4 following maternal and child health services:

98.5 (i) prenatal, delivery, and postpartum care;

98.6 (ii) comprehensive health care for children, especially from birth through five years of
98.7 age;

98.8 (iii) adolescent health services;

98.9 (iv) family planning services;

98.10 (v) preventive dental care;

98.11 (vi) special services for chronically ill and disabled children; and

98.12 (vii) any other services that promote the health of mothers and children; and

98.13 (6) establish in consultation with the commissioner statewide outcomes that will improve
98.14 the health status of mothers and children.

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

98.16 Sec. 37. Minnesota Statutes 2024, section 145.901, subdivision 1, is amended to read:

98.17 Subdivision 1. **Purpose.** Within the limits of available funding, the commissioner of
98.18 health ~~may~~ must conduct maternal death studies to assist the planning, implementation, and
98.19 evaluation of medical, health, and welfare service systems and to reduce the numbers of
98.20 preventable maternal deaths in Minnesota.

98.21 Sec. 38. Minnesota Statutes 2024, section 145.987, subdivision 1, is amended to read:

98.22 Subdivision 1. **Establishment; composition of advisory council.** The health equity
98.23 advisory and leadership (HEAL) council consists of 18 members appointed by the
98.24 commissioner of health, including but not limited to members who will provide representation
98.25 from the following groups:

98.26 (1) African American and African heritage communities;

98.27 (2) Asian American and Pacific Islander communities;

98.28 (3) Latina/o/x communities;

98.29 (4) American Indian communities and Tribal governments and nations;

99.1 (5) disability communities;

99.2 (6) lesbian, gay, bisexual, transgender, and queer (LGBTQ) communities; and

99.3 (7) representatives who reside outside the seven-county metropolitan area.

99.4 Sec. 39. Minnesota Statutes 2024, section 145.987, subdivision 2, is amended to read:

99.5 Subd. 2. **Organization and meetings.** (a) Terms, compensation, and removal of members
99.6 of the advisory council shall be as provided in section 15.059, subdivisions 2 to 4, except
99.7 that terms for advisory council members shall be for two years. Members may be reappointed
99.8 to serve up to two additional terms. Notwithstanding section 15.059, subdivision 6, the
99.9 advisory council shall not expire. ~~The commissioner shall recommend appointments to~~
99.10 ~~replace members vacating their positions in a timely manner, no more than three months~~
99.11 ~~after the advisory council reviews panel recommendations.~~

99.12 (b) The commissioner must convene meetings at least quarterly and must provide meeting
99.13 space and administrative support to the advisory council. Subcommittees may be convened
99.14 as necessary. Advisory council meetings are subject to the Open Meeting Law under chapter
99.15 13D.

99.16 Sec. 40. **[148.781] CENTRAL SERVICE TECHNICIAN.**

99.17 Subdivision 1. **Application.** This section applies to persons who perform the functions
99.18 of a central service technician in a health care facility.

99.19 Subd. 2. **Definitions.** For purposes of this section, the following terms have the meanings
99.20 given:

99.21 (1) "central service technician" means a person who decontaminates, inspects, assembles,
99.22 packages, and sterilizes reusable medical instruments or devices used by a health care
99.23 facility;

99.24 (2) "health care facility" means a hospital or ambulatory surgical center; and

99.25 (3) "health care practitioner" means an individual regulated by a health-related licensing
99.26 board as defined in section 214.01, subdivision 2, or by the commissioner of health under
99.27 sections 148.511 to 148.5198, to the extent the individual provides services in a health care
99.28 facility and the tasks of a central service technician are within the individual's scope of
99.29 practice. Health care practitioner includes an intern, resident, or fellow who performs or
99.30 assists with surgery.

100.1 Subd. 3. **Requirements for central service technician.** (a) A health care facility shall
100.2 employ or otherwise retain the services of a central service technician only if the central
100.3 service technician:

100.4 (1) has successfully passed a nationally accredited examination for central service
100.5 technicians and holds and maintains one of the following credentials administered by a
100.6 nationally accredited central service technician credentialing organization: a certified
100.7 registered central service technician credential, a certified endoscope reprocessor credential,
100.8 a certified sterile processing and distribution technician credential, or a certified flexible
100.9 endoscope reprocessor credential; or

100.10 (2) provides evidence that the person was employed by or was retained as a central
100.11 service technician by a health care facility on or before December 31, 2027.

100.12 (b) A central service technician who does not meet the requirements of paragraph (a),
100.13 clause (1), shall have 24 months from the date of hire to obtain a certified registered central
100.14 service technician credential, a certified endoscope reprocessor credential, a certified sterile
100.15 processing and distribution technician credential, or a certified flexible endoscope reprocessor
100.16 credential.

100.17 (c) A person who qualifies to operate as a central service technician in a health care
100.18 facility under paragraph (a) must annually complete ten hours of continuing education
100.19 credits to remain qualified to operate as a central service technician. The continuing education
100.20 required under this paragraph must be related to the functions of a central service technician.

100.21 (d) Nothing in this subdivision shall prohibit the following persons from performing the
100.22 tasks or functions of a central service technician:

100.23 (1) a health care practitioner;

100.24 (2) a person who holds or maintains a registration, certification, or license by a nationally
100.25 accredited credentialing organization to perform health care services; or

100.26 (3) a student or intern performing the functions of a central service technician under the
100.27 direct supervision of a health care practitioner as part of the student's or intern's training or
100.28 internship.

100.29 (e) A health care facility shall, upon the written request of a central service technician,
100.30 verify in writing the central service technician's dates of employment or the contract period
100.31 during which the central service technician provided services to the health care facility.

100.32 **EFFECTIVE DATE.** This section is effective 180 days after final enactment.

Sec. 41. **TRANSFER OF PROGRAM.**

The healthy eating, here at home program is transferred from the Minnesota Humanities Center to the Department of Health on July 1, 2025. The provisions of Minnesota Statutes, section 15.039, apply to this transfer.

Sec. 42. **REVISOR INSTRUCTION.**

The revisor of statutes shall renumber Minnesota Statutes, section 138.912, as section 144.0554. The revisor shall make any cross-reference changes necessary resulting from the renumbering of the healthy eating, here at home program.

Sec. 43. **REPEALER.**

Minnesota Statutes 2024, sections 62K.10, subdivision 3; and 138.912, subdivision 7, are repealed.

ARTICLE 3

HEALTH LICENSING BOARDS

Section 1. Minnesota Statutes 2024, section 144.99, subdivision 1, is amended to read:

Subdivision 1. **Remedies available.** The provisions of chapters 103I and 157 and sections 115.71 to 115.77; 144.12, subdivision 1, paragraphs (1), (2), (5), (6), (10), (12), (13), (14), and (15); 144.1201 to 144.1204; 144.121; 144.1215; 144.1222; 144.35; 144.381 to 144.385; 144.411 to 144.417; 144.495; 144.71 to 144.74; 144.9501 to 144.9512; 144.97 to 144.98; 144.992; 147.037, subdivision 1b, paragraph (d); 326.70 to 326.785; 327.10 to 327.131; and 327.14 to 327.28 and all rules, orders, stipulation agreements, settlements, compliance agreements, licenses, registrations, certificates, and permits adopted or issued by the department or under any other law now in force or later enacted for the preservation of public health may, in addition to provisions in other statutes, be enforced under this section.

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

Sec. 2. Minnesota Statutes 2024, section 144A.43, subdivision 15, is amended to read:

Subd. 15. **Occupational therapist.** "Occupational therapist" ~~means a person who is licensed under sections 148.6401 to 148.6449~~ has the meaning given in section 148.6402, subdivision 14.

102.1 Sec. 3. Minnesota Statutes 2024, section 144G.08, subdivision 45, is amended to read:

102.2 Subd. 45. **Occupational therapist.** "Occupational therapist" ~~means a person who is~~
102.3 ~~licensed under sections 148.6401 to 148.6449~~ has the meaning given in section 148.6402,
102.4 subdivision 14.

102.5 Sec. 4. Minnesota Statutes 2024, section 147.01, subdivision 7, is amended to read:

102.6 Subd. 7. **Physician application and license fees.** (a) The board may charge the following
102.7 nonrefundable application and license fees processed pursuant to sections 147.02, 147.03,
102.8 147.037, 147.0375, and 147.38:

102.9 (1) physician application fee, \$200;

102.10 (2) physician annual registration renewal fee, \$192;

102.11 (3) physician endorsement to other states, \$40;

102.12 (4) physician emeritus license, \$50;

102.13 (5) physician late fee, \$60;

102.14 (6) nonrenewable 24-month limited license, \$392;

102.15 (7) initial physician license for limited license holder, \$192;

102.16 ~~(6)~~ (8) duplicate license fee, \$20;

102.17 ~~(7)~~ (9) certification letter fee, \$25;

102.18 ~~(8)~~ (10) education or training program approval fee, \$100;

102.19 ~~(9)~~ (11) report creation and generation fee, \$60 per hour;

102.20 ~~(10)~~ (12) examination administration fee (half day), \$50;

102.21 ~~(11)~~ (13) examination administration fee (full day), \$80;

102.22 ~~(12)~~ (14) fees developed by the Interstate Commission for determining physician

102.23 qualification to register and participate in the interstate medical licensure compact, as

102.24 established in rules authorized in and pursuant to section 147.38, not to exceed \$1,000; and

102.25 ~~(13)~~ (15) verification fee, \$25.

102.26 (b) The board may prorate the initial annual license fee. All licensees are required to

102.27 pay the full fee upon license renewal. The revenue generated from the fee must be deposited

102.28 in an account in the state government special revenue fund.

103.1 Sec. 5. Minnesota Statutes 2024, section 147.037, is amended by adding a subdivision to
103.2 read:

103.3 Subd. 1b. **Limited license.** (a) A limited license under this section is valid for one
103.4 24-month period and is not renewable or eligible for reapplication. The board may issue a
103.5 limited license, valid for 24 months, to any person who satisfies the requirements of
103.6 subdivision 1, paragraphs (a) to (c) and (e) to (g), and who:

103.7 (1) pursuant to a license or other authorization to practice, has practiced medicine, as
103.8 defined in section 147.081, subdivision 3, clauses (2) to (4), for at least 60 months in the
103.9 previous 12 years outside of the United States;

103.10 (2) submits sufficient evidence of an offer to practice within the context of a collaborative
103.11 agreement within a hospital or clinical setting where the limited license holder and physicians
103.12 work together to provide patient care;

103.13 (3) provides services in a designated rural area or underserved urban community as
103.14 defined in section 144.1501; and

103.15 (4) submits two letters of recommendation in support of a limited license, which must
103.16 include one letter from a physician with whom the applicant previously worked and one
103.17 letter from an administrator of the hospital or clinical setting in which the applicant previously
103.18 worked. The letters of recommendation must attest to the applicant's good medical standing.
103.19 The board may accept alternative forms of proof that demonstrate good medical standing
103.20 where there are extenuating circumstances that prevent an applicant from providing letters.

103.21 (b) For purposes of this subdivision, a person has satisfied the requirements of subdivision
103.22 1, paragraph (e), if the person has passed steps or levels one and two of the USMLE or the
103.23 COMLEX-USA with passing scores as recommended by the USMLE program or National
103.24 Board of Osteopathic Medical Examiners within three attempts.

103.25 (c) A person issued a limited license under this subdivision must not be required to
103.26 present evidence satisfactory to the board of the completion of one year of graduate clinical
103.27 medical training in a program accredited by a national accrediting organization approved
103.28 by the board.

103.29 (d) An employer of a limited license holder must pay the limited license holder at least
103.30 an amount equivalent to a medical resident in a comparable field. The employer must carry
103.31 medical malpractice insurance covering a limited license holder for the duration of the
103.32 employment. The commissioner of health may issue a correction order under section 144.99,
103.33 subdivision 3, requiring an employer to comply with this paragraph. An employer must not

104.1 retaliate against or discipline an employee for raising a complaint or pursuing enforcement
104.2 relating to this paragraph.

104.3 (e) The board may issue a full and unrestricted license to practice medicine to a person
104.4 who holds a limited license issued pursuant to paragraph (a) and who has:

104.5 (1) held the limited license for two years and is in good standing to practice medicine
104.6 in Minnesota;

104.7 (2) practiced for a minimum of 1,692 hours per year for each of the previous two years;

104.8 (3) submitted a letter of recommendation in support of a full and unrestricted license
104.9 containing all attestations required under paragraph (i) from any physician who participated
104.10 in the collaborative agreement;

104.11 (4) passed steps or levels one, two, and three of the USMLE or COMLEX-USA with
104.12 passing scores as recommended by the USMLE program or National Board of Osteopathic
104.13 Medical Examiners within three attempts; and

104.14 (5) completed 20 hours of continuing medical education.

104.15 (f) A limited license holder must submit to the board, every six months or upon request,
104.16 a statement certifying whether the person is still employed as a physician in Minnesota and
104.17 whether the person has been subjected to professional discipline as a result of the person's
104.18 practice. The board may suspend or revoke a limited license if a majority of the board
104.19 determines that the licensee is no longer employed as a physician in Minnesota by an
104.20 employer. The licensee must be granted an opportunity to be heard prior to the board's
104.21 determination. Upon request by the limited license holder, the limited license holder may
104.22 have 90 days to regain employment. A licensee may change employers during the duration
104.23 of the limited license if the licensee has another offer of employment. In the event that a
104.24 change of employment occurs, the licensee must still work the number of hours required
104.25 under paragraph (e), clause (2), to be eligible for a full and unrestricted license to practice
104.26 medicine.

104.27 (g) In addition to any other remedy provided by law, the board may, without a hearing,
104.28 temporarily suspend the license of a limited license holder if the board finds that the limited
104.29 license holder has violated a statute or rule that the board is empowered to enforce and
104.30 continued practice by the limited license holder would create a serious risk of harm to the
104.31 public. The suspension shall take effect upon written notice to the limited license holder
104.32 specifying the statute or rule violated. The suspension shall remain in effect until the board
104.33 issues a final order in the matter after a hearing. At the time it issues the suspension notice,

105.1 the board shall schedule a disciplinary hearing to be held pursuant to the Administrative
105.2 Procedure Act. The limited license holder shall be provided with at least 20 days' notice of
105.3 any hearing held pursuant to this subdivision. The hearing shall be scheduled to begin no
105.4 later than 30 days after the issuance of the suspension order.

105.5 (h) For purposes of this subdivision, "collaborative agreement" means a mutually agreed
105.6 upon plan for the overall working relationship and collaborative arrangement between a
105.7 holder of a limited license and one or more physicians licensed under this chapter that
105.8 designates the scope of services that can be provided to manage the care of patients. The
105.9 limited license holder and one of the collaborating physicians must have experience in
105.10 providing care to patients with the same or similar medical conditions. Under the
105.11 collaborative agreement, the limited license holder must shadow the collaborating physician
105.12 for four weeks, after which time the limited license holder must staff all patient encounters
105.13 with the collaborating physician for an additional four weeks. After that time, the
105.14 collaborating physician has discretion to allow the limited license holder to see patients
105.15 independently and will require the limited license holder to present patients at their discretion.
105.16 However, the limited license holder must be supervised by the collaborating physician for
105.17 a minimum of two hours per week. A limited license holder may practice medicine without
105.18 a collaborating physician physically present, but the limited license holder and collaborating
105.19 physicians must be able to easily contact each other by radio, telephone, or other
105.20 telecommunication device while the limited license holder practices medicine. The limited
105.21 license holder must have one-on-one practice reviews with each collaborating physician,
105.22 provided in person or through eye-to-eye electronic media while maintaining visual contact,
105.23 for at least two hours per week.

105.24 (i) At least one collaborating physician must submit a letter to the board, after the limited
105.25 license holder has practiced under the license for 12 months, attesting that:

105.26 (1) the limited license holder has a basic understanding of federal and state laws regarding
105.27 the provision of health care, including but not limited to:

105.28 (i) medical licensing obligations and standards; and

105.29 (ii) the Health Insurance Portability and Accountability Act, Public Law 104-191;

105.30 (2) the limited license holder has a basic understanding of documentation standards;

105.31 (3) the limited license holder has a thorough understanding of which medications are
105.32 available and unavailable in the United States;

- 106.1 (4) the limited license holder has a thorough understanding of American medical standards
106.2 of care;
- 106.3 (5) the limited license holder has demonstrated mastery of each of the following:
- 106.4 (i) gathering a history and performing a physical exam;
- 106.5 (ii) developing and prioritizing a differential diagnosis following a clinical encounter
106.6 and selecting a working diagnosis;
- 106.7 (iii) recommending and interpreting common diagnostic and screening tests;
- 106.8 (iv) entering and discussing orders and prescriptions;
- 106.9 (v) providing an oral presentation of a clinical encounter;
- 106.10 (vi) giving a patient handover to transition care responsibly;
- 106.11 (vii) recognizing a patient requiring urgent care and initiating an evaluation; and
- 106.12 (viii) obtaining informed consent for tests, procedures, and treatments; and
- 106.13 (6) the limited license holder is providing appropriate medical care.
- 106.14 (j) The board must not grant a license under this section unless the applicant possesses
106.15 federal immigration status that allows the applicant to practice as a physician in the United
106.16 States.

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

106.18 Sec. 6. Minnesota Statutes 2024, section 147A.02, is amended to read:

106.19 **147A.02 QUALIFICATIONS FOR LICENSURE.**

- 106.20 (a) The board may grant a license as a physician assistant to an applicant who:
- 106.21 (1) submits an application on forms approved by the board;
- 106.22 (2) pays the appropriate fee as determined by the board;
- 106.23 (3) has current certification from the National Commission on Certification of Physician
106.24 Assistants, or its successor agency as approved by the board;
- 106.25 (4) certifies that the applicant is mentally and physically able to engage safely in practice
106.26 as a physician assistant;
- 106.27 (5) has no licensure, certification, or registration as a physician assistant under current
106.28 discipline, revocation, suspension, or probation for cause resulting from the applicant's

107.1 practice as a physician assistant, unless the board considers the condition and agrees to
107.2 licensure;

107.3 (6) submits any other information the board deems necessary to evaluate the applicant's
107.4 qualifications; and

107.5 (7) has been approved by the board.

107.6 (b) All persons registered as physician assistants as of June 30, 1995, are eligible for
107.7 continuing license renewal. All persons applying for licensure after that date shall be licensed
107.8 according to this chapter.

107.9 (c) A physician assistant who qualifies for licensure must practice for at least 2,080
107.10 hours, within the context of a collaborative agreement, within a hospital or integrated clinical
107.11 setting where physician assistants and physicians work together to provide patient care. The
107.12 physician assistant shall submit written evidence to the board with the application, or upon
107.13 completion of the required collaborative practice experience. For purposes of this paragraph,
107.14 a collaborative agreement is a mutually agreed upon plan for the overall working relationship
107.15 ~~and collaborative arrangement~~ between a physician assistant, and one or more physicians
107.16 licensed under chapter 147 or licensed in another state or United States territory, that
107.17 designates the scope of ~~services that can be provided~~ collaboration necessary to manage the
107.18 care of patients. The physician assistant and one of the collaborative physicians must have
107.19 experience in providing care to patients with the same or similar medical conditions. The
107.20 collaborating physician is not required to be physically present so long as the collaborating
107.21 physician and physician assistant are or can be easily in contact with each other by radio,
107.22 telephone, or other telecommunication device.

107.23 Sec. 7. Minnesota Statutes 2024, section 147D.03, subdivision 1, is amended to read:

107.24 Subdivision 1. **General.** Within the meaning of sections 147D.01 to 147D.27, a person
107.25 who shall publicly profess to be a traditional midwife and who, for a fee, shall assist or
107.26 attend to a woman in pregnancy, childbirth outside a hospital, and postpartum, shall be
107.27 regarded as practicing traditional midwifery. A certified midwife licensed by the Board of
107.28 Nursing under chapter 148G is not subject to the provisions of this chapter.

107.29 Sec. 8. Minnesota Statutes 2024, section 148.108, subdivision 1, is amended to read:

107.30 Subdivision 1. **Fees.** ~~In addition to the fees established in Minnesota Rules, chapter~~
107.31 ~~2500,~~ The board is authorized to charge the fees in this section.

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

108.1 Sec. 9. Minnesota Statutes 2024, section 148.108, is amended by adding a subdivision to
108.2 read:

108.3 Subd. 5. **Chiropractic license fees.** Fees for chiropractic licensure are the following
108.4 amounts but may be adjusted lower by board action:

108.5 (1) initial application for licensure fee, \$600;

108.6 (2) annual renewal of an active license fee, \$250;

108.7 (3) annual renewal of an inactive license fee, 75 percent of the current active license
108.8 renewal fee under clause (2);

108.9 (4) late renewal penalty fee, \$150 per month late; and

108.10 (5) application for reinstatement of a voluntarily retired or inactive license fee, \$100.

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

108.12 Sec. 10. Minnesota Statutes 2024, section 148.108, is amended by adding a subdivision
108.13 to read:

108.14 Subd. 6. **Acupuncture registration fees.** Fees for acupuncture registration are the
108.15 following amounts but may be adjusted lower by board action:

108.16 (1) initial application acupuncture registration fee, \$400;

108.17 (2) annual renewal of active acupuncture registration fee, \$200;

108.18 (3) annual renewal of inactive acupuncture registration fee, 75 percent of the current
108.19 active acupuncture registration renewal fee under clause (2); and

108.20 (4) reinstatement of nonrenewed acupuncture registration fee, \$400.

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

108.22 Sec. 11. Minnesota Statutes 2024, section 148.108, is amended by adding a subdivision
108.23 to read:

108.24 Subd. 7. **Independent examiner registration fees.** Fees for independent examiner
108.25 registration are the following amounts but may be adjusted lower by board action:

108.26 (1) initial application independent examiner registration fee, \$400;

108.27 (2) annual renewal of independent examiner registration fee, \$200; and

108.28 (3) reinstatement of nonrenewed independent examiner registration fee, \$400.

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

109.2 Sec. 12. Minnesota Statutes 2024, section 148.108, is amended by adding a subdivision
109.3 to read:

109.4 Subd. 8. **Animal chiropractic registration fees.** Fees for animal chiropractic registration
109.5 are the following amounts but may be adjusted lower by board action:

109.6 (1) initial application animal chiropractic registration fee, \$400;

109.7 (2) annual renewal of active animal chiropractic registration fee, \$200;

109.8 (3) annual renewal of inactive animal chiropractic registration fee, 75 percent of the
109.9 current active animal chiropractic renewal fee under clause (2); and

109.10 (4) reinstatement of nonrenewed animal chiropractic registration fee, \$400.

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

109.12 Sec. 13. Minnesota Statutes 2024, section 148.108, is amended by adding a subdivision
109.13 to read:

109.14 Subd. 9. **Graduate preceptorship registration fee.** The application fee for graduate
109.15 preceptorship registration is \$500, but may be adjusted lower by board action.

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

109.17 Sec. 14. Minnesota Statutes 2024, section 148.108, is amended by adding a subdivision
109.18 to read:

109.19 Subd. 10. **Professional firm registration fees.** In addition to fees authorized under
109.20 chapter 319B, the late renewal penalty fee for professional firm registration is \$5 per month
109.21 late.

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

109.23 Sec. 15. Minnesota Statutes 2024, section 148.108, is amended by adding a subdivision
109.24 to read:

109.25 Subd. 11. **Miscellaneous fees.** Fees under this subdivision are the following amounts
109.26 but may be adjusted lower by board action:

109.27 (1) annual continuing education sponsorship fee, \$1,000;

109.28 (2) individual continuing education seminar sponsorship fee, \$400;

110.1 (3) mailing list request fee, \$500;

110.2 (4) license verification fee, \$50;

110.3 (5) duplicate certificate fee, \$50; and

110.4 (6) document copies fee, \$0.25 per side of document page.

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

110.6 Sec. 16. Minnesota Statutes 2024, section 148.191, subdivision 2, is amended to read:

110.7 Subd. 2. **Powers.** (a) The board is authorized to adopt and, from time to time, revise
110.8 rules not inconsistent with the law, as may be necessary to enable it to carry into effect the
110.9 provisions of sections 148.171 to 148.285 and chapter 148G. The board shall prescribe by
110.10 rule curricula and standards for schools and courses preparing persons for licensure under
110.11 sections 148.171 to 148.285 and 148G.12. It shall conduct or provide for surveys of such
110.12 schools and courses at such times as it may deem necessary. It shall approve such schools
110.13 and courses as meet the requirements of sections 148.171 to 148.285 or section 148G.12,
110.14 and board rules. It shall examine, license, and renew the license of duly qualified applicants.
110.15 It shall hold examinations at least once in each year at such time and place as it may
110.16 determine. It shall by rule adopt, evaluate, and periodically revise, as necessary, requirements
110.17 for licensure and for registration and renewal of registration as defined in section 148.231
110.18 and chapter 148G. It shall maintain a record of all persons licensed by the board to practice
110.19 advanced practice, professional, or practical nursing, or certified as a midwife. It shall cause
110.20 the prosecution of all persons violating sections 148.171 to 148.285 or chapter 148G, and
110.21 have power to incur such necessary expense therefor. It shall register public health nurses
110.22 who meet educational and other requirements established by the board by rule, including
110.23 payment of a fee. It shall have power to issue subpoenas, and to compel the attendance of
110.24 witnesses and the production of all necessary documents and other evidentiary material.
110.25 Any board member may administer oaths to witnesses, or take their affirmation. It shall
110.26 keep a record of all its proceedings.

110.27 (b) The board shall have access to hospital, nursing home, and other medical records of
110.28 a patient cared for by a nurse or certified midwife under review. If the board does not have
110.29 a written consent from a patient permitting access to the patient's records, the nurse, certified
110.30 midwife, or facility shall delete any data in the record that identifies the patient before
110.31 providing it to the board. The board shall have access to such other records as reasonably
110.32 requested by the board to assist the board in its investigation. Nothing herein may be
110.33 construed to allow access to any records protected by section 145.64. The board shall

111.1 maintain any records obtained pursuant to this paragraph as investigative data under chapter
111.2 13.

111.3 (c) The board may accept and expend grants or gifts of money or in-kind services from
111.4 a person, a public or private entity, or any other source for purposes consistent with the
111.5 board's role and within the scope of its statutory authority.

111.6 (d) The board may accept registration fees for meetings and conferences conducted for
111.7 the purposes of board activities that are within the scope of its authority.

111.8 Sec. 17. Minnesota Statutes 2024, section 148.241, is amended to read:

111.9 **148.241 EXPENSES.**

111.10 Subdivision 1. **Appropriation.** The expenses of administering sections 148.171 to
111.11 148.285 and chapter 148G shall be paid from the appropriation made to the Minnesota
111.12 Board of Nursing.

111.13 Subd. 2. **Expenditure.** All amounts appropriated to the board shall be held subject to
111.14 the order of the board to be used only for the purpose of meeting necessary expenses incurred
111.15 in the performance of the purposes of sections 148.171 to 148.285 and chapter 148G, and
111.16 the duties imposed thereby as well as the promotion of nursing or certified midwifery
111.17 education and standards of nursing or certified midwifery care in this state.

111.18 Sec. 18. Minnesota Statutes 2024, section 148.512, subdivision 17a, is amended to read:

111.19 Subd. 17a. **Speech-language pathology assistant.** "Speech-language pathology assistant"
111.20 means a person who meets the qualifications under section 148.5181 and provides
111.21 speech-language pathology services under the supervision of a licensed speech-language
111.22 pathologist under sections 122A.183 and 122A.184 or in accordance with section 148.5192.

111.23 Sec. 19. Minnesota Statutes 2024, section 148.5192, subdivision 3, is amended to read:

111.24 Subd. 3. **Supervision requirements.** (a) A supervising speech-language pathologist
111.25 shall authorize and accept full responsibility for the performance, practice, and activity of
111.26 a speech-language pathology assistant. The amount and type of supervision required must
111.27 be based on the skills and experience of the speech-language pathology assistant. A minimum
111.28 of one hour every 30 days of consultative supervision time must be documented for each
111.29 speech-language pathology assistant.

111.30 (b) A supervising speech-language pathologist must:

111.31 (1) be licensed under sections 122A.183, 122A.184, or 148.511 to 148.5198;

(2) hold a certificate of clinical competence from the American Speech-Language-Hearing Association or its equivalent as approved by the commissioner; and

(3) have completed at least ten hours of continuing education in supervision.

(c) Once every 60 days, the supervising speech-language pathologist must treat or cotreat with the speech-language pathology assistant each client on the speech-language pathology assistant's caseload.

(d) For purposes of this section, "direct supervision" means observation and guidance by the supervising speech-language pathologist during the performance of a delegated duty that occurs either on-site and in-view or through the use of real-time, two-way interactive audio and visual communication. The supervision requirements described in this section are minimum requirements. Additional supervision requirements may be imposed at the discretion of the supervising speech-language pathologist.

(e) A supervising speech-language pathologist must be available to communicate with a speech-language pathology assistant at any time the assistant is in direct contact with a client.

(f) A supervising speech-language pathologist must document activities performed by the assistant that are directly supervised by the supervising speech-language pathologist. At a minimum, the documentation must include:

(1) information regarding the quality of the speech-language pathology assistant's performance of the delegated duties; and

(2) verification that any delegated clinical activity was limited to duties authorized to be performed by the speech-language pathology assistant under this section.

(g) A supervising speech-language pathologist must review and cosign all informal treatment notes signed or initialed by the speech-language pathology assistant.

(h) A full-time, speech-language pathologist may supervise no more than two full-time, speech-language pathology assistants or the equivalent of two full-time assistants.

Sec. 20. Minnesota Statutes 2024, section 148.5194, subdivision 3b, is amended to read:

Subd. 3b. **Speech-language pathology assistant licensure fees.** The fee for initial licensure as a speech-language pathology assistant ~~is \$493~~ must not exceed \$220. The fee for licensure renewal for a speech-language pathology assistant ~~is \$493~~ must not exceed \$220.

113.1 Sec. 21. Minnesota Statutes 2024, section 148.56, subdivision 1, is amended to read:

113.2 Subdivision 1. **Optometry defined.** (a) Any person shall be deemed to be practicing
113.3 optometry within the meaning of sections 148.52 to 148.62 who shall in any way:

113.4 (1) advertise as an optometrist;

113.5 (2) employ any means, including the use of autorefractors or other automated testing
113.6 devices, for the measurement of the powers of vision or the adaptation of lenses or prisms
113.7 for the aid thereof;

113.8 (3) possess testing appliances for the purpose of the measurement of the powers of vision;

113.9 (4) diagnose any disease, optical deficiency or deformity, or visual or muscular anomaly
113.10 of the visual system consisting of the human eye and its accessory or subordinate anatomical
113.11 parts;

113.12 (5) prescribe lenses, including plano or cosmetic contact lenses, or prisms for the
113.13 correction or the relief of same;

113.14 (6) employ or prescribe ocular exercises, orthoptics, or habilitative and rehabilitative
113.15 therapeutic vision care; or

113.16 (7) prescribe or administer legend drugs to aid in the diagnosis, cure, mitigation,
113.17 prevention, treatment, or management of disease, deficiency, deformity, or abnormality of
113.18 the human eye and adnexa included in the curricula of accredited schools or colleges of
113.19 optometry, and as limited by Minnesota statute and adopted rules by the Board of Optometry,
113.20 or who holds oneself out as being able to do so.

113.21 (b) In the course of treatment, nothing in this section shall allow:

113.22 (1) legend drugs to be administered intravenously, ~~intramuscularly, or by injection,~~
113.23 ~~except for treatment of anaphylaxis~~ or by sub-Tenon, retrobulbar, or intravitreal injection;

113.24 (2) invasive surgery including, but not limited to, surgery using lasers;

113.25 (3) Schedule II and III oral legend drugs ~~and oral steroids~~ to be administered or
113.26 prescribed; or

113.27 (4) oral ~~antivirals to be prescribed or administered for more than ten days; or~~ steroids
113.28 to be administered or prescribed for more than 14 days without consultation with a physician.

113.29 ~~(5) oral carbonic anhydrase inhibitors to be prescribed or administered for more than~~
113.30 ~~seven days.~~

114.1 Sec. 22. Minnesota Statutes 2024, section 148.6401, is amended to read:

114.2 **148.6401 SCOPE.**

114.3 Sections 148.6401 to ~~148.6449~~ 148.645 apply to persons who are applicants for licensure,
114.4 who are licensed, who use protected titles, or who represent that they are licensed as
114.5 ~~occupational therapists or occupational therapy assistants~~ practitioners.

114.6 Sec. 23. Minnesota Statutes 2024, section 148.6402, subdivision 1, is amended to read:

114.7 Subdivision 1. **Scope.** For the purpose of sections 148.6401 to ~~148.6449~~ 148.645, the
114.8 following terms have the meanings given them.

114.9 Sec. 24. Minnesota Statutes 2024, section 148.6402, is amended by adding a subdivision
114.10 to read:

114.11 Subd. 2a. **Accreditation Council for Occupational Therapy Education or**
114.12 **ACOTE.** "Accreditation Council for Occupational Therapy Education" or "ACOTE" means
114.13 the entity that accredits occupational therapy education programs in the United States and
114.14 its territories and establishes, approves, and administers educational standards ensuring
114.15 consistency across all occupational therapy education.

114.16 Sec. 25. Minnesota Statutes 2024, section 148.6402, is amended by adding a subdivision
114.17 to read:

114.18 Subd. 5a. **Continuing competence.** "Continuing competence" means the process in
114.19 which an occupational therapy practitioner develops and maintains the knowledge, critical
114.20 reasoning, interpersonal skills, performance skills, and ethical practice necessary to perform
114.21 their occupational therapy responsibilities.

114.22 Sec. 26. Minnesota Statutes 2024, section 148.6402, subdivision 7, is amended to read:

114.23 Subd. 7. ~~**Credentialing Certification**~~ **examination for occupational**
114.24 **therapist.** "~~Credentialing Certification~~ examination for occupational therapist" means the
114.25 examination sponsored by the National Board for Certification in Occupational Therapy
114.26 for ~~credentialing certification~~ as ~~an~~ a registered occupational therapist, ~~registered~~.

114.27 Sec. 27. Minnesota Statutes 2024, section 148.6402, subdivision 8, is amended to read:

114.28 Subd. 8. ~~**Credentialing Certification**~~ **examination for occupational therapy**
114.29 **assistant.** "~~Credentialing Certification~~ examination for occupational therapy assistant"

115.1 means the examination sponsored by the National Board for Certification in Occupational
115.2 Therapy for ~~credentialing~~ certification as a certified occupational therapy assistant.

115.3 Sec. 28. Minnesota Statutes 2024, section 148.6402, is amended by adding a subdivision
115.4 to read:

115.5 Subd. 12a. **Face-to-face supervision.** "Face-to-face supervision" means supervision
115.6 occurring between a supervisor and a supervisee within each other's sight or presence.
115.7 Face-to-face supervision includes real-time audio and video communication where the
115.8 supervisor and supervisee can see each other and clearly visualize the services being provided.

115.9 Sec. 29. Minnesota Statutes 2024, section 148.6402, subdivision 13, is amended to read:

115.10 Subd. 13. **Licensed health care professional.** "Licensed health care professional" means
115.11 a person licensed in good standing in Minnesota to practice medicine, osteopathic medicine,
115.12 chiropractic, podiatry, advanced practice registered nursing, ~~or dentistry, or is a person~~
115.13 ~~registered~~ as a licensed physician assistant in Minnesota.

115.14 Sec. 30. Minnesota Statutes 2024, section 148.6402, is amended by adding a subdivision
115.15 to read:

115.16 Subd. 13a. **National Board for Certification in Occupational Therapy or**
115.17 **NBCOT.** "National Board for Certification in Occupational Therapy" or "NBCOT" means
115.18 the entity that administers the certification examination and provides initial and renewal
115.19 board certification for occupational therapy practitioners providing services in the United
115.20 States, or any successor entity performing the certification examination and initial and
115.21 renewal board certification.

115.22 Sec. 31. Minnesota Statutes 2024, section 148.6402, subdivision 14, is amended to read:

115.23 Subd. 14. **Occupational therapist.** "Occupational therapist" means an individual ~~who~~
115.24 ~~meets the qualifications in sections 148.6401 to 148.6449 and is licensed by the board~~
115.25 licensed to practice occupational therapy under sections 148.6401 to 148.645 who is
115.26 responsible for and directs the evaluation process, discharge planning process, development
115.27 of intervention plans, and provision of occupational therapy services.

115.28 Sec. 32. Minnesota Statutes 2024, section 148.6402, subdivision 16, is amended to read:

115.29 Subd. 16. **Occupational therapy assistant.** "Occupational therapy assistant" means an
115.30 individual ~~who meets the qualifications for an occupational therapy assistant in sections~~

116.1 ~~148.6401 to 148.6449 and is licensed by the board~~ licensed to assist in the practice of
116.2 occupational therapy under sections 148.6401 to 148.645 who works under the appropriate
116.3 supervision of and in partnership with an occupational therapist, unless exempted under
116.4 section 148.6432.

116.5 Sec. 33. Minnesota Statutes 2024, section 148.6402, subdivision 16a, is amended to read:

116.6 Subd. 16a. **Occupational therapy practitioner.** "Occupational therapy practitioner"
116.7 means any individual licensed as either an occupational therapist or occupational therapy
116.8 assistant under sections 148.6401 to ~~148.6449~~ 148.645.

116.9 Sec. 34. Minnesota Statutes 2024, section 148.6402, subdivision 19, is amended to read:

116.10 Subd. 19. **License or licensed.** "License" or "licensed" means the act or status of a
116.11 natural person who meets the requirements of sections 148.6401 to ~~148.6449~~ 148.645.

116.12 Sec. 35. Minnesota Statutes 2024, section 148.6402, subdivision 20, is amended to read:

116.13 Subd. 20. **Licensee.** "Licensee" means a person who meets the requirements of sections
116.14 148.6401 to ~~148.6449~~ 148.645.

116.15 Sec. 36. Minnesota Statutes 2024, section 148.6402, subdivision 23, is amended to read:

116.16 Subd. 23. **Service competency.** (a) "Service competency" of an occupational therapy
116.17 assistant in performing evaluation tasks means the ability of an occupational therapy assistant
116.18 to obtain the same information as the supervising occupational therapist when evaluating
116.19 a client's function.

116.20 (b) "Service competency" of an occupational therapy assistant in performing treatment
116.21 procedures means the ability of an occupational therapy assistant to perform treatment
116.22 procedures in a manner such that the outcome, documentation, and follow-up are equivalent
116.23 to that which would have been achieved had the supervising occupational therapist performed
116.24 the treatment procedure.

116.25 (c) "Service competency" of an occupational therapist means the ability of an occupational
116.26 therapist to consistently perform an assessment task or intervention procedure with the level
116.27 of skill recognized as satisfactory within the ~~appropriate acceptable prevailing practice~~
116.28 national practice standards of occupational therapy.

117.1 Sec. 37. Minnesota Statutes 2024, section 148.6402, subdivision 25, is amended to read:

117.2 Subd. 25. **Temporary licensure.** "Temporary licensure" means a method of licensure
117.3 described in section 148.6418, by which an individual who (1) has completed an approved
117.4 or accredited education program but has not met the examination requirement; or (2)
117.5 possesses a credential from another jurisdiction or the National Board for Certification in
117.6 Occupational Therapy but who has not submitted the documentation required by section
117.7 148.6420, ~~subdivisions 3 and 4~~, may qualify for Minnesota licensure for a limited time
117.8 period.

117.9 Sec. 38. Minnesota Statutes 2024, section 148.6403, is amended to read:

117.10 **148.6403 LICENSURE; PROTECTED TITLES AND RESTRICTIONS ON USE;**
117.11 **EXEMPT PERSONS; SANCTIONS.**

117.12 Subdivision 1. **Unlicensed practice prohibited.** A person must not engage in the practice
117.13 of occupational therapy unless the person is licensed as an occupational therapy practitioner
117.14 in accordance with sections 148.6401 to ~~148.6449~~ 148.645.

117.15 Subd. 2. **Protected titles and restrictions on use.** Use of the phrase "occupational
117.16 therapy," ~~or~~ "occupational therapist," or "occupational therapy assistant," or the initials
117.17 "OT" or "OTA" alone or in combination with any other words or initials to form an
117.18 occupational title, or to indicate or imply that the person is licensed by the state as an
117.19 occupational therapist or occupational therapy assistant, is prohibited unless that person is
117.20 licensed under sections 148.6401 to ~~148.6449~~ 148.645.

117.21 Subd. 3. **Use of "Minnesota licensed."** Use of the term "Minnesota licensed" in
117.22 conjunction with titles protected under this section by any person is prohibited unless that
117.23 person is licensed under sections 148.6401 to ~~148.6449~~ 148.645.

117.24 Subd. 4. **Persons licensed or certified in other states.** A person who is licensed in
117.25 Minnesota and licensed or certified in another ~~state~~ jurisdiction may use the designation
117.26 "licensed" or "certified" with a protected title only if the ~~state~~ jurisdiction of licensure or
117.27 certification is clearly indicated.

117.28 Subd. 5. **Exempt persons.** This section does not apply to:

117.29 (1) a person employed as an occupational therapy practitioner by the government of the
117.30 United States or any agency of it. However, use of the protected titles under those
117.31 circumstances is allowed only in connection with performance of official duties for the
117.32 federal government;

(2) a student participating in supervised fieldwork or supervised coursework that is necessary to meet the requirements of section 148.6408, subdivision 1, or 148.6410, subdivision 1, if the person is designated by a title which clearly indicates the person's status as a student trainee. Any use of the protected titles under these circumstances is allowed only while the person is performing the duties of the supervised fieldwork or supervised coursework; ~~or~~

~~(3) a person visiting and then leaving the state and performing occupational therapy services while in the state, if the services are performed no more than 30 days in a calendar year as part of a professional activity that is limited in scope and duration and is in association with an occupational therapist licensed under sections 148.6401 to 148.6449, and~~

~~(i) the~~ (3) a person who is credentialed under the law of another state ~~which~~ that has credentialing requirements at least as stringent as the requirements of sections 148.6401 to ~~148.6449~~ 148.645; or

~~(ii) the~~ (4) a person who meets the requirements for certification as an occupational therapist registered (OTR) or a certified occupational therapy assistant (COTA), established by the National Board for Certification in Occupational Therapy; or

(5) an occupational therapy practitioner who possesses an active compact privilege under section 148.645.

Subd. 6. **Sanctions.** A person who practices occupational therapy or holds out as an occupational therapy practitioner by or through the use of any title described in subdivision 2 without prior licensure according to sections 148.6401 to ~~148.6449~~ 148.645 is subject to sanctions or action against continuing the activity according to section 148.6448, chapter 214, or other statutory authority.

Subd. 7. **Exemption.** Nothing in sections 148.6401 to ~~148.6449~~ 148.645 shall prohibit the practice of any profession or occupation licensed or registered by the state by any person duly licensed or registered to practice the profession or occupation or to perform any act that falls within the scope of practice of the profession or occupation.

Sec. 39. Minnesota Statutes 2024, section 148.6404, is amended to read:

148.6404 SCOPE OF PRACTICE.

(a) The practice of occupational therapy means the therapeutic use of everyday ~~activities~~ life occupations with individuals ~~or~~ groups, or populations for the purpose of enhancing or enabling participation in those occupations. ~~It is the promotion of~~ The practice of occupational therapy promotes health and well-being through the use of occupational therapy

119.1 services that includes screening, evaluation, intervention, and consultation to develop,
119.2 recover, and maintain a client's:

119.3 (1) sensory integrative, neuromuscular, motor, emotional, motivational, cognitive, or
119.4 psychosocial components of performance;

119.5 (2) daily living skills;

119.6 (3) feeding and swallowing skills;

119.7 (4) play and leisure skills;

119.8 (5) educational participation skills;

119.9 (6) functional performance and work participation skills;

119.10 (7) community mobility; and

119.11 (8) health and wellness.

119.12 (b) Occupational therapy services include but are not limited to:

119.13 (1) designing, fabricating, or applying rehabilitative technology, such as selected orthotic
119.14 and prosthetic devices, and providing training in the functional use of these devices;

119.15 (2) designing, fabricating, or adapting assistive technology and providing training in the
119.16 functional use of assistive devices;

119.17 (3) adapting environments using assistive technology such as environmental controls,
119.18 wheelchair modifications, and positioning; and

119.19 (4) ~~employing~~ applying physical agent, manual, and mechanical modalities in preparation
119.20 for or as an adjunct to purposeful activity to meet established functional occupational therapy
119.21 goals; and

119.22 (5) educating and training individuals, including families, caregivers, groups, and
119.23 populations.

119.24 (c) Occupational therapy services must be based on nationally established standards of
119.25 practice.

119.26 Sec. 40. Minnesota Statutes 2024, section 148.6405, is amended to read:

119.27 **148.6405 LICENSURE APPLICATION REQUIREMENTS: PROCEDURES AND**
119.28 **QUALIFICATIONS.**

119.29 (a) An applicant for licensure must comply with the application requirements in section
119.30 148.6420. To qualify for licensure, an applicant must satisfy one of the requirements in

120.1 ~~paragraphs (b) to (f)~~ sections 148.6408 to 148.6415, or section 148.645 and not be subject
120.2 to denial of licensure under section 148.6448.

120.3 ~~(b) A person who applies for licensure as an occupational therapist and who has not~~
120.4 ~~been credentialed by the National Board for Certification in Occupational Therapy or another~~
120.5 ~~jurisdiction must meet the requirements in section 148.6408.~~

120.6 ~~(c) A person who applies for licensure as an occupational therapy assistant and who has~~
120.7 ~~not been credentialed by the National Board for Certification in Occupational Therapy or~~
120.8 ~~another jurisdiction must meet the requirements in section 148.6410.~~

120.9 ~~(d) A person who is certified by the National Board for Certification in Occupational~~
120.10 ~~Therapy may apply for licensure by equivalency and must meet the requirements in section~~
120.11 ~~148.6412.~~

120.12 ~~(e) A person who is credentialed in another jurisdiction and who was previously certified~~
120.13 ~~by the National Board for Certification in Occupational Therapy may apply for licensure~~
120.14 ~~by reciprocity and must meet the requirements in section 148.6415.~~

120.15 ~~(f)~~ (b) A person who applies for temporary licensure must meet the requirements in
120.16 section 148.6418.

120.17 (c) A person who applies for licensure under section 148.6408 or 148.6410 more than
120.18 two years after the person's initial NBCOT certification was issued and who has not practiced
120.19 in any jurisdiction must submit:

120.20 (1) a completed and signed application for licensure on forms provided by the board
120.21 that meet the requirements of section 148.6420, subdivision 1, paragraph (a), clauses (1)
120.22 and (2); and

120.23 (2) proof of a minimum of 24 continuing education contact hours by an occupational
120.24 therapist applicant, or a minimum of 18 hours by an occupational therapy assistant applicant,
120.25 completed within the two years proceeding the application and meeting the requirements
120.26 of section 148.6443.

120.27 ~~(g)~~ (d) A person who applies for licensure under ~~paragraph (b), (c), or (f) more than two~~
120.28 ~~and less than four years after meeting the examination requirements in section 148.6408,~~
120.29 ~~subdivision 2, or 148.6410, subdivision 2,~~ section 148.6408 or 148.6410 after the person's
120.30 initial NBCOT certification has expired must submit the following:

120.31 (1) a completed and signed application for licensure on forms provided by the board
120.32 that meet the requirements of section 148.6420, subdivision 1, paragraph (a), clauses (1)
120.33 and (2); and

- 121.1 ~~(2) the license application fee required under section 148.6445; evidence of:~~
- 121.2 ~~(i) completion of an occupational therapy refresher program that contains both theoretical~~
- 121.3 ~~and clinical components completed within the last year; or~~
- 121.4 ~~(ii) current NBCOT certification.~~
- 121.5 ~~(3) if applying for occupational therapist licensure, proof of having met a minimum of~~
- 121.6 ~~24 contact hours of continuing education in the two years preceding licensure application;~~
- 121.7 ~~or if applying for occupational therapy assistant licensure, proof of having met a minimum~~
- 121.8 ~~of 18 contact hours of continuing education in the two years preceding licensure application;~~
- 121.9 ~~(4) verified documentation of successful completion of 160 hours of supervised practice~~
- 121.10 ~~approved by the board under a limited license specified in section 148.6425, subdivision 3,~~
- 121.11 ~~paragraph (c); and~~
- 121.12 ~~(5) additional information as requested by the board to clarify information in the~~
- 121.13 ~~application, including information to determine whether the individual has engaged in~~
- 121.14 ~~conduct warranting disciplinary action under section 148.6448. The information must be~~
- 121.15 ~~submitted within 30 calendar days from the date of the board's request.~~
- 121.16 ~~(h) A person who applies for licensure under paragraph (b), (c), or (f) four years or more~~
- 121.17 ~~after meeting the examination requirements in section 148.6408, subdivision 2, or 148.6410,~~
- 121.18 ~~subdivision 2, must:~~
- 121.19 ~~(1) meet all the requirements in paragraph (g) except clauses (3) and (4);~~
- 121.20 ~~(2) submit documentation of having retaken and achieved a qualifying score on the~~
- 121.21 ~~credentialing examination for occupational therapists or occupational therapy assistants, or~~
- 121.22 ~~of having completed an occupational therapy refresher program that contains both a~~
- 121.23 ~~theoretical and clinical component approved by the board; and~~
- 121.24 ~~(3) submit verified documentation of successful completion of 480 hours of supervised~~
- 121.25 ~~practice approved by the board under a limited license specified in section 148.6425,~~
- 121.26 ~~subdivision 3, paragraph (c). The 480 hours of supervised practice must be completed in~~
- 121.27 ~~six months and may be completed at the applicant's place of work. Only refresher courses~~
- 121.28 ~~completed within one year prior to the date of application qualify for approval.~~
- 121.29 Sec. 41. Minnesota Statutes 2024, section 148.6408, is amended by adding a subdivision
- 121.30 to read:

- 121.31 Subd. 1a. **Qualifications.** To be licensed as an occupational therapist, an applicant must:
- 121.32 (1) satisfy the education and examination requirements of subdivisions 1b and 2; or

122.1 (2) satisfy the requirements for licensure by equivalency under section 148.6412 or
122.2 licensure by reciprocity under section 148.6415 as applicable based on the current status of
122.3 the applicant's NBCOT certification.

122.4 Sec. 42. Minnesota Statutes 2024, section 148.6408, subdivision 2, is amended to read:

122.5 Subd. 2. **Qualifying examination score required.** (a) An applicant must achieve a
122.6 qualifying score on the ~~credentialing~~ credentialing certification examination for occupational therapist.

122.7 (b) The board shall determine the qualifying score for the ~~credentialing~~ credentialing certification
122.8 examination for occupational therapist. ~~In determining the qualifying score, the board shall~~
122.9 ~~consider the cut score as~~ recommended by the National Board for Certification in
122.10 Occupational Therapy, or other national ~~credentialing~~ credentialing certification organization approved
122.11 by the board, ~~using the modified Angoff method for determining cut score or another method~~
122.12 ~~for determining cut score that is recognized as appropriate and acceptable by industry~~
122.13 ~~standards.~~

122.14 (c) ~~The applicant is responsible for~~ Applicants for licensure must:

122.15 (1) ~~making~~ make arrangements to take the ~~credentialing~~ credentialing certification examination for
122.16 an occupational therapist;

122.17 (2) ~~bearing~~ bear all expenses associated with taking the examination; and

122.18 (3) ~~having the examination scores sent directly to the board from the testing service that~~
122.19 ~~administers the examination~~ submit an application and other materials as required by the
122.20 board under section 148.6420.

122.21 Sec. 43. Minnesota Statutes 2024, section 148.6410, is amended by adding a subdivision
122.22 to read:

122.23 Subd. 1a. **Qualifications.** To be licensed as an occupational therapist assistant, an
122.24 applicant must:

122.25 (1) satisfy the education and examination requirements of subdivisions 1b and 2; or

122.26 (2) satisfy the requirements for licensure by equivalency under section 148.6412 or
122.27 licensure by reciprocity under section 148.6415 as applicable based on the current status of
122.28 the applicant's NBCOT certification.

123.1 Sec. 44. Minnesota Statutes 2024, section 148.6410, subdivision 2, is amended to read:

123.2 Subd. 2. **Qualifying examination score required.** (a) An applicant for licensure must
123.3 achieve a qualifying score on the ~~credentialing~~ certification examination for occupational
123.4 therapy assistants.

123.5 (b) The board shall determine the qualifying score for the ~~credentialing~~ certification
123.6 examination for occupational therapy assistants. ~~In determining the qualifying score, the~~
123.7 ~~board shall consider the cut score~~ as recommended by the National Board for Certification
123.8 in Occupational Therapy, or other national ~~credentialing~~ certification organization approved
123.9 by the board, ~~using the modified Angoff method for determining cut score or another method~~
123.10 ~~for determining cut score that is recognized as appropriate and acceptable by industry~~
123.11 ~~standards.~~

123.12 (c) ~~The applicant is responsible for~~ Applicants for licensure must:

123.13 (1) ~~making~~ make all arrangements to take the ~~credentialing~~ certification examination
123.14 for occupational therapy assistants;

123.15 (2) ~~bearing~~ bear all expense associated with taking the examination; and

123.16 (3) ~~having the examination scores sent directly to the board from the testing service that~~
123.17 ~~administers the examination~~ submit an application and other materials as required by the
123.18 board under section 148.6420.

123.19 Sec. 45. Minnesota Statutes 2024, section 148.6412, subdivision 2, is amended to read:

123.20 Subd. 2. **Persons currently certified by ~~National Board for Certification in~~**
123.21 **~~Occupational Therapy~~ NBCOT.** The board may license any person ~~certified by the National~~
123.22 ~~Board for Certification in Occupational Therapy~~ who holds current NBCOT certification
123.23 ~~as an occupational therapist if the board determines the requirements for certification are~~
123.24 ~~equivalent to or exceed the requirements for licensure as an occupational therapist under~~
123.25 ~~section 148.6408~~ therapy practitioner. ~~The board may license any person certified by the~~
123.26 ~~National Board for Certification in Occupational Therapy as an occupational therapy assistant~~
123.27 ~~if the board determines the requirements for certification are equivalent to or exceed the~~
123.28 ~~requirements for licensure as an occupational therapy assistant under section 148.6410.~~
123.29 Nothing in this section limits the board's authority to deny licensure based upon the grounds
123.30 for discipline in sections 148.6401 to ~~148.6449~~ 148.645.

123.31 Sec. 46. Minnesota Statutes 2024, section 148.6412, subdivision 3, is amended to read:

123.32 Subd. 3. **Application procedures.** Applicants for licensure by equivalency must provide:

124.1 (1) the application materials as required by section 148.6420, ~~subdivisions~~ subdivision
124.2 ~~1, 3, and 4; and.~~

124.3 ~~(2) the fees required by section 148.6445.~~

124.4 Sec. 47. Minnesota Statutes 2024, section 148.6415, is amended to read:

124.5 **148.6415 LICENSURE BY RECIPROCITY.**

124.6 ~~A person who is not certified by the National Board for Certification in Occupational~~
124.7 ~~Therapy~~ The board may license any person who does not hold current NBCOT certification
124.8 but who holds a compact privilege or a current credential as an occupational therapist ~~therapy~~
124.9 practitioner in the District of Columbia or a state or territory of the United States whose
124.10 standards for credentialing are determined by the board to be equivalent to or exceed the
124.11 requirements for licensure under section 148.6408 ~~may be eligible for licensure by reciprocity~~
124.12 ~~as an occupational therapist. A person who is not certified by the National Board for~~
124.13 ~~Certification in Occupational Therapy but who holds a current credential as an occupational~~
124.14 ~~therapy assistant in the District of Columbia or a state or territory of the United States whose~~
124.15 ~~standards for credentialing are determined by the board to be equivalent to or exceed the~~
124.16 ~~requirements for licensure under section 148.6410 may be eligible for licensure by reciprocity~~
124.17 ~~as an occupational therapy assistant.~~ or 148.6410 as an occupational therapy practitioner.
124.18 Nothing in this section limits the board's authority to deny licensure based upon the grounds
124.19 for discipline in sections 148.6401 to ~~148.6449~~ 148.645. An applicant must provide:

124.20 (1) the application materials as required by section 148.6420, ~~subdivisions~~ subdivision
124.21 ~~1, 3, and 4; and~~

124.22 ~~(2) the fees required by section 148.6445;~~

124.23 ~~(3) a copy of a current and unrestricted credential for the practice of occupational therapy~~
124.24 ~~as either an occupational therapist or occupational therapy assistant;~~

124.25 ~~(4) a letter from the jurisdiction that issued the credential describing the applicant's~~
124.26 ~~qualifications that entitled the applicant to receive the credential; and~~

124.27 ~~(5)~~ (2) other information necessary to determine whether the credentialing standards of
124.28 the jurisdiction that issued the credential are equivalent to or exceed the requirements for
124.29 licensure under sections 148.6401 to ~~148.6449~~ 148.645.

125.1 Sec. 48. Minnesota Statutes 2024, section 148.6418, is amended to read:

125.2 **148.6418 TEMPORARY LICENSURE.**

125.3 Subdivision 1. **Application.** The board shall issue temporary licensure as an occupational
125.4 ~~therapist or occupational therapy assistant~~ practitioner to applicants who are not the subject
125.5 of a disciplinary action or past disciplinary action, nor disqualified on the basis of items
125.6 listed in section 148.6448, subdivision 1.

125.7 Subd. 2. **Procedures.** To be eligible for temporary licensure, an applicant must submit
125.8 a completed application for temporary licensure on forms provided by the board, the fees
125.9 required by section 148.6445, and one of the following:

125.10 (1) evidence of successful completion of the requirements in section 148.6408,
125.11 subdivision 1, or 148.6410, subdivision 1;

125.12 (2) a copy of a current and unrestricted credential for the practice of occupational therapy
125.13 as ~~either an occupational therapist or occupational therapy assistant~~ practitioner in another
125.14 jurisdiction; or

125.15 (3) a copy of a current and unrestricted ~~certificate~~ certification from the National Board
125.16 for Certification in Occupational Therapy stating that the applicant is certified as an
125.17 occupational ~~therapist or occupational therapy assistant~~ practitioner.

125.18 Subd. 3. **Additional documentation.** Persons who are ~~credentialed~~ certified by the
125.19 National Board for Certification in Occupational Therapy or credentialed by another
125.20 jurisdiction must provide ~~an affidavit~~ a statement with the application for temporary licensure
125.21 stating that they are not the subject of a pending investigation or disciplinary action and
125.22 have not been the subject of a disciplinary action in the past.

125.23 Subd. 4. **Supervision required.** An applicant who has graduated from an accredited
125.24 occupational therapy program, as required by section 148.6408, subdivision 1, or 148.6410,
125.25 subdivision 1, and who has not passed the examination required by section 148.6408,
125.26 subdivision 2, or 148.6410, subdivision 2, must practice under the supervision of a licensed
125.27 occupational therapist. The supervising therapist must, at a minimum, supervise the person
125.28 working under temporary licensure in the performance of the initial evaluation, determination
125.29 of the appropriate intervention plan, and periodic review and modification of the intervention
125.30 plan. The supervising therapist must observe the person working under temporary licensure
125.31 in order to ensure service competency in carrying out evaluation, intervention planning,
125.32 and intervention implementation. The frequency of face-to-face collaboration between the
125.33 person working under temporary licensure and the supervising therapist must be based on

126.1 the condition of each patient or client, the complexity of intervention and evaluation
126.2 procedures, and the proficiencies of the person practicing under temporary licensure.
126.3 Following demonstrated service competency of the applicant, supervision must occur no
126.4 less than every ten intervention days or every 30 calendar days, whichever occurs first. The
126.5 occupational ~~therapist or occupational therapy assistant~~ practitioner working under temporary
126.6 licensure must provide verification of supervision on the application form provided by the
126.7 board. Supervising occupational therapists must have a minimum of six months of fully
126.8 licensed practice to supervise a temporary licensee. The occupational therapy practitioner
126.9 working under temporary licensure must notify the board before changing supervision.

126.10 Subd. 5. **Qualifying examination requirement; expiration and renewability.** (a) A
126.11 person issued a temporary license pursuant to subdivision 2, clause (1), must demonstrate
126.12 to the board within the temporary licensure period successful completion of the qualifying
126.13 examination requirement under section 148.6408, subdivision 2, or section 148.6410,
126.14 subdivision 2. A temporary license holder who fails the qualifying examination for a second
126.15 time shall have their temporary license revoked effective upon notification to the temporary
126.16 license holder of the examination score. It is the temporary license holder's obligation to
126.17 submit to the board their qualifying examination scores and to refrain from practice if their
126.18 temporary license is revoked. Failure to do so subjects the temporary license holder to
126.19 disciplinary action pursuant to section 148.6448, subdivision 1, clause ~~(5)~~ (6). The board
126.20 must not issue a temporary license to a person with two or more certification examination
126.21 failures.

126.22 (b) A temporary license expires six months from the date of issuance or on the date the
126.23 board grants or denies licensure, whichever occurs first.

126.24 (c) A temporary license is not renewable.

126.25 Sec. 49. Minnesota Statutes 2024, section 148.6420, subdivision 1, is amended to read:

126.26 Subdivision 1. **Applications for initial licensure.** (a) An applicant for initial licensure
126.27 must:

126.28 (1) submit a completed application for licensure on forms provided by the board and
126.29 must supply ~~the~~ all information and documentation requested on the application, including:

126.30 (i) the applicant's name, business address and business telephone number, ~~business~~
126.31 ~~setting~~, primary email address, and ~~daytime~~ home or mobile telephone number;

126.32 ~~(ii) the name and location of the occupational therapy program the applicant completed;~~

- 127.1 ~~(iii)~~ (ii) a description of the applicant's education and training, including the name and
- 127.2 location of the occupational therapy program the applicant completed and a list of degrees
- 127.3 ~~received from all other~~ educational institutions attended;
- 127.4 ~~(iv)~~ (iii) the applicant's work history for the six years preceding the application;
- 127.5 ~~(v)~~ (iv) a list of all credentials currently and previously held in Minnesota and other
- 127.6 jurisdictions;
- 127.7 ~~(vi)~~ (v) a description of any jurisdiction's refusal to credential the applicant;
- 127.8 ~~(vii)~~ (vi) a description of all professional disciplinary actions initiated against the applicant
- 127.9 in any jurisdiction;
- 127.10 ~~(viii)~~ (vii) information on any physical or mental condition or substance use disorder
- 127.11 that impairs the person's ability to engage in the practice of occupational therapy with
- 127.12 reasonable judgment or safety;
- 127.13 ~~(ix)~~ (viii) a description of any misdemeanor or felony ~~conviction that relates to honesty~~
- 127.14 ~~or to the practice of occupational therapy~~ charges or convictions; and
- 127.15 ~~(x)~~ (ix) a description of any state or federal court order, including a conciliation court
- 127.16 judgment or a disciplinary order, related to the individual's occupational therapy practice;
- 127.17 ~~(2) submit with the application all fees required by section 148.6445;~~
- 127.18 ~~(3) sign a statement that the information in the application is true and correct to the best~~
- 127.19 ~~of the applicant's knowledge and belief;~~
- 127.20 ~~(4) sign a waiver authorizing the board to obtain access to the applicant's records in this~~
- 127.21 ~~or any other state in which the applicant holds or previously held a credential for the practice~~
- 127.22 ~~of an occupation, has completed an accredited occupational therapy education program, or~~
- 127.23 ~~engaged in the practice of occupational therapy;~~
- 127.24 (x) any legal information required under chapter 214;
- 127.25 (xi) either documentation to demonstrate the completion of the required education and
- 127.26 examination requirements under section 148.6408, subdivisions 1b and 2, or 148.6410,
- 127.27 subdivisions 1b and 2; for applicants for licensure by equivalency under section 148.6412,
- 127.28 documentation of current NBCOT certification; for applicants for licensure by reciprocity
- 127.29 under section 148.6415, documentation submitted directly by the appropriate commission
- 127.30 or government body verifying the license or credential; or verification from the Compact
- 127.31 Commission of the applicant's practice status in Compact Commission states;
- 127.32 (xii) all application fees required by section 148.6445;

- 128.1 (xiii) evidence of completing a criminal background check according to section 214.075;
128.2 and
- 128.3 (xiv) a signed statement affirming that the information in the application is true and
128.4 correct to the best of the applicant's knowledge and belief;
- 128.5 ~~(5)~~ (2) submit additional information as requested by the board; and
- 128.6 ~~(6)~~ (3) submit ~~the~~ any additional information required for licensure by equivalency,
128.7 licensure by reciprocity, licensure by compact privilege, and temporary licensure as specified
128.8 in sections 148.6408 to 148.6418- and 148.645. An applicant applying under section 148.6418
128.9 is exempt from providing documentation related to a criminal background check under
128.10 clause (1), item (xiii). An applicant applying under section 148.6418, subdivision 4, is
128.11 exempt from providing documentation related to previously held licenses or credentials
128.12 under clause (1), item (iv).
- 128.13 (b) The board must not verify the status of an applicant under paragraph (a), clause (1),
128.14 item (xi), by using another jurisdiction's publicly available website unless the other
128.15 jurisdiction fails to provide the requested documentation after the applicant provides
128.16 documentation of making the request.
- 128.17 Sec. 50. Minnesota Statutes 2024, section 148.6423, subdivision 1, is amended to read:
- 128.18 Subdivision 1. **Renewal requirements.** To be eligible for licensure renewal, a licensee
128.19 must:
- 128.20 (1) submit a completed and signed application for licensure renewal; on forms provided
128.21 by the board, including:
- 128.22 (i) updated personal information, including the renewal applicant's name, business
128.23 address and business telephone number, primary email address, and home or mobile telephone
128.24 number;
- 128.25 (ii) information regarding any change to the renewal applicant's responses to section
128.26 148.6420, subdivision 1, paragraph (a), clause (1), items (v) to (ix);
- 128.27 (iii) a signed statement affirming that the information in the renewal application is true
128.28 and correct to the best of the applicant's knowledge and belief; and
- 128.29 (iv) any legal information required under chapter 214;
- 128.30 (2) submit the renewal fee required under section 148.6445;

129.1 (3) if audited, submit proof of having met the continuing education requirement of section
129.2 148.6443; and

129.3 (4) submit additional information as requested by the board to clarify information
129.4 presented in the renewal application. The information must be submitted within 30 calendar
129.5 days of the board's request.

129.6 Sec. 51. Minnesota Statutes 2024, section 148.6423, is amended by adding a subdivision
129.7 to read:

129.8 Subd. 1a. **License period.** Following the initial license period, a license period begins
129.9 on the first day of the month after the licensee's birth month and must be renewed biennially.

129.10 Sec. 52. Minnesota Statutes 2024, section 148.6423, subdivision 2, is amended to read:

129.11 Subd. 2. **Renewal deadline.** (a) Except as provided in paragraph (c), licenses must be
129.12 renewed every two years on or before the first day of the month after the licensee's birth
129.13 month. Licensees must comply with the following procedures in paragraphs (b) to (e).

129.14 (b) Each license must state an expiration date. An application for licensure renewal must
129.15 be received by the board ~~at least 30 calendar days~~ on or before the expiration date.

129.16 (c) If the board changes the renewal schedule and the expiration date is less than two
129.17 years, the fee and the continuing education contact hours to be reported at the next renewal
129.18 must be prorated.

129.19 (d) An application for licensure renewal not received within the time required under
129.20 paragraph (b), ~~but received on or before the expiration date~~, must be accompanied by a late
129.21 fee in addition to the renewal fee specified by section 148.6445.

129.22 (e) Licensure renewals received after the expiration date must comply with the
129.23 requirements of section 148.6425.

129.24 Sec. 53. Minnesota Statutes 2024, section 148.6425, subdivision 2, is amended to read:

129.25 Subd. 2. **Licensure renewal within one year after licensure expiration date.** A licensee
129.26 whose application for licensure renewal is received after the licensure expiration date but
129.27 within one year of the expiration date must submit the following:

129.28 (1) a completed and signed renewal application for licensure following lapse in licensed
129.29 status; on forms provided by the board, including:

- 130.1 (i) updated personal information, including the renewal applicant's name, business
 130.2 address and business telephone number, primary email address, and home or mobile telephone
 130.3 number;
- 130.4 (ii) information regarding any change to the renewal applicant's responses to section
 130.5 148.6420, subdivision 1, paragraph (a), clause (1), items (v) to (ix);
- 130.6 (iii) a signed statement affirming that the information in the renewal application is true
 130.7 and correct to the best of the applicant's knowledge and belief;
- 130.8 (iv) information regarding any change to the renewal applicant's responses to section
 130.9 148.6420, subdivision 1, paragraph (a), clause (1), item (xi);
- 130.10 (v) NBCOT verification of certification documentation; and
- 130.11 (vi) any legal information required under chapter 214;
- 130.12 (2) the renewal fee and the late fee required under section 148.6445;
- 130.13 (3) proof of having met the continuing education requirements in section 148.6443;
 130.14 ~~subdivision 1; and~~
- 130.15 (4) an employment verification form; and
- 130.16 ~~(4)~~ (5) additional information as requested by the board to clarify information in the
 130.17 application, including information to determine whether the licensee has engaged in conduct
 130.18 warranting disciplinary action as set forth in section 148.6448. The information must be
 130.19 submitted within 30 calendar days from the date of the board's request.
- 130.20 Sec. 54. Minnesota Statutes 2024, section 148.6425, is amended by adding a subdivision
 130.21 to read:
- 130.22 Subd. 4. **Licensure renewal within two years after license expiration date.** A licensee
 130.23 whose application for license renewal is received more than one year but less than two years
 130.24 after the expiration date must submit the following:
- 130.25 (1) a completed and signed renewal application for licensure following lapse in licensed
 130.26 status on forms provided by the board, including all information listed in subdivision 2,
 130.27 clause (1);
- 130.28 (2) the renewal fee and the late fee required under section 148.6445;
- 130.29 (3) proof of having met the continuing education requirements in section 148.6443;
- 130.30 (4) an employment verification form;

131.1 (5) evidence of completion of a criminal background check as required under section
131.2 214.075 and the associated fee; and

131.3 (6) additional information as requested by the board to clarify information in the
131.4 application, including information to determine whether the licensee has engaged in conduct
131.5 warranting disciplinary action as set forth in section 148.6448. The information must be
131.6 submitted within 30 calendar days from the date of the board's request.

131.7 Sec. 55. Minnesota Statutes 2024, section 148.6425, is amended by adding a subdivision
131.8 to read:

131.9 Subd. 5. **Expiration due to nonrenewal after two years.** The board shall not renew,
131.10 reissue, reinstate, or restore a license that is not subject to a pending review, investigation,
131.11 or disciplinary action and has not been renewed within one biennial renewal cycle of the
131.12 license expiration. An individual whose license has expired under this subdivision for
131.13 nonrenewal must obtain a new license by applying for licensure and fulfilling all requirements
131.14 then in existence for an initial license to practice occupational therapy in Minnesota.

131.15 Sec. 56. Minnesota Statutes 2024, section 148.6428, is amended to read:

131.16 **148.6428 CHANGE OF CONTACT INFORMATION OR EMPLOYMENT.**

131.17 A licensee who changes a name, primary email address, address, employment, business
131.18 address, or business telephone number must inform the board of the change of ~~name, primary~~
131.19 ~~email address, address, employment, business address, or business telephone number~~ within
131.20 30 calendar days from the effective date of the change. A change in name must be
131.21 accompanied by a copy of a marriage certificate, government-issued identification card,
131.22 Social Security card, or court order. All notices or other correspondence served on a licensee
131.23 by the board at the licensee's contact information on file with the board must be considered
131.24 as having been received by the licensee.

131.25 Sec. 57. **[148.6431] JURISPRUDENCE EXAMINATION.**

131.26 The board may require occupational therapy practitioners to take an open-book
131.27 jurisprudence examination on state laws and rules regarding the practice of occupational
131.28 therapy and occupational therapy assisting.

131.29 Sec. 58. Minnesota Statutes 2024, section 148.6432, subdivision 1, is amended to read:

131.30 Subdivision 1. **Applicability.** If the professional standards identified in ~~section 148.6430~~
131.31 subdivision 1a permit an occupational therapist to delegate an evaluation, reevaluation, or

132.1 treatment procedure, the occupational therapist must provide supervision consistent with
132.2 this section.

132.3 Sec. 59. Minnesota Statutes 2024, section 148.6432, is amended by adding a subdivision
132.4 to read:

132.5 Subd. 1a. **Delegation of duties.** (a) The occupational therapist may delegate to an
132.6 occupational therapy assistant those portions of the client's evaluation, reevaluation, and
132.7 intervention that, according to prevailing national practice standards, can be performed by
132.8 an occupational therapy assistant.

132.9 (b) The occupational therapist is responsible for all duties delegated to the occupational
132.10 therapy assistant.

132.11 (c) The occupational therapist may not delegate portions of an evaluation or reevaluation
132.12 of a person whose condition is changing rapidly.

132.13 Sec. 60. Minnesota Statutes 2024, section 148.6432, subdivision 2, is amended to read:

132.14 Subd. 2. **Evaluations.** The occupational therapist shall determine the frequency of
132.15 evaluations and reevaluations for each client. The occupational therapy assistant shall inform
132.16 the occupational therapist of the need for more frequent reevaluation if indicated by the
132.17 client's condition or response to treatment. Before delegating a portion of a client's evaluation
132.18 pursuant to ~~section 148.6430~~ subdivision 1a, the occupational therapist shall ensure the
132.19 service competency of the occupational therapy assistant in performing the evaluation
132.20 procedure and shall provide supervision consistent with the condition of the patient or client
132.21 and the complexity of the evaluation procedure.

132.22 Sec. 61. Minnesota Statutes 2024, section 148.6432, subdivision 3, is amended to read:

132.23 Subd. 3. **Intervention.** (a) The occupational therapist must determine the frequency and
132.24 manner of supervision of an occupational therapy assistant performing intervention
132.25 procedures delegated pursuant to ~~section 148.6430~~ subdivision 1a based on the condition
132.26 of the patient or client, the complexity of the intervention procedure, and the service
132.27 competency of the occupational therapy assistant.

132.28 (b) Face-to-face collaboration between the occupational therapist and the occupational
132.29 therapy assistant must occur for all clients every ten intervention days or every 30 days,
132.30 whichever comes first, during which time the occupational therapist is responsible for:

- 133.1 (1) planning and documenting an initial intervention plan and discharge from
133.2 interventions;
- 133.3 (2) reviewing intervention goals, therapy programs, and client progress;
- 133.4 (3) supervising changes in the intervention plan;
- 133.5 (4) conducting or observing intervention procedures for selected clients and documenting
133.6 appropriateness of intervention procedures. Clients must be selected based on the
133.7 occupational therapy services provided to the client and the role of the occupational therapist
133.8 and the occupational therapy assistant in those services; and
- 133.9 (5) ensuring the service competency of the occupational therapy assistant in performing
133.10 delegated intervention procedures.
- 133.11 (c) Face-to-face collaboration must occur more frequently if necessary to meet the
133.12 requirements of paragraph (a) or (b).
- 133.13 (d) The occupational therapist must document compliance with this subdivision in the
133.14 client's file or chart.
- 133.15 Sec. 62. Minnesota Statutes 2024, section 148.6432, subdivision 4, is amended to read:
- 133.16 Subd. 4. **Exception.** (a) The supervision requirements of this section do not apply to an
133.17 occupational therapy assistant who:
- 133.18 (1) works in an activities program; and
- 133.19 (2) does not perform occupational therapy services.
- 133.20 (b) The occupational therapy assistant must meet all other applicable requirements of
133.21 sections 148.6401 to ~~148.6449~~ 148.645.
- 133.22 Sec. 63. Minnesota Statutes 2024, section 148.6435, is amended to read:
- 133.23 **148.6435 COORDINATION OF SERVICES.**
- 133.24 An occupational therapist must:
- 133.25 (1) collect information necessary to ensure that the provision of occupational therapy
133.26 services are consistent with the client's physical and mental health status. The information
133.27 required to make this determination may include, but is not limited to, contacting the client's
133.28 licensed health care professional for health history, current health status, current medications,
133.29 and precautions;

134.1 ~~(2) modify or terminate occupational therapy intervention of a client that is not beneficial~~
134.2 ~~to the client, not tolerated by the client, or refused by the client, and if intervention was~~
134.3 ~~terminated for a medical reason, notify the client's licensed health care professional by~~
134.4 ~~correspondence postmarked or delivered to the licensed health care professional within one~~
134.5 ~~week of the termination of intervention;~~

134.6 ~~(3)~~ (2) refer a client to an appropriate health care, social service, or education practitioner
134.7 if the client's condition requires services not within the occupational therapist's service
134.8 competency or not within the practice of occupational therapy generally, or if the client's
134.9 acuity warrants alternative care; and

134.10 ~~(4)~~ (3) participate and cooperate in the coordination of occupational therapy services
134.11 with other related services, as a member of the professional community serving the client.

134.12 Sec. 64. Minnesota Statutes 2024, section 148.6438, is amended to read:

134.13 **148.6438 RECIPIENT NOTIFICATION.**

134.14 Subdivision 1. **Required notification.** (a) In the absence of a ~~physician, advanced~~
134.15 ~~practice registered nurse, or physician assistant~~ licensed health care provider referral or
134.16 prior authorization, and before providing occupational therapy services for remuneration
134.17 or expectation of payment from the client, an occupational therapist must provide the
134.18 following ~~written notification in all capital letters of 12-point or larger boldface type, to the~~
134.19 client, parent, or guardian in a format meeting national accessibility standards and the needs
134.20 of the client, parent, or guardian:

134.21 "Your health care provider, insurer, or plan may require a ~~physician, advanced practice~~
134.22 ~~registered nurse, or physician assistant~~ licensed health care provider referral or prior
134.23 authorization and you may be obligated for partial or full payment for occupational therapy
134.24 services rendered."

134.25 (b) Information other than this notification may be included as long as the notification
134.26 remains conspicuous on the face of the document. ~~A nonwritten disclosure format may be~~
134.27 ~~used to satisfy the recipient notification requirement when necessary to accommodate the~~
134.28 ~~physical condition of a client or client's guardian.~~

134.29 Subd. 2. **Evidence of recipient notification.** The occupational therapist is responsible
134.30 for providing evidence of compliance with the recipient notification requirement of this
134.31 section with documentation of the client, parent, or guardian agreement.

135.1 Sec. 65. Minnesota Statutes 2024, section 148.6443, subdivision 3, is amended to read:

135.2 Subd. 3. **Activities qualifying for continuing education contact hours.** (a) The activities
135.3 in this subdivision qualify for continuing education contact hours if they meet all other
135.4 requirements of this section.

135.5 (b) A minimum of one-half of the required contact hours must be directly related to
135.6 occupational therapy practice. The remaining contact hours may be related to occupational
135.7 therapy practice, the delivery of occupational therapy services, or to the practitioner's current
135.8 professional role.

135.9 (c) A licensee may obtain an unlimited number of contact hours in any two-year
135.10 continuing education period through participation in the following:

135.11 (1) attendance at educational programs of annual conferences, lectures, panel discussions,
135.12 workshops, in-service training, seminars, and symposiums;

135.13 (2) successful completion of college or university courses. The licensee must obtain a
135.14 grade of at least a "C" or a pass in a pass/fail course in order to receive credit. One college
135.15 credit equals six continuing education contact hours; or

135.16 (3) successful completion of ~~home-study~~ courses that ~~require the participant to~~
135.17 ~~demonstrate the participant's knowledge following completion of the course~~ provide
135.18 documentation that the course was completed and that meet the requirements in subdivision
135.19 2.

135.20 (d) A licensee may obtain a maximum of one-half of the required contact hours in any
135.21 two-year continuing education period for:

135.22 (1) teaching continuing education or occupational therapy related courses that meet the
135.23 requirements of this section. A licensee is entitled to earn a maximum of two contact hours
135.24 as preparation time for each contact hour of presentation time. Contact hours may be claimed
135.25 only once for teaching the same course in any two-year continuing education period. A
135.26 course schedule or brochure must be maintained for audit;

135.27 (2) supervising occupational therapist or occupational therapy assistant students. A
135.28 licensee may earn one contact hour for every eight hours of student supervision. Licensees
135.29 must ensure they receive documentation regarding each student supervised and the dates
135.30 and hours each student was supervised. Contact hours obtained by student supervision must
135.31 be obtained by supervising students from an occupational therapy education program
135.32 accredited by the Accreditation Council for Occupational Therapy Education; and

136.1 ~~(3) teaching or participating in courses related to leisure activities, recreational activities,~~
136.2 ~~or hobbies if the practitioner uses these interventions within the practitioner's current practice~~
136.3 ~~or employment; and~~

136.4 ~~(4)~~ (3) engaging in research activities or outcome studies that are related to the practice
136.5 of occupational therapy and associated with grants, postgraduate studies, or publications in
136.6 professional journals or books.

136.7 (e) A licensee may obtain a maximum of two contact hours in any two-year continuing
136.8 education period for continuing education activities in the following areas:

136.9 (1) personal skill topics: career burnout, communication skills, human relations, and
136.10 similar topics;

136.11 (2) ~~training that is obtained in conjunction with a licensee's employment, occurs during~~
136.12 ~~a licensee's normal workday, and does not include subject matter specific to the fundamentals~~
136.13 ~~of occupational therapy~~ basic life support and CPR training; and

136.14 (3) participation for a minimum of one year on a professional committee or board.

136.15 Sec. 66. Minnesota Statutes 2024, section 148.6443, subdivision 4, is amended to read:

136.16 Subd. 4. **Activities not qualifying for continuing education contact hours.** Credit
136.17 must not be granted for the following activities: hospital patient rounds; entertainment or
136.18 recreational activities; volunteering; noneducational association meetings; and employment
136.19 orientation sessions and meetings, including but not limited to training required at the
136.20 beginning of employment, annually, or routinely that is related to the employer's organization
136.21 requirements.

136.22 Sec. 67. Minnesota Statutes 2024, section 148.6443, subdivision 5, is amended to read:

136.23 Subd. 5. **Reporting continuing education contact hours.** Each licensee must use the
136.24 continuing education reporting form to verify meeting the continuing education requirements
136.25 of this section. The licensee must maintain documentation, including but not limited to a
136.26 signed certificate, transcript, or similar evidence of participation in an activity. The
136.27 documentation must include a:

136.28 (1) the title of the continuing education activity;

136.29 (2) a brief description of the continuing education activity prepared by the presenter or
136.30 sponsor;

136.31 (3) the name of the sponsor, presenter, or author;

137.1 (4) the location and attendance dates;

137.2 (5) the number of contact hours; and

137.3 (6) the licensee's name.

137.4 Sec. 68. Minnesota Statutes 2024, section 148.6443, subdivision 6, is amended to read:

137.5 Subd. 6. **Auditing continuing education reports.** (a) The board may audit a percentage
137.6 of the continuing education reports based on random selection. A licensee shall maintain
137.7 all documentation required by this section for two years after the last day of the biennial
137.8 licensure period in which the contact hours were earned.

137.9 (b) All renewal applications that are received after the expiration date may be subject
137.10 to a continuing education report audit.

137.11 (c) Any licensee against whom a complaint is filed may be subject to a continuing
137.12 education report audit.

137.13 (d) The licensee shall make the following information available to the board for auditing
137.14 purposes:

137.15 (1) a copy of the completed continuing education reporting form for the continuing
137.16 education reporting period that is the subject of the audit including all supporting
137.17 documentation required by subdivision 5;

137.18 (2) documentation of university, college, or vocational school courses by a transcript
137.19 and a course syllabus, listing in a course bulletin, or equivalent documentation that includes
137.20 the course title, instructor's name, course dates, number of contact hours, and course content,
137.21 objectives, or goals; and

137.22 (3) verification of attendance ~~by that meets the requirements of subdivision 5 by~~
137.23 submitting:

137.24 (i) ~~a signature of~~ certificate of attendance, or if a certificate is not available, other
137.25 documentation from the presenter or a designee at the continuing education activity on the
137.26 ~~continuing education report form or a certificate of attendance with the course name, course~~
137.27 ~~date, and licensee's name~~ submitted directly to the board confirming the requirements; or

137.28 ~~(ii) a summary or outline of the educational content of an audio or video educational~~
137.29 ~~activity to verify the licensee's participation in the activity if a designee is not available to~~
137.30 ~~sign the continuing education report form; or~~

138.1 ~~(iii) (ii)~~ verification of self-study programs by a certificate of completion ~~or other~~
138.2 ~~documentation indicating that the individual has demonstrated knowledge and has~~
138.3 ~~successfully completed the program.~~

138.4 Sec. 69. Minnesota Statutes 2024, section 148.6443, subdivision 7, is amended to read:

138.5 Subd. 7. **Waiver Deferral of continuing education requirements.** The board may
138.6 ~~waive or~~ defer all or part of the continuing education requirements of this section if the
138.7 licensee submits a written request and provides satisfactory evidence to the board of illness,
138.8 injury, financial hardship, family hardship, or other similar extenuating circumstances that
138.9 preclude completion of the requirements during the licensure period. The request for a
138.10 ~~waiver~~ deferral must be in writing, state the circumstances that constitute hardship, state
138.11 the period of time the licensee wishes to have the continuing education requirement ~~waived~~
138.12 deferred, and state the alternative measures that will be taken if a ~~waiver~~ deferral is granted.
138.13 The board must set forth, in writing, the reasons for granting or denying the ~~waiver~~ deferral.
138.14 ~~Waivers~~ Deferrals granted by the board must specify, in writing, the time limitation and
138.15 required alternative measures to be taken by the licensee. A request for ~~waiver~~ deferral must
138.16 be denied if the board finds that the circumstances stated by the licensee do not support a
138.17 claim of hardship, the requested time period for ~~waiver~~ deferral is unreasonable, the
138.18 alternative measures proposed by the licensee are not equivalent to the continuing education
138.19 activity being ~~waived~~ deferred, or the request for ~~waiver~~ deferral is not submitted to the
138.20 board within 60 calendar days of the expiration date.

138.21 Sec. 70. Minnesota Statutes 2024, section 148.6443, subdivision 8, is amended to read:

138.22 Subd. 8. **Penalties for noncompliance.** The board shall refuse to renew or grant, or
138.23 shall suspend, condition, limit, or otherwise qualify the license of any person who the board
138.24 determines has failed to comply with the continuing education requirements of this section.
138.25 A licensee may request reconsideration of the board's determination of noncompliance or
138.26 the penalty imposed under this section by making a written request to the board within 30
138.27 calendar days of the date of notification to the applicant. Individuals requesting
138.28 reconsideration may submit information that the licensee wants considered in the
138.29 reconsideration.

138.30 Sec. 71. Minnesota Statutes 2024, section 148.6445, is amended by adding a subdivision
138.31 to read:

138.32 Subd. 5a. **Compact privilege fee.** The fee for interstate licensure compact privilege to
138.33 practice is \$150.

139.1 Sec. 72. Minnesota Statutes 2024, section 148.6445, is amended by adding a subdivision
139.2 to read:

139.3 Subd. 7a. **Active mailing list.** The fee for the standard active licensee mailing list
139.4 delivered electronically is \$500.

139.5 Sec. 73. Minnesota Statutes 2024, section 148.6448, subdivision 1, is amended to read:

139.6 Subdivision 1. **Grounds for denial of licensure or discipline.** The board may deny an
139.7 application for licensure, may approve licensure with conditions, or may discipline a licensee
139.8 using any disciplinary actions listed in subdivision 3 on proof that the individual has:

139.9 (1) intentionally submitted false or misleading information to the board;

139.10 (2) obtained a license by means of fraud, misrepresentation, or concealment of material
139.11 facts;

139.12 (3) failed, within 30 days, to provide information in response to a written request by the
139.13 board;

139.14 ~~(3)~~ (4) performed services of an occupational therapist or occupational therapy assistant
139.15 practitioner in an incompetent manner or in a manner that falls below the community standard
139.16 of care or national practice standards of care;

139.17 ~~(4)~~ (5) failed to satisfactorily perform occupational therapy services during a period of
139.18 temporary licensure;

139.19 ~~(5)~~ (6) violated sections 148.6401 to ~~148.6449~~ 148.645;

139.20 ~~(6)~~ (7) failed to perform services with reasonable judgment, skill, or safety due to the
139.21 use of alcohol or drugs, or other physical or mental impairment;

139.22 ~~(7)~~ (8) been convicted of violating any state or federal law, rule, or regulation ~~which~~
139.23 directly that reasonably relates to the practice of occupational therapy;

139.24 (9) failed to report other licensees that have violated sections 148.6401 to 148.645;

139.25 ~~(8)~~ (10) aided or abetted another person in violating any provision of sections 148.6401
139.26 to ~~148.6449~~ 148.645;

139.27 ~~(9)~~ (11) been disciplined for conduct in the practice of an occupation by the state of
139.28 Minnesota, another jurisdiction, or a national professional association, if any of the grounds
139.29 for discipline are the same or substantially equivalent to those in sections 148.6401 to
139.30 ~~148.6449~~ 148.645;

140.1 ~~(10)~~ (12) not cooperated with the board in an investigation conducted according to
140.2 subdivision 2;

140.3 ~~(11)~~ (13) advertised in a manner that is false or misleading;

140.4 ~~(12)~~ (14) engaged in dishonest, unethical, or unprofessional conduct in connection with
140.5 the practice of occupational therapy that is likely to deceive, defraud, or harm the public;

140.6 (15) improperly managed client records, including but not limited to failure to maintain
140.7 client records in a manner that meets community standards of care or nationally accepted
140.8 practice standards;

140.9 ~~(13)~~ (16) demonstrated a willful or careless disregard for the health, welfare, or safety
140.10 of a client;

140.11 (17) inappropriately supervised or delegated or assigned tasks to an occupational therapy
140.12 assistant, occupational therapy student, rehabilitation aide, or other licensed professional;

140.13 ~~(14)~~ (18) performed medical diagnosis or provided intervention, other than occupational
140.14 therapy, without being licensed to do so under the laws of this state;

140.15 ~~(15)~~ (19) paid or promised to pay a commission or part of a fee to any person who
140.16 contacts the occupational ~~therapist~~ therapy practitioner for consultation or sends patients to
140.17 the occupational ~~therapist~~ therapy practitioner for intervention;

140.18 ~~(16)~~ (20) engaged in an incentive payment arrangement, other than that prohibited by
140.19 clause ~~(15)~~ (19), that promotes occupational therapy overutilization, whereby the referring
140.20 person or person who controls the availability of occupational therapy services to a client
140.21 profits unreasonably as a result of client intervention;

140.22 ~~(17)~~ (21) engaged in abusive or fraudulent billing practices, ~~including violations of~~
140.23 ~~federal Medicare and Medicaid laws, Food and Drug Administration regulations, or state~~
140.24 ~~medical assistance laws;~~

140.25 ~~(18)~~ (22) obtained money, property, or services from a consumer through the use of
140.26 undue influence, high pressure sales tactics, harassment, duress, deception, or fraud;

140.27 ~~(19)~~ (23) performed services for a client who had no possibility of benefiting from the
140.28 services;

140.29 ~~(20)~~ (24) failed to refer a client for medical evaluation when appropriate or when a client
140.30 indicated symptoms associated with diseases that could be medically or surgically treated;

141.1 ~~(21)~~ (25) engaged in conduct with a client that is sexual or may reasonably be interpreted
141.2 by the client as sexual, or in any verbal behavior that is seductive or sexually demeaning to
141.3 a patient;

141.4 ~~(22)~~ (26) violated a federal or state court order, including a conciliation court judgment,
141.5 or a disciplinary order issued by the board, related to the person's occupational therapy
141.6 practice; or

141.7 ~~(23)~~ (27) any other just cause related to the practice of occupational therapy.

141.8 Sec. 74. Minnesota Statutes 2024, section 148.6448, subdivision 2, is amended to read:

141.9 Subd. 2. **Investigation of complaints.** The board may initiate an investigation upon
141.10 receiving a complaint or other oral or written communication that alleges or implies that a
141.11 person has violated sections 148.6401 to ~~148.6449~~ 148.645. In the receipt, investigation,
141.12 and hearing of a complaint that alleges or implies a person has violated sections 148.6401
141.13 to ~~148.6449~~ 148.645, the board must follow the procedures in sections 214.10 and 214.103.

141.14 Sec. 75. Minnesota Statutes 2024, section 148.6448, subdivision 4, is amended to read:

141.15 Subd. 4. **Effect of specific disciplinary action on use of title.** Upon notice from the
141.16 board denying licensure renewal or upon notice that disciplinary actions have been imposed
141.17 and the person is no longer entitled to practice occupational therapy and use the occupational
141.18 therapy and licensed titles, the person shall cease to practice occupational therapy, to use
141.19 titles protected by sections 148.6401 to ~~148.6449~~ 148.645, and to represent to the public
141.20 that the person is licensed by the board.

141.21 Sec. 76. Minnesota Statutes 2024, section 148.6448, subdivision 6, is amended to read:

141.22 Subd. 6. **Authority to contract.** The board shall contract with the health professionals
141.23 services program as authorized by sections 214.31 to 214.37 to provide these services to
141.24 practitioners under this chapter. The health professionals services program does not affect
141.25 the board's authority to discipline violations of sections 148.6401 to ~~148.6449~~ 148.645.

141.26 Sec. 77. Minnesota Statutes 2024, section 148.6449, subdivision 1, is amended to read:

141.27 Subdivision 1. **Creation.** The Board of Occupational Therapy Practice consists of 11
141.28 members appointed by the governor. The members are:

141.29 (1) five occupational therapists licensed under sections 148.6401 to ~~148.6449~~ 148.645;

142.1 (2) three occupational therapy assistants licensed under sections 148.6401 to ~~148.6449~~
142.2 148.645; and

142.3 (3) three public members, including two members who have received occupational
142.4 therapy services or have a family member who has received occupational therapy services,
142.5 and one member who is a health care professional or health care provider licensed in
142.6 Minnesota.

142.7 Sec. 78. Minnesota Statutes 2024, section 148.6449, subdivision 2, is amended to read:

142.8 Subd. 2. **Qualifications of board members.** (a) The occupational therapy practitioners
142.9 appointed to the board must represent a variety of practice areas and settings.

142.10 (b) At least ~~two occupational therapy practitioners~~ three members of the board must be
142.11 employed or reside outside the seven-county metropolitan area.

142.12 (c) Board members must not serve for more than two full consecutive terms.

142.13 (d) Interstate licensure compact privilege holders are not eligible to serve on the board.

142.14 Sec. 79. Minnesota Statutes 2024, section 148.6449, subdivision 7, is amended to read:

142.15 Subd. 7. **Duties of the Board of Occupational Therapy Practice.** (a) The board shall:

142.16 (1) adopt and enforce rules and laws necessary for licensing occupational therapy
142.17 practitioners;

142.18 (2) adopt and enforce rules for regulating the professional conduct of the practice of
142.19 occupational therapy;

142.20 (3) issue licenses to qualified individuals in accordance with sections 148.6401 to
142.21 ~~148.6449~~ 148.645;

142.22 (4) assess and collect fees for the issuance and renewal of licenses;

142.23 (5) educate the public about the requirements for licensing occupational therapy
142.24 practitioners, educate occupational therapy practitioners about the rules of conduct, and
142.25 enable the public to file complaints against applicants and licensees who may have violated
142.26 sections 148.6401 to ~~148.6449~~ 148.645; and

142.27 (6) investigate individuals engaging in practices that violate sections 148.6401 to
142.28 ~~148.6449~~ 148.645 and take necessary disciplinary, corrective, or other action according to
142.29 section 148.6448.

143.1 (b) The board may adopt rules necessary to define standards or carry out the provisions
143.2 of sections 148.6401 to ~~148.6449~~ 148.645. Rules shall be adopted according to chapter 14.

143.3 Sec. 80. Minnesota Statutes 2024, section 148B.53, subdivision 3, is amended to read:

143.4 Subd. 3. ~~Fee~~ Fees. Nonrefundable fees are as follows:

143.5 (1) initial license application fee for licensed professional counseling (LPC) - \$150;

143.6 (2) initial license fee for LPC - \$250;

143.7 (3) annual active license renewal fee for LPC - \$250 or equivalent;

143.8 (4) annual inactive license renewal fee for LPC - \$125;

143.9 (5) initial license application fee for licensed professional clinical counseling (LPCC) -
143.10 \$150;

143.11 (6) initial license fee for LPCC - \$250;

143.12 (7) annual active license renewal fee for LPCC - \$250 or equivalent;

143.13 (8) annual inactive license renewal fee for LPCC - \$125;

143.14 (9) license renewal late fee - \$100 per month or portion thereof;

143.15 (10) copy of board order or stipulation - \$10;

143.16 (11) certificate of good standing or license verification - \$25;

143.17 (12) duplicate certificate fee - \$25;

143.18 (13) professional firm renewal fee - \$25;

143.19 (14) sponsor application for approval of a continuing education course - \$60;

143.20 (15) initial registration fee - \$50;

143.21 (16) annual registration renewal fee - \$25;

143.22 (17) approved supervisor application processing fee - \$30; ~~and~~

143.23 (18) temporary license for members of the military - \$250; and

143.24 (19) interstate compact privilege to practice fee - not to exceed \$100.

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

144.1 Sec. 81. Minnesota Statutes 2024, section 148E.180, subdivision 1, is amended to read:

144.2 Subdivision 1. **Application fees.** (a) Nonrefundable application fees for licensure may
144.3 not exceed the following amounts but may be adjusted lower by board action:

144.4 (1) for a licensed social worker, \$75;

144.5 (2) for a licensed graduate social worker, \$75;

144.6 (3) for a licensed independent social worker, \$75;

144.7 (4) for a licensed independent clinical social worker, \$75;

144.8 (5) for a temporary license, \$50; ~~and~~

144.9 (6) for a license by endorsement, \$115; and

144.10 (7) for a compact multistate license, \$75.

144.11 (b) The fee for criminal background checks is the fee charged by the Bureau of Criminal
144.12 Apprehension. The criminal background check fee must be included with the application
144.13 fee as required according to section 148E.055.

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

144.15 Sec. 82. Minnesota Statutes 2024, section 148E.180, is amended by adding a subdivision
144.16 to read:

144.17 Subd. 2a. **Compact multistate license fees.** Nonrefundable compact multistate license
144.18 fees must not exceed the following amounts but may be adjusted lower by board action:

144.19 (1) for a licensed social worker, \$115;

144.20 (2) for a licensed graduate social worker, \$210;

144.21 (3) for a licensed independent social worker, \$305; and

144.22 (4) for a licensed independent clinical social worker, \$335.

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

144.24 Sec. 83. Minnesota Statutes 2024, section 148E.180, is amended by adding a subdivision
144.25 to read:

144.26 Subd. 3a. **Compact multistate renewal fees.** Nonrefundable renewal fees for compact
144.27 multistate licensure must not exceed the following amounts but may be adjusted lower by
144.28 board action:

145.1 (1) for a licensed social worker, \$115;

145.2 (2) for a licensed graduate social worker, \$210;

145.3 (3) for a licensed independent social worker, \$305; and

145.4 (4) for a licensed independent clinical social worker, \$335.

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

145.6 Sec. 84. Minnesota Statutes 2024, section 148E.180, subdivision 5, is amended to read:

145.7 Subd. 5. **Late fees.** Late fees are the following nonrefundable amounts:

145.8 (1) renewal late fee, one-fourth of the applicable renewal fee specified in ~~subdivision~~
145.9 subdivisions 3 and 3a;

145.10 (2) supervision plan late fee, \$40; and

145.11 (3) license late fee, \$100 plus the prorated share of the applicable license ~~fee~~ fees specified
145.12 in ~~subdivision~~ subdivisions 2 and 2a for the number of months during which the individual
145.13 practiced social work without a license.

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

145.15 Sec. 85. Minnesota Statutes 2024, section 148E.180, subdivision 7, is amended to read:

145.16 Subd. 7. **Reactivation fees.** Reactivation fees are the following nonrefundable amounts:

145.17 (1) reactivation from a temporary leave or emeritus status, the prorated share of the
145.18 renewal fee specified in subdivision 3; and

145.19 (2) reactivation of an expired license, 1-1/2 times the applicable renewal fees specified
145.20 in ~~subdivision~~ subdivisions 3 and 3a.

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

145.22 Sec. 86. **[148G.01] TITLE.**

145.23 This chapter shall be referred to as the Minnesota Certified Midwife Practice Act.

145.24 Sec. 87. **[148G.02] SCOPE.**

145.25 This chapter applies to all applicants and licensees, all persons who use the title certified
145.26 midwife, and all persons in or out of this state who provide certified midwifery services to
145.27 patients who reside in this state, unless there are specific applicable exemptions provided
145.28 by law.

146.1 Sec. 88. [148G.03] DEFINITIONS.

146.2 Subdivision 1. **Scope.** For purposes of this chapter, the definitions in this section have
146.3 the meanings given.

146.4 Subd. 2. **Board.** "Board" means the Minnesota Board of Nursing.

146.5 Subd. 3. **Certification.** "Certification" means the formal recognition by the American
146.6 Midwifery Certification Board of the knowledge, skills, and experience demonstrated by
146.7 the achievement of standards identified by the American College of Nurse Midwives or any
146.8 successor organization.

146.9 Subd. 4. **Certified midwife.** "Certified midwife" means an individual who holds a current
146.10 and valid national certification as a certified midwife from the American Midwifery
146.11 Certification Board or any successor organization and who is licensed by the board under
146.12 this chapter.

146.13 Subd. 5. **Certified midwifery practice.** "Certified midwifery practice" means:

146.14 (1) managing, diagnosing, and treating women's primary health care beginning in
146.15 adolescence, including pregnancy, childbirth, the postpartum period, care of the newborn,
146.16 family planning, partner care management relating to sexual health, and gynecological care
146.17 of women;

146.18 (2) ordering, performing, supervising, and interpreting diagnostic studies within the
146.19 scope of certified midwifery practice, excluding:

146.20 (i) interpreting and performing specialized ultrasound examinations; and

146.21 (ii) interpreting computed tomography scans, magnetic resonance imaging scans, positron
146.22 emission tomography scans, nuclear scans, and mammography;

146.23 (3) prescribing pharmacologic and nonpharmacologic therapies appropriate to midwifery
146.24 practice;

146.25 (4) consulting with, collaborating with, or referring to other health care providers as
146.26 warranted by the needs of the patient; and

146.27 (5) performing the role of educator in the theory and practice of midwifery.

146.28 Subd. 6. **Collaborating.** "Collaborating" means the process in which two or more health
146.29 care professionals work together to meet the health care needs of a patient, as warranted by
146.30 the needs of the patient.

147.1 Subd. 7. **Consulting.** "Consulting" means the process in which a certified midwife who
147.2 maintains primary management responsibility for a patient's care seeks advice or opinion
147.3 of a physician, an advanced practice registered nurse, or another member of the health care
147.4 team.

147.5 Subd. 8. **Encumbered.** "Encumbered" means:

147.6 (1) a license or other credential that is revoked, is suspended, or contains limitations on
147.7 the full and unrestricted practice of certified midwifery when the revocation, suspension,
147.8 or limitation is imposed by a state licensing board or other state regulatory entity; or

147.9 (2) a license or other credential that is voluntarily surrendered.

147.10 Subd. 9. **Licensure period.** "Licensure period" means the interval of time during which
147.11 the certified midwife is authorized to engage in certified midwifery. The initial licensure
147.12 period is from six to 29 full calendar months starting on the day of licensure and ending on
147.13 the last day of the certified midwife's month of birth in an even-numbered year if the year
147.14 of birth is an even-numbered year, or in an odd-numbered year if the year of birth is an
147.15 odd-numbered year. Subsequent licensure renewal periods are 24 months. For licensure
147.16 renewal, the period starts on the first day of the month following expiration of the previous
147.17 licensure period. The period ends the last day of the certified midwife's month of birth in
147.18 an even- or odd-numbered year according to the certified midwife's year of birth.

147.19 Subd. 10. **Licensed practitioner.** "Licensed practitioner" means a physician licensed
147.20 under chapter 147, an advanced practice registered nurse licensed under sections 148.171
147.21 to 148.235, or a certified midwife licensed under this chapter.

147.22 Subd. 11. **Midwifery education program.** "Midwifery education program" means a
147.23 program of theory and practice offered by a university or college that leads to the preparation
147.24 and eligibility for certification in midwifery and is accredited by the Accreditation
147.25 Commission for Midwifery Education or any successor organization recognized by the
147.26 United States Department of Education or the Council for Higher Education Accreditation.

147.27 Subd. 12. **Patient.** "Patient" means a recipient of care provided by a certified midwife
147.28 within the scope of certified midwifery practice, including an individual, family, group, or
147.29 community.

147.30 Subd. 13. **Prescribing.** "Prescribing" means the act of generating a prescription for the
147.31 preparation of, use of, or manner of using a drug or therapeutic device under section 148G.09.
147.32 Prescribing does not include recommending the use of a drug or therapeutic device that is

148.1 not required by the federal Food and Drug Administration to meet the labeling requirements
148.2 for prescription drugs and devices.

148.3 Subd. 14. **Prescription.** "Prescription" means a written direction or an oral direction
148.4 reduced to writing provided to or for a patient for the preparation or use of a drug or
148.5 therapeutic device. The requirements of section 151.01, subdivisions 16, 16a, and 16b, apply
148.6 to prescriptions for drugs.

148.7 Subd. 15. **Referral.** "Referral" means the process in which a certified midwife directs
148.8 a patient to a physician or another health care professional for management of a particular
148.9 problem or aspect of the patient's care.

148.10 Subd. 16. **Supervision.** "Supervision" means monitoring and establishing the initial
148.11 direction of, setting expectations for, directing activities in, evaluating, and changing a
148.12 course of action in certified midwifery care.

148.13 Sec. 89. [148G.04] **CERTIFIED MIDWIFE LICENSING.**

148.14 Subdivision 1. **Licensure.** (a) No person shall practice as a certified midwife or serve
148.15 as the faculty of record for clinical instruction in a midwifery distance learning program
148.16 unless the person is licensed by the board under this chapter.

148.17 (b) An applicant for a license to practice as a certified midwife must apply to the board
148.18 in a format prescribed by the board and pay a fee in an amount determined under section
148.19 148G.11.

148.20 (c) To be eligible for licensure, an applicant must:

148.21 (1) not hold an encumbered license or other credential as a certified midwife or equivalent
148.22 professional designation in any state or territory;

148.23 (2) hold a current and valid certification as a certified midwife from the American
148.24 Midwifery Certification Board or any successor organization acceptable to the board and
148.25 provide primary source verification of certification to the board in a format prescribed by
148.26 the board;

148.27 (3) have completed a graduate-level midwifery education program that includes clinical
148.28 experience, is accredited by the Accreditation Commission for Midwifery Education or any
148.29 successor organization recognized by the United States Department of Education or the
148.30 Council for Higher Education Accreditation, and leads to a graduate degree. The applicant
148.31 must submit primary source verification of program completion to the board in a format
148.32 prescribed by the board. The primary source verification must verify the applicant completed

149.1 three separate graduate-level courses in physiology and pathophysiology; advanced health
149.2 assessment; and advanced pharmacology, including pharmacodynamics, pharmacokinetics,
149.3 and pharmacotherapeutics of all broad categories of agents;

149.4 (4) report any criminal conviction, nolo contendere plea, Alford plea, or other plea
149.5 arrangement in lieu of conviction; and

149.6 (5) not have committed any acts or omissions that are grounds for disciplinary action in
149.7 another jurisdiction or, if these acts were committed and would be grounds for disciplinary
149.8 action as set forth in section 148G.13, the board has found after an investigation that sufficient
149.9 remediation was made.

149.10 Subd. 2. **Clinical practice component.** If more than five years have elapsed since the
149.11 applicant has practiced in the certified midwife role, the applicant must complete a
149.12 reorientation plan as a certified midwife. The plan must include supervision during the
149.13 clinical component by a licensed practitioner with experience in providing care to patients
149.14 with the same or similar health care needs. The applicant must submit the plan and the name
149.15 of the practitioner to the board. The plan must include a minimum of 500 hours of supervised
149.16 certified midwifery practice. The certified midwife must submit verification of completion
149.17 of the clinical reorientation to the board when the reorientation is complete.

149.18 Sec. 90. **[148G.05] LICENSURE RENEWAL; RELICENSURE.**

149.19 Subdivision 1. **Renewal; current applicants.** (a) A certified midwife must apply for
149.20 renewal of the certified midwife's license before the certified midwife's licensure period
149.21 ends. To be considered timely, the board must receive the certified midwife's application
149.22 on or before the last day of the certified midwife's licensure period. A certified midwife's
149.23 license lapses if the certified midwife's application is untimely.

149.24 (b) An applicant for license renewal must provide the board evidence of current
149.25 certification or recertification as a certified midwife by the American Midwifery Certification
149.26 Board or any successor organization.

149.27 (c) An applicant for license renewal must submit to the board the fee under section
149.28 148G.11, subdivision 2.

149.29 Subd. 2. **Clinical practice component.** If more than five years have elapsed since the
149.30 applicant has practiced as a certified midwife, the applicant must complete a reorientation
149.31 plan as a certified midwife. The plan must include supervision during the clinical component
149.32 by a licensed practitioner with experience in providing care to patients with the same or
149.33 similar health care needs. The licensee must submit the plan and the name of the practitioner

to the board. The plan must include a minimum of 500 hours of supervised certified midwifery practice. The certified midwife must submit verification of completion of the clinical reorientation to the board when the reorientation is complete.

Subd. 3. **Relicensure; lapsed applicants.** A person whose license has lapsed who desires to resume practice as a certified midwife must apply for relicensure, submit to the board satisfactory evidence of compliance with the procedures and requirements established by the board, and pay the board the relicensure fee under section 148G.11, subdivision 4, for the current licensure period. A penalty fee under section 148G.11, subdivision 4, is required from a person who practiced certified midwifery without current licensure. The board must relicense a person who meets the requirements of this subdivision.

Sec. 91. [148G.06] FAILURE OR REFUSAL TO PROVIDE INFORMATION.

Subdivision 1. **Notification requirement.** An individual licensed as a certified midwife must notify the board when the individual renews their certification. If a licensee fails to provide notification, the licensee is prohibited from practicing as a certified midwife.

Subd. 2. **Denial of license.** Refusal of an applicant to supply information necessary to determine the applicant's qualifications, failure to demonstrate qualifications, or failure to satisfy the requirements for a license contained in this chapter or rules of the board may result in denial of a license. The burden of proof is upon the applicant to demonstrate the qualifications and satisfaction of the requirements.

Sec. 92. [148G.07] NAME CHANGE AND CHANGE OF ADDRESS.

A certified midwife must maintain a current name and address with the board and must notify the board in writing within 30 days of any change in name or address. All notices or other correspondence mailed to or served upon a certified midwife by the board at the licensee's address on file with the board are considered received by the licensee.

Sec. 93. [148G.08] IDENTIFICATION OF CERTIFIED MIDWIVES.

Only those persons who hold a current license to practice certified midwifery in Minnesota may use the title of certified midwife. A certified midwife licensed by the board must use the designation of "CM" for professional identification and in documentation of services provided.

Sec. 94. **[148G.09] PRESCRIBING DRUGS AND THERAPEUTIC DEVICES.**

Subdivision 1. Diagnosing, prescribing, and ordering. Certified midwives, within the scope of certified midwifery practice, are authorized to:

(1) diagnose, prescribe, and institute therapy or referrals of patients to health care agencies and providers;

(2) prescribe, procure, sign for, record, administer, and dispense over-the-counter, legend, and controlled substances, including sample drugs; and

(3) plan and initiate a therapeutic regimen that includes ordering and prescribing durable medical devices and equipment, nutrition, diagnostic services, and supportive services, including but not limited to home health care, physical therapy, and occupational therapy.

Subd. 2. Drug Enforcement Administration requirements. (a) Certified midwives must:

(1) comply with federal Drug Enforcement Administration (DEA) requirements related to controlled substances; and

(2) file the certified midwife's DEA registrations and numbers, if any, with the board.

(b) The board must maintain current records of all certified midwives with a DEA registration and number.

Sec. 95. **[148G.10] FEES.**

The fees specified in section 148G.11 are nonrefundable and must be deposited in the state government special revenue fund.

Sec. 96. **[148G.11] FEE AMOUNTS.**

Subdivision 1. Licensure. The fee for licensure is \$105.

Subd. 2. Renewal. The fee for licensure renewal is \$85.

Subd. 3. Practicing without current certification. The penalty fee for a person who practices certified midwifery without a current certification or recertification, or who practices certified midwifery without current certification or recertification on file with the board, is \$200 for the first month or part of a month and an additional \$100 for each subsequent month or parts of months of practice. The penalty fee must be calculated from the first day the certified midwife practiced without a current certification to the last day of practice without a current certification, or from the first day the certified midwife practiced without

152.1 a current certification or recertification on file with the board until the day the current
152.2 certification or recertification is filed with the board.

152.3 Subd. 4. **Relicensure.** The fee for relicensure is \$105. The fee for practicing without
152.4 current licensure is two times the amount of the current renewal fee for any part of the first
152.5 calendar month, plus the current renewal fee for any part of each subsequent month up to
152.6 24 months.

152.7 Subd. 5. **Dishonored check fee.** The service fee for a dishonored check is as provided
152.8 in section 604.113.

152.9 Sec. 97. **[148G.12] APPROVED MIDWIFERY EDUCATION PROGRAM.**

152.10 Subdivision 1. **Initial approval.** A university or college desiring to conduct a certified
152.11 midwifery education program must submit evidence to the board that the university or
152.12 college is prepared to:

152.13 (1) provide a program of theory and practice in certified midwifery leading to eligibility
152.14 for certification in midwifery;

152.15 (2) achieve preaccreditation and eventual full accreditation by the American Commission
152.16 for Midwifery Education or any successor organization recognized by the United States
152.17 Department of Education or the Council for Higher Education Accreditation. Instruction
152.18 and required experience may be obtained in one or more institutions or agencies outside
152.19 the applying university or college if the program retains accountability for all clinical and
152.20 nonclinical teaching; and

152.21 (3) meet other standards established by law and by the board.

152.22 Subd. 2. **Continuing approval.** The board must, through the board's representative,
152.23 annually survey all midwifery education programs in Minnesota for current accreditation
152.24 status by the American Commission for Midwifery Education or any successor organization
152.25 recognized by the United States Department of Education or the Council for Higher Education
152.26 Accreditation. If the results of the survey show that a certified midwifery education program
152.27 meets all standards for continuing accreditation, the board must continue approval of the
152.28 certified midwifery education program.

152.29 Subd. 3. **Loss of approval.** If the board determines that an accredited certified midwifery
152.30 education program is not maintaining the standards required by the American Commission
152.31 on Midwifery Education or any successor organization, the board must obtain the defect in
152.32 writing from the accrediting body. If a program fails to correct the defect to the satisfaction
152.33 of the accrediting body and the accrediting body revokes the program's accreditation, the

153.1 board must remove the program from the list of approved certified midwifery education
153.2 programs.

153.3 Subd. 4. **Reinstatement of approval.** The board must reinstate approval of a certified
153.4 midwifery education program upon submission of satisfactory evidence that the certified
153.5 midwifery education program of theory and practice meets the standards required by the
153.6 accrediting body.

153.7 Sec. 98. **[148G.13] GROUNDS FOR DISCIPLINARY ACTION.**

153.8 Subdivision 1. **Grounds listed.** The board may deny, revoke, suspend, limit, or condition
153.9 the license of any person to practice certified midwifery under this chapter or otherwise
153.10 discipline a licensee or applicant as described in section 148G.14. The following are grounds
153.11 for disciplinary action:

153.12 (1) failure to demonstrate the qualifications or satisfy the requirements for a license
153.13 contained in this chapter or rules of the board. In the case of an applicant for licensure, the
153.14 burden of proof is upon the applicant to demonstrate the qualifications or satisfaction of the
153.15 requirements;

153.16 (2) employing fraud or deceit in procuring or attempting to procure a license to practice
153.17 certified midwifery;

153.18 (3) conviction of a felony or gross misdemeanor reasonably related to the practice of
153.19 certified midwifery. Conviction, as used in this subdivision, includes a conviction of an
153.20 offense that if committed in this state would be considered a felony or gross misdemeanor
153.21 without regard to its designation elsewhere, or a criminal proceeding where a finding or
153.22 verdict of guilt is made or returned, but the adjudication of guilt is either withheld or not
153.23 entered;

153.24 (4) revocation, suspension, limitation, conditioning, or other disciplinary action against
153.25 the person's certified midwife credential in another state, territory, or country; failure to
153.26 report to the board that charges regarding the person's certified midwifery license,
153.27 certification, or other credential are pending in another state, territory, or country; or failure
153.28 to report to the board having been refused a license or other credential by another state,
153.29 territory, or country;

153.30 (5) failure or inability to practice as a certified midwife with reasonable skill and safety,
153.31 or departure from or failure to conform to standards of acceptable and prevailing certified
153.32 midwifery practice, including failure of a certified midwife to adequately supervise or
153.33 monitor the performance of acts by any person working at the certified midwife's direction;

154.1 (6) engaging in unprofessional conduct, including but not limited to a departure from
154.2 or failure to conform to statutes relating to certified midwifery practice or to the minimal
154.3 standards of acceptable and prevailing certified midwifery practice, or engaging in any
154.4 certified midwifery practice that may create unnecessary danger to a patient's life, health,
154.5 or safety. Actual injury to a patient need not be established under this clause;

154.6 (7) supervision or accepting the supervision of a midwifery function or a prescribed
154.7 health care function when the acceptance could reasonably be expected to result in unsafe
154.8 or ineffective patient care;

154.9 (8) actual or potential inability to practice certified midwifery with reasonable skill and
154.10 safety to patients by reason of illness; by the reason of use of alcohol, drugs, chemicals, or
154.11 any other material; or as a result of any mental or physical condition;

154.12 (9) adjudication as mentally incompetent, mentally ill, a chemically dependent person,
154.13 or a person dangerous to the public by a court of competent jurisdiction, within or outside
154.14 of Minnesota;

154.15 (10) engaging in any unethical conduct, including but not limited to conduct likely to
154.16 deceive, defraud, or harm the public, or demonstrating a willful or careless disregard for
154.17 the health, welfare, or safety of a patient. Actual injury need not be established under this
154.18 clause;

154.19 (11) engaging in conduct with a patient that is sexual or may reasonably be interpreted
154.20 by the patient as sexual, in any verbal behavior that is seductive or sexually demeaning to
154.21 a patient, or in sexual exploitation of a patient or former patient;

154.22 (12) obtaining money, property, or services from a patient, other than reasonable fees
154.23 for services provided to the patient, through the use of undue influence, harassment, duress,
154.24 deception, or fraud;

154.25 (13) revealing a privileged communication from or relating to a patient except when
154.26 otherwise required or permitted by law;

154.27 (14) engaging in abusive or fraudulent billing practices, including violations of federal
154.28 Medicare and Medicaid laws or state medical assistance laws;

154.29 (15) improper management of patient records, including failure to maintain adequate
154.30 patient records, to comply with a patient's request made pursuant to sections 144.291 to
154.31 144.298, or to furnish a patient record or report required by law;

154.32 (16) knowingly aiding, assisting, advising, or allowing an unlicensed person to engage
154.33 in the unlawful practice of certified midwifery;

- 155.1 (17) violating a rule adopted by the board, an order of the board, a state or federal law
155.2 relating to the practice of certified midwifery, or a state or federal narcotics or controlled
155.3 substance law;
- 155.4 (18) knowingly providing false or misleading information to a patient that is directly
155.5 related to the care of that patient unless done for an accepted therapeutic purpose such as
155.6 the administration of a placebo;
- 155.7 (19) aiding suicide or aiding attempted suicide in violation of section 609.215 as
155.8 established by any of the following:
- 155.9 (i) a copy of the record of criminal conviction or plea of guilty for a felony in violation
155.10 of section 609.215, subdivision 1 or 2;
- 155.11 (ii) a copy of the record of a judgment of contempt of court for violating an injunction
155.12 issued under section 609.215, subdivision 4;
- 155.13 (iii) a copy of the record of a judgment assessing damages under section 609.215,
155.14 subdivision 5; or
- 155.15 (iv) a finding by the board that the person violated section 609.215, subdivision 1 or 2.
155.16 The board must investigate any complaint of a violation of section 609.215, subdivision 1
155.17 or 2;
- 155.18 (20) practicing outside the scope of certified midwifery practice as defined under section
155.19 148G.03, subdivision 5;
- 155.20 (21) making a false statement or knowingly providing false information to the board,
155.21 failing to make reports as required by section 148G.15, or failing to cooperate with an
155.22 investigation of the board as required by section 148G.17;
- 155.23 (22) engaging in false, fraudulent, deceptive, or misleading advertising;
- 155.24 (23) failure to inform the board of the person's certification or recertification status as
155.25 a certified midwife;
- 155.26 (24) engaging in certified midwifery practice without a license and current certification
155.27 or recertification by the American Midwifery Certification Board or any successor
155.28 organization; or
- 155.29 (25) failure to maintain appropriate professional boundaries with a patient. A certified
155.30 midwife must not engage in practices that create an unacceptable risk of patient harm or of
155.31 the impairment of a certified midwife's objectivity or professional judgment. A certified
155.32 midwife must not act or fail to act in a way that, as judged by a reasonable and prudent

certified midwife, inappropriately encourages the patient to relate to the certified midwife outside of the boundaries of the professional relationship or in a way that interferes with the patient's ability to benefit from certified midwife services. A certified midwife must not use the professional relationship with a patient, student, supervisee, or intern to further the certified midwife's personal, emotional, financial, sexual, religious, political, or business benefit or interests.

Subd. 2. **Conviction of a felony-level criminal sexual offense.** (a) Except as provided in paragraph (e), the board must not grant or renew a license to practice certified midwifery to any person who has been convicted on or after August 1, 2014, of any of the provisions of section 609.342, subdivision 1 or 1a; 609.343, subdivision 1 or 1a; 609.344, subdivision 1 or 1a, paragraphs (c) to (g); or 609.345, subdivision 1 or 1a, paragraphs (c) to (g); or a similar statute in another jurisdiction.

(b) A license to practice certified midwifery is automatically revoked if the licensee is convicted of an offense listed in paragraph (a).

(c) A license to practice certified midwifery that has been denied or revoked under this subdivision is not subject to chapter 364.

(d) For purposes of this subdivision, "conviction" means a plea of guilty, a verdict of guilty by a jury, or a finding of guilty by the court, unless the court stays imposition or execution of the sentence and final disposition of the case is accomplished at a nonfelony level.

(e) The board may establish criteria whereby an individual convicted of an offense listed in paragraph (a) may become licensed if the criteria:

(1) utilize a rebuttable presumption that the applicant is not suitable for licensing;

(2) provide a standard for overcoming the presumption; and

(3) require that a minimum of ten years has elapsed since the applicant's sentence was discharged.

(f) The board must not consider an application under paragraph (e) if the board determines that the victim involved in the offense was a patient or a client of the applicant at the time of the offense.

Subd. 3. **Evidence.** In disciplinary actions alleging a violation of subdivision 1, clause (3) or (4), or 2, a copy of the judgment or proceeding under the seal of the court administrator or of the administrative agency that entered the same is admissible into evidence without further authentication and constitutes prima facie evidence of the violation concerned.

Subd. 4. **Examination; access to medical data.** (a) If the board has probable cause to believe that grounds for disciplinary action exist under subdivision 1, clause (8) or (9), it may direct the applicant or certified midwife to submit to a mental or physical examination or chemical dependency evaluation. For the purpose of this subdivision, when a certified midwife licensed under this chapter is directed in writing by the board to submit to a mental or physical examination or chemical dependency evaluation, that person is considered to have consented and to have waived all objections to admissibility on the grounds of privilege. Failure of the applicant or certified midwife to submit to an examination when directed constitutes an admission of the allegations against the applicant or certified midwife, unless the failure was due to circumstances beyond the person's control, and the board may enter a default and final order without taking testimony or allowing evidence to be presented. A certified midwife affected under this paragraph must, at reasonable intervals, be given an opportunity to demonstrate that the competent practice of certified midwifery can be resumed with reasonable skill and safety to patients. Neither the record of proceedings nor the orders entered by the board in a proceeding under this paragraph may be used against a certified midwife in any other proceeding.

(b) Notwithstanding sections 13.384, 144.651, and 595.02, or any other law limiting access to medical or other health data, the board may obtain medical data and health records relating to a certified midwife or applicant for a license without that person's consent if the board has probable cause to believe that grounds for disciplinary action exist under subdivision 1, clause (8) or (9). The medical data may be requested from a provider, as defined in section 144.291, subdivision 2; an insurance company; or a government agency, including the Department of Human Services or Direct Care and Treatment. A provider, insurance company, or government agency must comply with any written request of the board under this subdivision and is not liable in any action for damages for releasing the data requested by the board if the data are released pursuant to a written request under this subdivision, unless the information is false and the provider giving the information knew or had reason to believe the information was false. Information obtained under this subdivision is classified as private data on individuals as defined in section 13.02.

Sec. 99. [148G.14] FORMS OF DISCIPLINARY ACTION; AUTOMATIC SUSPENSION; TEMPORARY SUSPENSION; REISSUANCE.

Subdivision 1. **Forms of disciplinary action.** If the board finds that grounds for disciplinary action exist under section 148G.13, it may take one or more of the following actions:

- 158.1 (1) deny the license application or application for license renewal;
- 158.2 (2) revoke the license;
- 158.3 (3) suspend the license;
- 158.4 (4) impose limitations on the certified midwife's practice of certified midwifery, including
- 158.5 but not limited to limitation of scope of practice or the requirement of practice under
- 158.6 supervision;
- 158.7 (5) impose conditions on the retention of the license, including but not limited to the
- 158.8 imposition of retraining or rehabilitation requirements or the conditioning of continued
- 158.9 practice on demonstration of knowledge or skills by appropriate examination, monitoring,
- 158.10 or other review;
- 158.11 (6) impose a civil penalty not exceeding \$10,000 for each separate violation. The amount
- 158.12 of the civil penalty must be fixed so as to deprive the certified midwife of any economic
- 158.13 advantage gained by reason of the violation charged; to reimburse the board for the cost of
- 158.14 counsel, investigation, and proceeding; and to discourage repeated violations;
- 158.15 (7) order the certified midwife to provide unremunerated service;
- 158.16 (8) censure or reprimand the certified midwife; or
- 158.17 (9) any other action justified by the facts in the case.
- 158.18 Subd. 2. **Automatic suspension of license.** (a) Unless the board orders otherwise, a
- 158.19 license to practice certified midwifery is automatically suspended if:
- 158.20 (1) a guardian of a certified midwife is appointed by order of a court under sections
- 158.21 524.5-101 to 524.5-502;
- 158.22 (2) the certified midwife is committed by order of a court under chapter 253B; or
- 158.23 (3) the certified midwife is determined to be mentally incompetent, mentally ill,
- 158.24 chemically dependent, or a person dangerous to the public by a court of competent
- 158.25 jurisdiction within or outside of Minnesota.
- 158.26 (b) The license remains suspended until the certified midwife is restored to capacity by
- 158.27 a court and, upon petition by the certified midwife, the suspension is terminated by the
- 158.28 board after a hearing or upon agreement between the board and the certified midwife.
- 158.29 Subd. 3. **Temporary suspension of license.** In addition to any other remedy provided
- 158.30 by law, the board may, through its designated board member under section 214.10,
- 158.31 subdivision 2, temporarily suspend the license of a certified midwife without a hearing if

159.1 the board finds that there is probable cause to believe the certified midwife has violated a
159.2 statute or rule the board is empowered to enforce and continued practice by the certified
159.3 midwife would create a serious risk of harm to others. The suspension takes effect upon
159.4 written notice to the certified midwife, served by first-class mail, specifying the statute or
159.5 rule violated. The suspension must remain in effect until the board issues a temporary stay
159.6 of suspension or a final order in the matter after a hearing or upon agreement between the
159.7 board and the certified midwife. At the time it issues the suspension notice, the board must
159.8 schedule a disciplinary hearing to be held under the Administrative Procedure Act. The
159.9 board must provide the certified midwife at least 20 days' notice of any hearing held under
159.10 this subdivision. The board must schedule the hearing to begin no later than 30 days after
159.11 the issuance of the suspension order.

159.12 Subd. 4. **Reissuance.** The board may reinstate and reissue a license to practice certified
159.13 midwifery, but as a condition may impose any disciplinary or corrective measure that it
159.14 might originally have imposed. Any person whose license has been revoked, suspended, or
159.15 limited may have the license reinstated and a new license issued when, at the discretion of
159.16 the board, the action is warranted, provided that the board must require the person to pay
159.17 the costs of the proceedings resulting in the revocation, suspension, or limitation of the
159.18 license; the relicensure fee; and the fee for the current licensure period. The cost of
159.19 proceedings includes but is not limited to the cost paid by the board to the Office of
159.20 Administrative Hearings and the Office of the Attorney General for legal and investigative
159.21 services; the costs of a court reporter and witnesses, reproduction of records, board staff
159.22 time, travel, and expenses; and the costs of board members' per diem reimbursements, travel
159.23 costs, and expenses.

159.24 Sec. 100. **[148G.15] REPORTING OBLIGATIONS.**

159.25 Subdivision 1. **Permission to report.** A person who has knowledge of any conduct
159.26 constituting grounds for discipline under section 148G.13 may report the alleged violation
159.27 to the board.

159.28 Subd. 2. **Institutions.** The chief nursing executive or chief administrative officer of any
159.29 hospital, clinic, prepaid medical plan, or other health care institution or organization located
159.30 in Minnesota must report to the board any action taken by the institution or organization or
159.31 any of its administrators or committees to revoke, suspend, limit, or condition a certified
159.32 midwife's privilege to practice in the institution or as part of the organization, any denial of
159.33 privileges, any dismissal from employment, or any other disciplinary action. The institution
159.34 or organization must also report the resignation of any certified midwife before the conclusion

of any disciplinary proceeding or before commencement of formal charges, but after the
certified midwife had knowledge that formal charges were contemplated or in preparation.
The reporting described by this subdivision is required only if the action pertains to grounds
for disciplinary action under section 148G.13.

Subd. 3. **Licensed professionals.** A person licensed by a health-related licensing board
as defined in section 214.01, subdivision 2, must report to the board personal knowledge
of any conduct the person reasonably believes constitutes grounds for disciplinary action
under section 148G.13 by any certified midwife, including conduct indicating that the
certified midwife may be incompetent, may have engaged in unprofessional or unethical
conduct, or may be mentally or physically unable to engage safely in the practice of certified
midwifery.

Subd. 4. **Insurers.** (a) By the first day of February, May, August, and November each
year, each insurer authorized to sell insurance described in section 60A.06, subdivision 1,
clause (13), and providing professional liability insurance to certified midwives must submit
to the board a report concerning any certified midwife against whom a malpractice award
has been made or who has been a party to a settlement. The report must contain at least the
following information:

(1) the total number of settlements or awards;

(2) the date a settlement or award was made;

(3) the allegations contained in the claim or complaint leading to the settlement or award;

(4) the dollar amount of each malpractice settlement or award and whether that amount
was paid as a result of a settlement or of an award; and

(5) the name and address of the practice of the certified midwife against whom an award
was made or with whom a settlement was made.

(b) An insurer must also report to the board any information it possesses that tends to
substantiate a charge that a certified midwife may have engaged in conduct in violation of
this chapter.

Subd. 5. **Courts.** The court administrator of district court or another court of competent
jurisdiction must report to the board any judgment or other determination of the court that
adjudges or includes a finding that a certified midwife is a person who is mentally ill,
mentally incompetent, chemically dependent, dangerous to the public, guilty of a felony or
gross misdemeanor, guilty of a violation of federal or state narcotics laws or controlled
substances act, guilty of operating a motor vehicle while under the influence of alcohol or

161.1 a controlled substance, or guilty of an abuse or fraud under Medicare or Medicaid; or if the
161.2 court appoints a guardian of the certified midwife under sections 524.5-101 to 524.5-502
161.3 or commits a certified midwife under chapter 253B.

161.4 Subd. 6. **Deadlines; forms.** Reports required by subdivisions 2, 3, and 5 must be
161.5 submitted no later than 30 days after the occurrence of the reportable event or transaction.
161.6 The board may provide forms for the submission of reports required under this section, may
161.7 require that the reports be submitted on the forms provided, and may adopt rules necessary
161.8 to ensure prompt and accurate reporting. The board must review all reports, including those
161.9 submitted after the deadline.

161.10 Subd. 7. **Failure to report.** Any person, institution, insurer, or organization that fails to
161.11 report as required under subdivisions 2 to 6 is subject to civil penalties for failing to report
161.12 as required by law.

161.13 Sec. 101. **[148G.16] IMMUNITY.**

161.14 Subdivision 1. **Reporting.** Any person, health care facility, business, or organization is
161.15 immune from civil liability and criminal prosecution for submitting in good faith a report
161.16 to the board under section 148G.15 or for otherwise reporting in good faith to the board
161.17 violations or alleged violations of this chapter. All such reports are investigative data as
161.18 defined in chapter 13.

161.19 Subd. 2. **Investigation.** (a) Members of the board, persons employed by the board or
161.20 engaged in the investigation of violations and in the preparation and management of charges
161.21 of violations of this chapter on behalf of the board, or persons participating in the
161.22 investigation or testifying regarding charges of violations are immune from civil liability
161.23 and criminal prosecution for any actions, transactions, or publications in the execution of,
161.24 or relating to, their duties under this chapter.

161.25 (b) Members of the board and persons employed by the board or engaged in maintaining
161.26 records and making reports regarding adverse health care events are immune from civil
161.27 liability and criminal prosecution for any actions, transactions, or publications in the
161.28 execution of, or relating to, their duties under this chapter.

161.29 Sec. 102. **[148G.17] CERTIFIED MIDWIFE COOPERATION.**

161.30 A certified midwife who is the subject of an investigation by or on behalf of the board
161.31 must cooperate fully with the investigation. Cooperation includes responding fully and
161.32 promptly to any question raised by or on behalf of the board relating to the subject of the

162.1 investigation and providing copies of patient or other records in the certified midwife's
162.2 possession, as reasonably requested by the board, to assist the board in its investigation and
162.3 to appear at conferences and hearings scheduled by the board. The board must pay for copies
162.4 requested. If the board does not have written consent from a patient permitting access to
162.5 the patient's records, the certified midwife must delete any data in the record that identify
162.6 the patient before providing it to the board. The board must maintain any records obtained
162.7 pursuant to this section as investigative data under chapter 13. The certified midwife must
162.8 not be excused from giving testimony or producing any documents, books, records, or
162.9 correspondence on the grounds of self-incrimination, but the testimony or evidence must
162.10 not be used against the certified midwife in any criminal case.

162.11 Sec. 103. **[148G.18] DISCIPLINARY RECORD ON JUDICIAL REVIEW.**

162.12 Upon judicial review of any board disciplinary action taken under this chapter, the
162.13 reviewing court must seal the administrative record, except for the board's final decision,
162.14 and must not make the administrative record available to the public.

162.15 Sec. 104. **[148G.19] EXEMPTIONS.**

162.16 The provisions of this chapter do not prohibit:

162.17 (1) the furnishing of certified midwifery assistance in an emergency;

162.18 (2) the practice of certified midwifery by any legally qualified certified midwife of
162.19 another state who is employed by the United States government or any bureau, division, or
162.20 agency thereof while in the discharge of official duties;

162.21 (3) the practice of any profession or occupation licensed by Minnesota, other than
162.22 certified midwifery, by any person licensed to practice the profession or occupation, or the
162.23 performance by a person of any acts properly coming within the scope of the profession,
162.24 occupation, or license;

162.25 (4) the practice of traditional midwifery as specified under section 147D.03;

162.26 (5) certified midwifery practice by a student practicing under the supervision of an
162.27 instructor while the student is enrolled in an approved certified midwifery education program;
162.28 or

162.29 (6) certified midwifery practice by a certified midwife licensed in another state, territory,
162.30 or jurisdiction who is in Minnesota temporarily:

162.31 (i) providing continuing or in-service education;

- 163.1 (ii) serving as a guest lecturer;
163.2 (iii) presenting at a conference; or
163.3 (iv) teaching didactic content via distance education to a student located in Minnesota
163.4 who is enrolled in a formal, structured course of study, such as a course leading to a higher
163.5 degree in midwifery.

163.6 Sec. 105. **[148G.20] VIOLATIONS; PENALTY.**

163.7 Subdivision 1. **Violations described.** It is unlawful for any person, corporation, firm,
163.8 or association to:

163.9 (1) sell or fraudulently obtain or furnish any certified midwifery diploma, license, or
163.10 record, or aid or abet therein;

163.11 (2) practice certified midwifery under cover of any diploma, permit, license, certified
163.12 midwife credential, or record illegally or fraudulently obtained or signed or issued unlawfully
163.13 or under fraudulent representation;

163.14 (3) practice certified midwifery unless the person is licensed to do so under this chapter;

163.15 (4) use the professional title certified midwife or licensed certified midwife unless
163.16 licensed to practice certified midwifery under this chapter;

163.17 (5) use any abbreviation or other designation tending to imply licensure as a certified
163.18 midwife unless licensed to practice certified midwifery under this chapter;

163.19 (6) practice certified midwifery in a manner prohibited by the board in any limitation
163.20 of a license issued under this chapter;

163.21 (7) practice certified midwifery during the time a license issued under this chapter is
163.22 suspended or revoked;

163.23 (8) knowingly employ persons in the practice of certified midwifery who have not been
163.24 issued a current license to practice as a certified midwife in this state; or

163.25 (9) conduct a certified midwifery program for the education of persons to become certified
163.26 midwives unless the program has been approved by the board.

163.27 Subd. 2. **Penalty.** Any person, corporation, firm, or association violating any provision
163.28 of subdivision 1 is guilty of a gross misdemeanor and must be punished according to law.

163.29 Subd. 3. **Penalty; certified midwives.** In addition to subdivision 2, a person who practices
163.30 certified midwifery without a current license and certification or recertification, or without

164.1 current certification or recertification on file with the board, is subject to the applicable
164.2 penalties in section 148G.11.

164.3 Sec. 106. **[148G.21] UNAUTHORIZED PRACTICE OF MIDWIFERY.**

164.4 The practice of certified midwifery by any person who is not licensed to practice certified
164.5 midwifery under this chapter, whose license has been suspended or revoked, or whose
164.6 national certification credential has expired is inimical to the public health and welfare and
164.7 constitutes a public nuisance. Upon a complaint being made by the board or any prosecuting
164.8 officer and upon a proper showing of the facts, the district court of the county where the
164.9 practice occurred may enjoin such acts and practice. The injunction proceeding is in addition
164.10 to, and not in lieu of, all other penalties and remedies provided by law.

164.11 Sec. 107. Minnesota Statutes 2024, section 150A.105, is amended by adding a subdivision
164.12 to read:

164.13 Subd. 3a. **Collaborative management agreement under armed forces.** (a) While
164.14 practicing under the auspices of the Minnesota National Guard or any branch of the armed
164.15 forces, including the Navy, Marines, Army, Coast Guard, or Space Force, the collaborating
164.16 dentist may be determined by the command structure of the armed service for which the
164.17 dental therapist is a member assigned or contracted.

164.18 (b) A collaborating dentist for a dental therapist when in civilian practice will not be
164.19 responsible for supervising the dental services performed by the dental therapist while the
164.20 dental therapist is practicing under the auspices of the armed forces.

164.21 Sec. 108. Minnesota Statutes 2024, section 151.01, subdivision 15, is amended to read:

164.22 Subd. 15. **Pharmacist intern or intern.** "Pharmacist intern" or "intern" means:

164.23 (1) a natural person who has completed college or school of pharmacy orientation or is
164.24 otherwise enrolled in a doctor of pharmacy program accredited by the Accreditation Council
164.25 for Pharmacy Education (ACPE) and is satisfactorily progressing toward the degree in
164.26 pharmacy required for licensure; or;

164.27 (2) ~~a graduate of the University of Minnesota College of Pharmacy, or other pharmacy~~
164.28 ~~college approved by the board,~~ a doctor of pharmacy program accredited by ACPE who is
164.29 registered by the Board of Pharmacy for the purpose of obtaining practical experience as a
164.30 requirement for licensure as a pharmacist; ~~or;~~

164.31 (3) a qualified applicant awaiting examination for licensure;

165.1 (4) a participant in a residency or fellowship program who is not licensed to practice
165.2 pharmacy in Minnesota but is:

165.3 (i) licensed to practice pharmacy in another state; or

165.4 (ii) a graduate of a doctor of pharmacy program accredited by ACPE and not registered
165.5 by the board under clause (2); or

165.6 (5) a foreign pharmacy graduate who:

165.7 (i) has passed the Foreign Pharmacy Graduate Equivalency Examination;

165.8 (ii) is certified by the Foreign Pharmacy Graduate Equivalency Commission; and

165.9 (iii) is seeking internship experience in accordance with Minnesota Rules, part 6800.1250.

165.10 Sec. 109. Minnesota Statutes 2024, section 151.01, subdivision 23, is amended to read:

165.11 Subd. 23. **Practitioner.** "Practitioner" means a licensed doctor of medicine, licensed
165.12 doctor of osteopathic medicine duly licensed to practice medicine, licensed doctor of
165.13 dentistry, licensed doctor of optometry, licensed podiatrist, licensed veterinarian, licensed
165.14 advanced practice registered nurse, licensed certified midwife, or licensed physician assistant.
165.15 For purposes of sections 151.15, subdivision 4; 151.211, subdivision 3; 151.252, subdivision
165.16 3; 151.37, subdivision 2, paragraph (b); and 151.461, "practitioner" also means a dental
165.17 therapist authorized to dispense and administer under chapter 150A. For purposes of sections
165.18 151.252, subdivision 3, and 151.461, "practitioner" also means a pharmacist authorized to
165.19 prescribe self-administered hormonal contraceptives, nicotine replacement medications, or
165.20 opiate antagonists under section 151.37, subdivision 14, 15, or 16, or authorized to prescribe
165.21 drugs to prevent the acquisition of human immunodeficiency virus (HIV) under section
165.22 151.37, subdivision 17.

165.23 Sec. 110. Minnesota Statutes 2024, section 151.065, subdivision 1, is amended to read:

165.24 Subdivision 1. **Application fees.** Application fees for licensure and registration are as
165.25 follows:

165.26 (1) pharmacist licensed by examination, \$225;

165.27 (2) pharmacist licensed by reciprocity, \$300;

165.28 (3) pharmacy intern, ~~\$75~~ \$25;

165.29 (4) pharmacy technician, \$60;

165.30 (5) pharmacy, \$450;

- 166.1 (6) drug wholesaler, legend drugs only, \$5,500;
- 166.2 (7) drug wholesaler, legend and nonlegend drugs, \$5,500;
- 166.3 (8) drug wholesaler, nonlegend drugs, veterinary legend drugs, or both, \$5,500;
- 166.4 (9) drug wholesaler, medical gases, \$5,500 for the first facility and \$500 for each
- 166.5 additional facility;
- 166.6 (10) third-party logistics provider, \$300;
- 166.7 (11) drug manufacturer, nonopiate legend drugs only, \$5,500;
- 166.8 (12) drug manufacturer, nonopiate legend and nonlegend drugs, \$5,500;
- 166.9 (13) drug manufacturer, nonlegend or veterinary legend drugs, \$5,500;
- 166.10 (14) drug manufacturer, medical gases, \$5,500 for the first facility and \$500 for each
- 166.11 additional facility;
- 166.12 (15) drug manufacturer, also licensed as a pharmacy in Minnesota, \$5,500;
- 166.13 (16) drug manufacturer of opiate-containing controlled substances listed in section
- 166.14 152.02, subdivisions 3 to 5, \$55,500;
- 166.15 (17) medical gas dispenser, \$400;
- 166.16 (18) controlled substance researcher, \$150; and
- 166.17 (19) pharmacy professional corporation, \$150.

166.18 Sec. 111. Minnesota Statutes 2024, section 151.065, subdivision 3, is amended to read:

166.19 Subd. 3. **Annual renewal fees.** Annual licensure and registration renewal fees are as
166.20 follows:

- 166.21 (1) pharmacist, \$225;
- 166.22 (2) pharmacy technician, \$60;
- 166.23 (3) beginning January 1, 2026, pharmacy intern, \$25;
- 166.24 ~~(3)~~ (4) pharmacy, \$450;
- 166.25 ~~(4)~~ (5) drug wholesaler, legend drugs only, \$5,500;
- 166.26 ~~(5)~~ (6) drug wholesaler, legend and nonlegend drugs, \$5,500;
- 166.27 ~~(6)~~ (7) drug wholesaler, nonlegend drugs, veterinary legend drugs, or both, \$5,500;

167.1 ~~(7)~~ (8) drug wholesaler, medical gases, \$5,500 for the first facility and \$500 for each
167.2 additional facility;

167.3 ~~(8)~~ (9) third-party logistics provider, \$300;

167.4 ~~(9)~~ (10) drug manufacturer, nonopiate legend drugs only, \$5,500;

167.5 ~~(10)~~ (11) drug manufacturer, nonopiate legend and nonlegend drugs, \$5,500;

167.6 ~~(11)~~ (12) drug manufacturer, nonlegend, veterinary legend drugs, or both, \$5,500;

167.7 ~~(12)~~ (13) drug manufacturer, medical gases, \$5,500 for the first facility and \$500 for
167.8 each additional facility;

167.9 ~~(13)~~ (14) drug manufacturer, also licensed as a pharmacy in Minnesota, \$5,500;

167.10 ~~(14)~~ (15) drug manufacturer of opiate-containing controlled substances listed in section
167.11 152.02, subdivisions 3 to 5, \$55,500;

167.12 ~~(15)~~ (16) medical gas dispenser, \$400;

167.13 ~~(16)~~ (17) controlled substance researcher, \$150; and

167.14 ~~(17)~~ (18) pharmacy professional corporation, \$150.

167.15 Sec. 112. Minnesota Statutes 2024, section 151.065, subdivision 6, is amended to read:

167.16 Subd. 6. **Reinstatement fees.** (a) A pharmacist who has allowed the pharmacist's license
167.17 to lapse may reinstate the license with board approval and upon payment of any fees and
167.18 late fees in arrears, up to a maximum of \$1,000.

167.19 (b) A pharmacy technician who has allowed the technician's registration to lapse may
167.20 reinstate the registration with board approval and upon payment of any fees and late fees
167.21 in arrears, up to a maximum of \$250.

167.22 (c) A pharmacy intern who has allowed the intern's registration to lapse may reinstate
167.23 the registration with board approval and upon payment of any fees and late fees in arrears,
167.24 up to a maximum of \$100.

167.25 ~~(e)~~ (d) An owner of a pharmacy, a drug wholesaler, a drug manufacturer, third-party
167.26 logistics provider, or a medical gas dispenser who has allowed the license of the establishment
167.27 to lapse may reinstate the license with board approval and upon payment of any fees and
167.28 late fees in arrears.

~~(d)~~ (e) A controlled substance researcher who has allowed the researcher's registration to lapse may reinstate the registration with board approval and upon payment of any fees and late fees in arrears.

~~(e)~~ (f) A pharmacist owner of a professional corporation who has allowed the corporation's registration to lapse may reinstate the registration with board approval and upon payment of any fees and late fees in arrears.

Sec. 113. Minnesota Statutes 2024, section 151.101, is amended to read:

151.101 INTERNSHIP.

Subdivision 1. Registration requirements. (a) Upon payment of the fee specified in section 151.065, the board may register as an intern any natural persons who have satisfied the board that they are of good moral character, not physically or mentally unfit, and who have successfully completed the educational requirements for intern registration prescribed by the board. ~~The board shall prescribe standards and requirements for interns, pharmacist preceptors, and internship training but may not require more than one year of such training.~~

(b) The board in its discretion may accept internship experience obtained in another state provided the internship requirements in such other state are in the opinion of the board equivalent to those herein provided.

Subd. 2. Renewal requirements. (a) Beginning January 1, 2026, an intern registration expires on September 30 each year or when the intern receives a pharmacist license, whichever is earlier.

(b) To renew an intern registration, the intern must file an application for renewal and submit the fee established under section 151.065 on or before September 1 each year.

(c) If the board does not receive the intern's registration renewal application on or before September 1 each year, the intern is subject to a late filing fee equal to 50 percent of the renewal fee under section 151.065 in addition to the renewal fee.

(d) An individual who received an intern registration under the criteria in section 151.01, subdivision 15, clause (1), and paid \$75 for the individual's application fee between May 1, 2024, and June 30, 2025, is not subject to the \$25 renewal fee for the first two renewal cycles following the \$75 fee payment.

(e) If an individual is no longer enrolled in a doctor of pharmacy program accredited by the Accreditation Council for Pharmacy Education, the board must terminate that individual's intern registration effective the last date the individual was enrolled in a qualifying program.

(f) The board must not renew an intern registration unless the individual:

(1) has maintained current notices of employment for internship training with the board;

(2) submitted a progress report affidavit of the intern credit hours completed by June 15 each year;

(3) meets all other eligibility criteria for a pharmacist intern; and

(4) demonstrates to the board's satisfaction the individual is in good faith and with reasonable diligence pursuing a degree in pharmacy or is completing a pharmacy residency or fellowship.

(g) An intern whose registration has lapsed may renew the intern registration within one year of expiration, subject to the fees in paragraph (c). An intern whose registration has lapsed for more than one year must meet the registration requirements for an initial intern applicant in effect at the time the individual applies for reinstatement and pay any fees and late fees in arrears in accordance with section 151.065.

(h) If the board receives a late renewal, reinstatement, or initial intern application from an eligible individual within 90 days before September 30, the board may extend the registration expiration date for that applicant to September 30 of the subsequent calendar year and prorate the application fee accordingly.

Subd. 3. Internship credit hour requirements. (a) To apply for licensure as a pharmacist under section 151.10, an individual must complete at least 1,600 intern credit hours under the direction and supervision of a preceptor.

(b) Of the 1,600 credit hours required under this subdivision, an intern may earn:

(1) a maximum of 80 credit hours in the individual's first professional academic year for a structured experience directed by the college of pharmacy that the individual attends and is overseen by college faculty, registered preceptors, or supervising licensed pharmacists;

(2) a maximum of 400 credit hours of concurrent time internship; and

(3) a maximum of 54 credit hours per week that may be earned from more than one site.

170.1 Sec. 114. Minnesota Statutes 2024, section 152.12, subdivision 1, is amended to read:

170.2 Subdivision 1. **Prescribing, dispensing, administering controlled substances in**
170.3 **Schedules II through V.** A licensed doctor of medicine, a doctor of osteopathic medicine,
170.4 duly licensed to practice medicine, a doctor of dental surgery, a doctor of dental medicine,
170.5 a licensed doctor of podiatry, a licensed advanced practice registered nurse, a licensed
170.6 certified midwife, a licensed physician assistant, or a licensed doctor of optometry limited
170.7 to Schedules IV and V, and in the course of professional practice only, may prescribe,
170.8 administer, and dispense a controlled substance included in Schedules II through V of section
170.9 152.02, may cause the same to be administered by a nurse, an intern or an assistant under
170.10 the direction and supervision of the doctor, and may cause a person who is an appropriately
170.11 certified and licensed health care professional to prescribe and administer the same within
170.12 the expressed legal scope of the person's practice as defined in Minnesota Statutes.

170.13 Sec. 115. **[153.30] FEES.**

170.14 Subdivision 1. **Nonrefundable fees.** The fees in this section are nonrefundable.

170.15 Subd. 2. **Fee amounts.** The amount of fees must be set by the board so that the total
170.16 fees collected by the board equals as closely as possible the anticipated expenditures during
170.17 the fiscal biennium, as provided in section 16A.1285. Fees must not exceed the following
170.18 amounts but may be adjusted lower by board action:

170.19 (1) application for licensure fee, \$1,000;

170.20 (2) renewal licensure fee, \$1,000;

170.21 (3) late renewal fee, \$250;

170.22 (4) temporary permit fee, \$250;

170.23 (5) duplicate license fee or duplicate renewal certificate fee, \$25;

170.24 (6) reinstatement fee, \$1,250;

170.25 (7) examination administration fee for persons who have not applied for a license or
170.26 permit, \$50;

170.27 (8) verification of licensure fee, \$50;

170.28 (9) label fee, \$50;

170.29 (10) list of licensees fee, \$50; and

170.30 (11) copies fee, \$0.50 per page.

171.1 Subd. 3. **Current fee information.** Information about fees in effect at any time must
171.2 be available from the board office.

171.3 Subd. 4. **Deposit of fees.** The license fees collected under this section must be deposited
171.4 in the state government special revenue fund.

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

171.6 Sec. 116. Minnesota Statutes 2024, section 153B.85, subdivision 1, is amended to read:

171.7 Subdivision 1. **Fees.** (a) The application fee for initial licensure shall not exceed \$600.

171.8 (b) The biennial renewal fee for a license to practice as an orthotist, prosthetist, prosthetist
171.9 orthotist, or pedorthist shall not exceed \$600.

171.10 (c) The biennial renewal fee for a license to practice as an assistant or a fitter shall not
171.11 exceed \$300.

171.12 (d) The fee for license restoration shall not exceed \$600.

171.13 (e) The fee for license verification shall not exceed ~~\$30~~ \$50.

171.14 (f) The fee to obtain a list of licensees shall not exceed ~~\$25~~ \$50.

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

171.16 Sec. 117. Minnesota Statutes 2024, section 153B.85, subdivision 3, is amended to read:

171.17 Subd. 3. **Late fee.** The fee for late license renewal is the license renewal fee in effect at
171.18 the time of renewal plus ~~\$100~~ \$250.

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

171.20 Sec. 118. Minnesota Statutes 2024, section 156.015, is amended by adding a subdivision
171.21 to read:

171.22 Subd. 1a. **Nonrefundable fees.** All fees are nonrefundable.

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

171.24 Sec. 119. Minnesota Statutes 2024, section 156.015, is amended by adding a subdivision
171.25 to read:

171.26 Subd. 3. **Fee amounts.** Fees must not exceed the following amounts but may be adjusted
171.27 lower by board action:

171.28 (1) initial application fee, \$75;

- 172.1 (2) state examination fee, \$75;
- 172.2 (3) duplicate license fee, \$25;
- 172.3 (4) continuing education sponsor application fee, \$75;
- 172.4 (5) mailing list fee, \$250;
- 172.5 (6) initial veterinary license fee, \$300;
- 172.6 (7) initial veterinary technician fee, \$100;
- 172.7 (8) active veterinary renewal fee, \$300;
- 172.8 (9) active veterinary technician renewal fee, \$100;
- 172.9 (10) inactive veterinary renewal fee, \$150;
- 172.10 (11) inactive veterinary technician renewal fee, \$50;
- 172.11 (12) institutional license fee, \$300;
- 172.12 (13) active late veterinary renewal fee, \$150;
- 172.13 (14) active late veterinary technician renewal fee, \$50;
- 172.14 (15) inactive late veterinary renewal fee, \$100;
- 172.15 (16) inactive late veterinary technician renewal fee, \$25; and
- 172.16 (17) institutional late renewal fee, \$150.
- 172.17 **EFFECTIVE DATE.** This section is effective July 1, 2025.

172.18 Sec. 120. Minnesota Statutes 2024, section 156.015, is amended by adding a subdivision

172.19 to read:

172.20 **Subd. 4. License verification.** The board may charge a fee not to exceed \$25 per license

172.21 verification to a licensee for verification of licensure status provided to other veterinary

172.22 licensing boards.

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

172.24 Sec. 121. Minnesota Statutes 2024, section 156.015, is amended by adding a subdivision

172.25 to read:

172.26 **Subd. 5. Deposit of fees.** The license fees collected under this section must be deposited

172.27 in the state government special revenue fund.

173.1 Sec. 122. Minnesota Statutes 2024, section 256B.0625, is amended by adding a subdivision
173.2 to read:

173.3 Subd. 28c. **Certified midwifery practice services.** Medical assistance covers services
173.4 performed by a licensed certified midwife if:

173.5 (1) the service provided on an inpatient basis is not included as part of the cost for
173.6 inpatient services included in the facility payment;

173.7 (2) the service is otherwise covered under this chapter as a physician service; and

173.8 (3) the service is within the scope of practice of the certified midwife's license as defined
173.9 under chapter 148G.

173.10 Sec. 123. **REVISOR INSTRUCTION.**

173.11 (a) The revisor of statutes shall renumber Minnesota Statutes, section 148.6408,
173.12 subdivision 1, as Minnesota Statutes, section 148.6408, subdivision 1b.

173.13 (b) The revisor of statutes shall renumber Minnesota Statutes, section 148.6410,
173.14 subdivision 1, as Minnesota Statutes, section 148.6410, subdivision 1b.

173.15 Sec. 124. **REPEALER.**

173.16 (a) Minnesota Statutes 2024, sections 148.108, subdivisions 2, 3, and 4; 148.6402,
173.17 subdivision 22a; 148.6420, subdivisions 2, 3, and 4; 148.6423, subdivisions 4, 5, 7, 8, and
173.18 9; 148.6425, subdivision 3; 148.6430; 148.6445, subdivisions 5, 6, and 8; and 156.015,
173.19 subdivision 1, are repealed.

173.20 (b) Minnesota Rules, parts 2500.1150; 2500.2030; 6800.5100, subpart 5; 6800.5400,
173.21 subparts 5 and 6; 9100.0400, subparts 1 and 3; 9100.0500; and 9100.0600, are repealed.

173.22 (c) Minnesota Rules, part 6900.0250, subparts 1 and 2, are repealed.

173.23 **EFFECTIVE DATE.** Paragraphs (a) and (b) are effective July 1, 2025. Paragraph (c)
173.24 is effective the day following final enactment.

173.25 **ARTICLE 4**

173.26 **MINNESOTA HEALTH AND EDUCATION FACILITIES AUTHORITY**

173.27 Section 1. Minnesota Statutes 2024, section 3.732, subdivision 1, is amended to read:

173.28 Subdivision 1. **Definitions.** As used in this section and section 3.736 the terms defined
173.29 in this section have the meanings given them.

(1) "State" includes each of the departments, boards, agencies, commissions, courts, and officers in the executive, legislative, and judicial branches of the state of Minnesota and includes but is not limited to the Housing Finance Agency, the Minnesota Office of Higher Education, the ~~Higher~~ Health and Education Facilities Authority, the Health Technology Advisory Committee, the Armory Building Commission, the Zoological Board, the Department of Iron Range Resources and Rehabilitation, the Minnesota Historical Society, the State Agricultural Society, the University of Minnesota, the Minnesota State Colleges and Universities, state hospitals, and state penal institutions. It does not include a city, town, county, school district, or other local governmental body corporate and politic.

(2) "Employee of the state" means all present or former officers, members, directors, or employees of the state, members of the Minnesota National Guard, members of a bomb disposal unit approved by the commissioner of public safety and employed by a municipality defined in section 466.01 when engaged in the disposal or neutralization of bombs or other similar hazardous explosives, as defined in section 299C.063, outside the jurisdiction of the municipality but within the state, or persons acting on behalf of the state in an official capacity, temporarily or permanently, with or without compensation. It does not include either an independent contractor except, for purposes of this section and section 3.736 only, a guardian ad litem acting under court appointment, or members of the Minnesota National Guard while engaged in training or duty under United States Code, title 10, or title 32, section 316, 502, 503, 504, or 505, as amended through December 31, 1983. Notwithstanding sections 43A.02 and 611.263, for purposes of this section and section 3.736 only, "employee of the state" includes a district public defender or assistant district public defender in the Second or Fourth Judicial District, a member of the Health Technology Advisory Committee, and any officer, agent, or employee of the state of Wisconsin performing work for the state of Minnesota pursuant to a joint state initiative.

(3) "Scope of office or employment" means that the employee was acting on behalf of the state in the performance of duties or tasks lawfully assigned by competent authority.

(4) "Judicial branch" has the meaning given in section 43A.02, subdivision 25.

Sec. 2. Minnesota Statutes 2024, section 10A.01, subdivision 35, is amended to read:

Subd. 35. **Public official.** "Public official" means any:

(1) member of the legislature;

(2) individual employed by the legislature as secretary of the senate, legislative auditor, director of the Legislative Budget Office, chief clerk of the house of representatives, revisor

- 175.1 of statutes, or researcher, legislative analyst, fiscal analyst, or attorney in the Office of
175.2 Senate Counsel, Research and Fiscal Analysis, House Research, or the House Fiscal Analysis
175.3 Department;
- 175.4 (3) constitutional officer in the executive branch and the officer's chief administrative
175.5 deputy;
- 175.6 (4) solicitor general or deputy, assistant, or special assistant attorney general;
- 175.7 (5) commissioner, deputy commissioner, or assistant commissioner of any state
175.8 department or agency as listed in section 15.01 or 15.06, or the state chief information
175.9 officer;
- 175.10 (6) member, chief administrative officer, or deputy chief administrative officer of a state
175.11 board or commission that has either the power to adopt, amend, or repeal rules under chapter
175.12 14, or the power to adjudicate contested cases or appeals under chapter 14;
- 175.13 (7) individual employed in the executive branch who is authorized to adopt, amend, or
175.14 repeal rules under chapter 14 or adjudicate contested cases under chapter 14;
- 175.15 (8) executive director of the State Board of Investment;
- 175.16 (9) deputy of any official listed in clauses (7) and (8);
- 175.17 (10) judge of the Workers' Compensation Court of Appeals;
- 175.18 (11) administrative law judge or compensation judge in the State Office of Administrative
175.19 Hearings or unemployment law judge in the Department of Employment and Economic
175.20 Development;
- 175.21 (12) member, regional administrator, division director, general counsel, or operations
175.22 manager of the Metropolitan Council;
- 175.23 (13) member or chief administrator of a metropolitan agency;
- 175.24 (14) director of the Division of Alcohol and Gambling Enforcement in the Department
175.25 of Public Safety;
- 175.26 (15) member or executive director of the ~~Higher~~ Health and Education Facilities
175.27 Authority;
- 175.28 (16) member of the board of directors or president of Enterprise Minnesota, Inc.;
- 175.29 (17) member of the board of directors or executive director of the Minnesota State High
175.30 School League;
- 175.31 (18) member of the Minnesota Ballpark Authority established in section 473.755;

- 176.1 (19) citizen member of the Legislative-Citizen Commission on Minnesota Resources;
- 176.2 (20) manager of a watershed district, or member of a watershed management organization
- 176.3 as defined under section 103B.205, subdivision 13;
- 176.4 (21) supervisor of a soil and water conservation district;
- 176.5 (22) director of Explore Minnesota Tourism;
- 176.6 (23) citizen member of the Lessard-Sams Outdoor Heritage Council established in section
- 176.7 97A.056;
- 176.8 (24) citizen member of the Clean Water Council established in section 114D.30;
- 176.9 (25) member or chief executive of the Minnesota Sports Facilities Authority established
- 176.10 in section 473J.07;
- 176.11 (26) district court judge, appeals court judge, or supreme court justice;
- 176.12 (27) county commissioner;
- 176.13 (28) member of the Greater Minnesota Regional Parks and Trails Commission;
- 176.14 (29) member of the Destination Medical Center Corporation established in section
- 176.15 469.41; or
- 176.16 (30) chancellor or member of the Board of Trustees of the Minnesota State Colleges
- 176.17 and Universities.

176.18 Sec. 3. Minnesota Statutes 2024, section 136A.25, is amended to read:

176.19 **136A.25 CREATION.**

176.20 A state agency known as the Minnesota ~~Higher~~ Health and Education Facilities Authority

176.21 is hereby created.

176.22 Sec. 4. Minnesota Statutes 2024, section 136A.26, is amended to read:

176.23 **136A.26 MEMBERSHIPS; OFFICERS; COMPENSATION; REMOVAL.**

176.24 Subdivision 1. **Membership.** The Minnesota ~~Higher~~ Health and Education Facilities

176.25 Authority shall consist of ~~eight~~ nine members appointed by the governor with the advice

176.26 and consent of the senate, and a representative of the ~~office~~ Office of Higher Education.

176.27 All members to be appointed by the governor shall be residents of the state. At least two

176.28 members must reside outside the metropolitan area as defined in section 473.121, subdivision

176.29 2. At least one of the members shall be a person having a favorable reputation for skill,

177.1 knowledge, and experience in the field of state and municipal finance; ~~and~~ at least one shall
177.2 be a person having a favorable reputation for skill, knowledge, and experience in the building
177.3 construction field; ~~and~~ at least one of the members shall be a trustee, director, officer, or
177.4 employee of an institution of higher education; and at least one of the members shall be a
177.5 trustee, director, officer, or employee of a health care organization.

177.6 Subd. 1a. **Private College Council member.** The president of the Minnesota Private
177.7 College Council, or the president's designee, shall serve without compensation as an advisory,
177.8 nonvoting member of the authority.

177.9 Subd. 1b. **Nonprofit health care association member.** The chief executive officer of
177.10 a Minnesota nonprofit membership association whose members are primarily nonprofit
177.11 health care organizations, or the chief executive officer's designee, shall serve without
177.12 compensation as an advisory, nonvoting member of the authority. The identity of the
177.13 Minnesota nonprofit membership association shall be determined and may be changed from
177.14 time to time by the members of the authority in accordance with and as shall be provided
177.15 in the bylaws of the authority.

177.16 Subd. 2. **Term; compensation; removal.** The membership terms, compensation, removal
177.17 of members, and filling of vacancies for authority members other than the representative
177.18 of the office, ~~and the president of the Private College Council,~~ or the chief executive officer
177.19 of the Minnesota nonprofit membership association described in subdivision 1b shall be as
177.20 provided in section 15.0575.

177.21 Sec. 5. Minnesota Statutes 2024, section 136A.27, is amended to read:

177.22 **136A.27 POLICY.**

177.23 It is hereby declared that for the benefit of the people of the state, the increase of their
177.24 commerce, welfare and prosperity and the improvement of their health and living conditions
177.25 it is essential that health care organizations in Minnesota be provided with appropriate
177.26 additional means to establish, acquire, construct, improve, and expand health care facilities
177.27 in furtherance of their purposes; that this and future generations of youth be given the fullest
177.28 opportunity to learn and to develop their intellectual and mental capacities; ~~that it is essential~~
177.29 that institutions of higher education within the state be provided with appropriate additional
177.30 means to assist ~~such~~ youth in achieving the required levels of learning and development of
177.31 their intellectual and mental capacities; and that health care organizations and institutions
177.32 of higher education be enabled to refinance outstanding indebtedness incurred to provide
177.33 existing facilities used for ~~such~~ those purposes in order to preserve and enhance the utilization
177.34 of facilities for purposes of health care and higher education, to extend or adjust maturities

178.1 in relation to the resources available for their payment, and to save interest costs and thereby
178.2 reduce health care costs or higher education tuition, fees, and charges; ~~and~~. It is hereby
178.3 further declared that it is the purpose of sections 136A.25 to 136A.42 to provide a measure
178.4 of assistance and an alternative method to enable health care organizations and institutions
178.5 of higher education in the state to provide the facilities and structures which are sorely
178.6 needed to accomplish the purposes of sections 136A.25 to 136A.42, all to the public benefit
178.7 and good, to the extent and manner provided herein.

178.8 Sec. 6. Minnesota Statutes 2024, section 136A.28, is amended to read:

178.9 **136A.28 DEFINITIONS.**

178.10 Subdivision 1. **Scope.** In sections 136A.25 to 136A.42, the following words and terms
178.11 shall, unless the context otherwise requires, have the meanings ascribed to them.

178.12 Subd. 1a. **Affiliate.** "Affiliate" means an entity that directly or indirectly controls, is
178.13 controlled by, or is under common control with another entity. For purposes of this
178.14 subdivision, "control" means either the power to elect a majority of the members of the
178.15 governing body of an entity or the power, whether by contract or otherwise, to direct the
178.16 management and policies of the entity. Affiliate also means an entity whose business or
178.17 substantially all of whose property is operated under a lease, management agreement, or
178.18 operating agreement by another entity, or an entity who operates the business or substantially
178.19 all of the property of another entity under a lease, management agreement, or operating
178.20 agreement.

178.21 Subd. 2. **Authority.** "Authority" means the ~~Higher~~ Health and Education Facilities
178.22 Authority created by sections 136A.25 to 136A.42.

178.23 Subd. 3. **Project.** "Project" means ~~a structure or structures available for use as a dormitory~~
178.24 ~~or other student housing facility, a dining hall, student union, administration building,~~
178.25 ~~academic building, library, laboratory, research facility, classroom, athletic facility, health~~
178.26 ~~care facility, child care facility, and maintenance, storage, or utility facility and other~~
178.27 ~~structures or facilities related thereto or required or useful for the instruction of students or~~
178.28 ~~the conducting of research or the operation of an institution of higher education, whether~~
178.29 ~~proposed, under construction, or completed, including parking and other facilities or~~
178.30 ~~structures essential or convenient for the orderly conduct of such institution for higher~~
178.31 ~~education, and shall also include landscaping, site preparation, furniture, equipment and~~
178.32 ~~machinery, and other similar items necessary or convenient for the operation of a particular~~
178.33 ~~facility or structure in the manner for which its use is intended but shall not include such~~
178.34 ~~items as books, fuel, supplies, or other items the costs of which are customarily deemed to~~

179.1 ~~result in a current operating charge, and shall~~ a health care facility or an education facility
179.2 whether proposed, under construction, or completed, and includes land or interests in land,
179.3 appurtenances, site preparation, landscaping, buildings and structures, systems, fixtures,
179.4 furniture, machinery, equipment, and parking. Project also includes other structures, facilities,
179.5 improvements, machinery, equipment, and means of transport of a capital nature that are
179.6 necessary or convenient for the operation of the facility. Project does not include: (1) any
179.7 facility used or to be used for sectarian instruction or as a place of religious worship nor;
179.8 (2) any facility which is used or to be used primarily in connection with any part of the
179.9 program of a school or department of divinity for any religious denomination; or (3) any
179.10 books, supplies, medicine, medical supplies, fuel, or other items, the cost of which are
179.11 customarily deemed to result in a current operating charge.

179.12 Subd. 4. **Cost.** "Cost," as applied to a project or any portion thereof financed under the
179.13 provisions of sections 136A.25 to 136A.42, means all or any part of the cost of construction,
179.14 acquisition, alteration, enlargement, reconstruction and remodeling of a project including
179.15 all lands, structures, real or personal property, rights, rights-of-way, franchises, easements
179.16 and interests acquired or used for or in connection with a project, the cost of demolishing
179.17 or removing any buildings or structures on land so acquired, including the cost of acquiring
179.18 any lands to which ~~such~~ the buildings or structures may be moved, the cost of all machinery
179.19 and equipment, financing charges, interest prior to, during and for a period after completion
179.20 of ~~such~~ construction and acquisition, provisions for reserves for principal and interest and
179.21 for extensions, enlargements, additions and improvements, the cost of architectural,
179.22 engineering, financial and legal services, plans, specifications, studies, surveys, estimates
179.23 of cost and of revenues, administrative expenses, expenses necessary or incident to
179.24 determining the feasibility or practicability of constructing the project and ~~such~~ other
179.25 expenses as may be necessary or incident to the construction and acquisition of the project,
179.26 the financing of ~~such~~ construction and acquisition and the placing of the project in operation.

179.27 Subd. 5. **Bonds.** "Bonds," or "revenue bonds" means revenue bonds of the authority
179.28 issued under the provisions of sections 136A.25 to 136A.42, including revenue refunding
179.29 bonds, notwithstanding that the same may be secured by mortgage or the full faith and credit
179.30 of a participating institution ~~for higher education~~ or any other lawfully pledged security of
179.31 a participating institution ~~for higher education~~.

179.32 Subd. 6. **Institution of higher education.** "Institution of higher education" means a
179.33 nonprofit educational institution within the state authorized to provide a program of education
179.34 beyond the high school level.

Subd. 6a. **Health care organization.** (a) "Health care organization" means a nonprofit organization located within the state and authorized by law to operate a nonprofit health care facility in the state. Health care organization also means a nonprofit affiliate of a health care organization as defined under this paragraph, provided the affiliate is located within the state or within a state that is geographically contiguous to Minnesota.

(b) Health care organization also means a nonprofit organization located in another state that is geographically contiguous to Minnesota and authorized by law to operate a nonprofit health care facility in that state, provided that the nonprofit organization located in the contiguous state is an affiliate of a health care organization located in Minnesota.

Subd. 6b. **Education facility.** "Education facility" means a structure or structures available for use as a dormitory or other student housing facility, dining hall, student union, administration building, academic building, library, laboratory, research facility, classroom, athletic facility, student health care facility, or child care facility, and includes other facilities or structures related to the essential or convenient orderly conduct of an institution of higher education.

Subd. 6c. **Health care facility.** (a) "Health care facility" means a structure or structures available for use in Minnesota as a hospital, clinic, psychiatric residential treatment facility, birth center, outpatient surgical center, comprehensive outpatient rehabilitation facility, outpatient physical therapy or speech pathology facility, end-stage renal dialysis facility, medical laboratory, pharmacy, radiation therapy facility, diagnostic imaging facility, medical office building, residence for nurses or interns, nursing home, boarding care home, assisted living facility, residential hospice, intermediate care facility for persons with developmental disabilities, supervised living facility, housing with services establishment, board and lodging establishment with special services, adult day care center, day services facility, prescribed pediatric extended care facility, community residential setting, adult foster home, or other facility related to medical or health care research, or the delivery or administration of health care services and includes other structures or facilities related to the essential or convenient orderly conduct of a health care organization.

(b) Health care facility also means a facility in a state that is geographically contiguous to Minnesota operated by a health care organization that corresponds by purpose, function, or use with a facility listed in paragraph (a).

Subd. 7. **Participating institution of higher education.** "Participating institution of higher education" means a health care organization or an institution of higher education that, under the provisions of sections 136A.25 to 136A.42, undertakes the financing and

181.1 construction or acquisition of a project or undertakes the refunding or refinancing of
181.2 obligations or of a mortgage or of advances as provided in sections 136A.25 to 136A.42.
181.3 Community colleges and technical colleges may be considered participating institutions of
181.4 ~~higher education~~ for the purpose of financing and constructing child care facilities and
181.5 parking facilities.

181.6 Sec. 7. Minnesota Statutes 2024, section 136A.29, subdivision 1, is amended to read:

181.7 Subdivision 1. **Purpose.** The purpose of the authority shall be to assist health care
181.8 organizations and institutions of higher education in the construction, financing, and
181.9 refinancing of projects. The exercise by the authority of the powers conferred by sections
181.10 136A.25 to 136A.42, shall be deemed and held to be the performance of an essential public
181.11 function. For the purpose of sections 136A.25 to 136A.42, the authority shall have the
181.12 powers and duties set forth in subdivisions 2 to 23.

181.13 Sec. 8. Minnesota Statutes 2024, section 136A.29, subdivision 3, is amended to read:

181.14 Subd. 3. **Employees; office space.** The authority is authorized and empowered to appoint
181.15 and employ employees as it may deem necessary to carry out its duties, determine the title
181.16 of the employees so employed, and fix the salary of ~~said the~~ employees. Employees of the
181.17 authority shall participate in retirement and other benefits in the same manner that employees
181.18 in the ~~unclassified service of the office~~ managerial plan under section 43A.18, subdivision
181.19 3, participate. The authority may maintain an office space as it may designate.

181.20 Sec. 9. Minnesota Statutes 2024, section 136A.29, subdivision 6, is amended to read:

181.21 Subd. 6. **Projects; generally.** (a) The authority is authorized and empowered to determine
181.22 the location and character of any project to be financed under the provisions of sections
181.23 136A.25 to 136A.42, and to construct, reconstruct, remodel, maintain, manage, enlarge,
181.24 alter, add to, repair, operate, lease, as lessee or lessor, and regulate the same, to enter into
181.25 contracts for any or all of ~~such these~~ purposes, to enter into contracts for the management
181.26 and operation of a project, and to designate a participating institution of ~~higher education~~
181.27 as its agent to determine the location and character of a project undertaken by ~~such a~~
181.28 participating institution of ~~higher education~~ under the provisions of sections 136A.25 to
181.29 136A.42 and as the agent of the authority, to construct, reconstruct, remodel, maintain,
181.30 manage, enlarge, alter, add to, repair, operate, lease, as lessee or lessor, and regulate the
181.31 same, and as the agent of the authority, to enter into contracts for any or all of ~~such these~~
181.32 purposes, including contracts for the management and operation of ~~such the~~ project.

182.1 (b) Notwithstanding paragraph (a), a project involving a health care facility in Minnesota
182.2 financed under sections 136A.25 to 136A.42 must comply with all applicable requirements
182.3 in state law related to authorizing construction of or modifications to a health care facility,
182.4 including the requirements in sections 144.5509, 144.551, 144A.071, and 252.291.

182.5 (c) Contracts of the authority or of a participating institution of higher education to
182.6 acquire or to construct, reconstruct, remodel, maintain, enlarge, alter, add to, or repair
182.7 projects shall not be subject to the provisions of chapter 16C or section 574.26, or any other
182.8 public contract or competitive bid law.

182.9 Sec. 10. Minnesota Statutes 2024, section 136A.29, subdivision 9, is amended to read:

182.10 Subd. 9. **Revenue bonds; limit.** (a) The authority is authorized and empowered to issue
182.11 revenue bonds whose aggregate principal amount at any time shall not exceed \$2,000,000,000
182.12 \$5,000,000,000 and to issue notes, bond anticipation notes, and revenue refunding bonds
182.13 of the authority under the provisions of sections 136A.25 to 136A.42, to provide funds for
182.14 acquiring, constructing, reconstructing, enlarging, remodeling, renovating, improving,
182.15 furnishing, or equipping one or more projects or parts thereof.

182.16 (b) Of the \$5,000,000,000 limit in paragraph (a), the aggregate principal amount used
182.17 to fund education facilities may not exceed \$2,250,000,000 at any time and the aggregate
182.18 principal amount used to fund health care facilities may not exceed \$2,750,000,000 at any
182.19 time.

182.20 Sec. 11. Minnesota Statutes 2024, section 136A.29, subdivision 10, is amended to read:

182.21 Subd. 10. **Revenue bonds; issuance, purpose, conditions.** The authority is authorized
182.22 and empowered to issue revenue bonds to acquire projects from or to make loans to
182.23 participating institutions of higher education and thereby refinance outstanding indebtedness
182.24 incurred by participating institutions of higher education to provide funds for the acquisition,
182.25 construction or improvement of a facility before or after the enactment of sections 136A.25
182.26 to 136A.42, but otherwise eligible to be and being a project thereunder, whenever the
182.27 authority finds that ~~such~~ the refinancing will enhance or preserve ~~such~~ the participating
182.28 institutions and ~~such~~ the facilities or utilization ~~thereof~~ that is for health care or educational
182.29 purposes or extend or adjust maturities to correspond to the resources available for their
182.30 payment, or reduce charges or fees imposed on patients or occupants, or the tuition, charges,
182.31 or fees imposed on students for the use or occupancy of the facilities of such the participating
182.32 institutions of higher education or costs met by federal or state public funds, or enhance or
182.33 preserve health care or educational programs and research or the acquisition or improvement

183.1 of other facilities eligible to be a project or part thereof by the participating institution of
183.2 ~~higher education~~. The amount of revenue bonds to be issued to refinance outstanding
183.3 indebtedness of a participating institution of ~~higher education~~ shall not exceed the lesser of
183.4 (a) the fair value of the project to be acquired by the authority from the institution or
183.5 mortgaged to the authority by the institution or (b) the amount of the outstanding indebtedness
183.6 including any premium thereon and any interest accrued or to accrue to the date of redemption
183.7 and any legal, fiscal and related costs in connection with ~~such~~ the refinancing and reasonable
183.8 reserves, as determined by the authority. The provisions of this subdivision do not prohibit
183.9 the authority from issuing revenue bonds within and charged against the limitations provided
183.10 in subdivision 9 to provide funds for improvements, alteration, renovation, or extension of
183.11 the project refinanced.

183.12 Sec. 12. Minnesota Statutes 2024, section 136A.29, subdivision 14, is amended to read:

183.13 Subd. 14. **Rules for use of projects.** The authority is authorized and empowered to
183.14 establish rules for the use of a project or any portion thereof and to designate a participating
183.15 institution of ~~higher education~~ as its agent to establish rules for the use of a project undertaken
183.16 for ~~such~~ a participating institution of ~~higher education~~.

183.17 Sec. 13. Minnesota Statutes 2024, section 136A.29, subdivision 19, is amended to read:

183.18 Subd. 19. **Surety.** Before the issuance of any revenue bonds under the provisions of
183.19 sections 136A.25 to 136A.42, any member or officer of the authority authorized by resolution
183.20 of the authority to handle funds or sign checks of the authority shall be covered under a
183.21 surety or fidelity bond in an amount to be determined by the authority. Each ~~such~~ bond shall
183.22 be conditioned upon the faithful performance of the duties of the office of the member or
183.23 officer; and shall be executed by a surety company authorized to transact business in the
183.24 state of Minnesota as surety. The cost of each ~~such~~ bond shall be paid by the authority.

183.25 Sec. 14. Minnesota Statutes 2024, section 136A.29, subdivision 20, is amended to read:

183.26 Subd. 20. **Sale, lease, and disposal of property.** The authority is authorized and
183.27 empowered to sell, lease, release, or otherwise dispose of real and personal property or
183.28 interests therein, or a combination thereof, acquired by the authority under authority of
183.29 sections 136A.25 to 136A.42 and no longer needed for the purposes of ~~such~~ this chapter or
183.30 of the authority, and grant ~~such~~ easements and other rights in, over, under, or across a project
183.31 as will not interfere with its use of ~~such~~ the property. ~~Such~~ The sale, lease, release,
183.32 disposition, or grant may be made without competitive bidding and in ~~such~~ the manner and
183.33 for such consideration as the authority in its judgment deems appropriate.

184.1 Sec. 15. Minnesota Statutes 2024, section 136A.29, subdivision 21, is amended to read:

184.2 Subd. 21. **Loans.** The authority is authorized and empowered to make loans to any
184.3 participating institution ~~of higher education~~ for the cost of a project in accordance with an
184.4 agreement between the authority and the participating institution ~~of higher education~~;
184.5 provided that no ~~such~~ loan shall exceed the total cost of the project as determined by the
184.6 participating institution ~~of higher education~~ and approved by the authority.

184.7 Sec. 16. Minnesota Statutes 2024, section 136A.29, subdivision 22, is amended to read:

184.8 Subd. 22. **Costs, expenses, and other charges.** The authority is authorized and
184.9 empowered to charge to and apportion among participating institutions ~~of higher education~~
184.10 its administrative costs and expenses incurred in the exercise of the powers and duties
184.11 conferred by sections 136A.25 to 136A.42 in the manner as the authority in its judgment
184.12 deems appropriate.

184.13 Sec. 17. Minnesota Statutes 2024, section 136A.29, is amended by adding a subdivision
184.14 to read:

184.15 Subd. 24. **Determination of affiliate status.** The authority is authorized and empowered
184.16 to determine whether an entity is an affiliate as defined in section 136A.28, subdivision 1a.
184.17 A determination by the authority of affiliate status shall be deemed conclusive for the
184.18 purposes of sections 136A.25 to 136A.42.

184.19 Sec. 18. Minnesota Statutes 2024, section 136A.32, subdivision 1, is amended to read:

184.20 Subdivision 1. **Bonds; generally.** (a) The authority may from time to time issue revenue
184.21 bonds for purposes of sections 136A.25 to 136A.42, and all ~~such~~ revenue bonds, notes,
184.22 bond anticipation notes or other obligations of the authority issued pursuant to sections
184.23 136A.25 to 136A.42 shall be and are hereby declared to be negotiable for all purposes
184.24 notwithstanding their payment from a limited source and without regard to any other law
184.25 or laws. In anticipation of the sale of ~~such~~ revenue bonds, the authority may issue negotiable
184.26 bond anticipation notes and may renew the same from time to time, but the maximum
184.27 maturity of any ~~such~~ note, including renewals ~~thereof~~, shall not exceed five years from the
184.28 date of issue of the original note. ~~Such~~ Notes shall be paid from any revenues of the authority
184.29 available therefor and not otherwise pledged, or from the proceeds of sale of the revenue
184.30 bonds of the authority in anticipation of which they were issued. The notes shall be issued
184.31 in the same manner as the revenue bonds. ~~Such~~ The notes and the resolution or resolutions

185.1 authorizing the same may contain any provisions, conditions or limitations which a bond
185.2 resolution or the authority may contain.

185.3 (b) Before issuing revenue bonds, notes, or other obligations under paragraph (a) on
185.4 behalf of a health care organization to finance health care facilities, the authority must obtain
185.5 consent by resolution from each city or town where the project is located, except that consent
185.6 need not be obtained in the case of a city or town with a population of less than 100,000.
185.7 The consent by resolution requirement does not apply to financing under paragraph (a) on
185.8 behalf of a participating institution that is primarily an institution of higher education.

185.9 Sec. 19. Minnesota Statutes 2024, section 136A.32, subdivision 4, is amended to read:

185.10 Subd. 4. **Provisions of resolution authorizing bonds.** Any resolution or resolutions
185.11 authorizing any revenue bonds or any issue of revenue bonds may contain provisions, which
185.12 shall be a part of the contract with the holders of the revenue bonds to be authorized, as to:

185.13 (1) pledging all or any part of the revenues of a project or projects, any revenue producing
185.14 contract or contracts made by the authority with ~~any individual partnership, corporation or~~
185.15 ~~association or other body~~ one or more partnerships, corporations or associations, or other
185.16 bodies, public or private, to secure the payment of the revenue bonds or of any particular
185.17 issue of revenue bonds, subject to ~~such~~ agreements with bondholders as may then exist;

185.18 (2) the rentals, fees and other charges to be charged, and the amounts to be raised in
185.19 each year thereby, and the use and disposition of the revenues;

185.20 (3) the setting aside of reserves or sinking funds, and the regulation and disposition
185.21 ~~thereof~~ of them;

185.22 (4) limitations on the right of the authority or its agent to restrict and regulate the use of
185.23 the project;

185.24 (5) limitations on the purpose to which the proceeds of sale of any issue of revenue
185.25 bonds then or thereafter to be issued may be applied and pledging ~~such~~ the proceeds to
185.26 secure the payment of the revenue bonds or any issue of the revenue bonds;

185.27 (6) limitations on the issuance of additional bonds, the terms upon which additional
185.28 bonds may be issued and secured and the refunding of outstanding bonds;

185.29 (7) the procedure, if any, by which the terms of any contract with bondholders may be
185.30 amended or abrogated, the amount of bonds the holders of which must consent ~~thereto~~ to,
185.31 and the manner in which ~~such~~ consent may be given;

(8) limitations on the amount of moneys derived from the project to be expended for operating, administrative or other expenses of the authority;

(9) defining the acts or omissions to act which shall constitute a default in the duties of the authority to holders of its obligations and providing the rights and remedies of ~~such~~ the holders in the event of a default; or

(10) the mortgaging of a project and the site thereof for the purpose of securing the bondholders.

Sec. 20. Minnesota Statutes 2024, section 136A.32, is amended by adding a subdivision to read:

Subd. 4a. **Health care certification.** Health care organizations must provide the authority with a signed certificate from the health care organization stating that so long as authority financing for the health care organization remains outstanding, none of the proceeds of the bonds to the health care organization may be directly or indirectly used to benefit a private party or private equity-funded entity.

Sec. 21. Minnesota Statutes 2024, section 136A.33, is amended to read:

136A.33 TRUST AGREEMENT.

In the discretion of the authority any revenue bonds issued under the provisions of sections 136A.25 to 136A.42, may be secured by a trust agreement by and between the authority and a corporate trustee or trustees, which may be any trust company or bank having the powers of a trust company within the state. ~~Such~~ The trust agreement or the resolution providing for the issuance of ~~such~~ revenue bonds may pledge or assign the revenues to be received or proceeds of any contract or contracts pledged and may convey or mortgage the project or any portion ~~thereof~~ of the project. ~~Such~~ The trust agreement or resolution providing for the issuance of ~~such~~ revenue bonds may contain ~~such~~ provisions for protecting and enforcing the rights and remedies of the bondholders as may be reasonable and proper and not in violation of laws, including ~~particularly such~~ particular provisions ~~as have hereinabove~~ that have been specifically authorized to be included in any resolution or resolutions of the authority authorizing revenue bonds ~~thereof~~. Any bank or trust company incorporated under the laws of the state ~~which~~ that may act as depository of the proceeds of bonds or of revenues or other moneys may furnish ~~such~~ indemnifying bonds or ~~pledges such~~ pledge securities as may be required by the authority. Any ~~such~~ trust agreement may set forth the rights and remedies of the bondholders and of the trustee or trustees and may restrict the individual right of action by bondholders. In addition to the foregoing, any ~~such~~ trust agreement or

187.1 resolution may contain ~~such~~ other provisions as the authority may deem reasonable and
187.2 proper for the security of the bondholders. All expenses incurred in carrying out the
187.3 provisions of ~~such~~ the trust agreement or resolution may be treated as a part of the cost of
187.4 the operation of a project.

187.5 Sec. 22. Minnesota Statutes 2024, section 136A.34, subdivision 3, is amended to read:

187.6 Subd. 3. **Investment.** Any ~~such~~ escrowed proceeds, pending ~~such~~ use, may be invested
187.7 and reinvested in direct obligations of the United States of America, or in certificates of
187.8 deposit or time deposits secured by direct obligations of the United States of America, or
187.9 in shares or units in any money market mutual fund whose investment portfolio consists
187.10 solely of direct obligations of the United States of America, maturing at ~~such~~ a time or times
187.11 as shall be appropriate to assure the prompt payment, as to principal, interest and redemption
187.12 premium, if any, of the outstanding revenue bonds to be so refunded. The interest, income
187.13 and profits, if any, earned or realized on any ~~such~~ investment may also be applied to the
187.14 payment of the outstanding revenue bonds to be so refunded. After the terms of the escrow
187.15 have been fully satisfied and carried out, any balance of ~~such~~ the proceeds and interest,
187.16 income and profits, if any, earned or realized on the investments ~~thereof~~ may be returned
187.17 to the authority for use by it in any lawful manner.

187.18 Sec. 23. Minnesota Statutes 2024, section 136A.34, subdivision 4, is amended to read:

187.19 Subd. 4. **Additional purpose; improvements.** The portion of the proceeds of any ~~such~~
187.20 revenue bonds issued for the additional purpose of paying all or any part of the cost of
187.21 constructing and acquiring additions, improvements, extensions or enlargements of a project
187.22 may be invested or deposited ~~in time deposits~~ as provided in section 136A.32, subdivision
187.23 7.

187.24 Sec. 24. Minnesota Statutes 2024, section 136A.36, is amended to read:

187.25 **136A.36 REVENUES.**

187.26 The authority may fix, revise, charge and collect rates, rents, fees and charges for the
187.27 use of and for the services furnished or to be furnished by each project and ~~to~~ may contract
187.28 with any person, partnership, association or corporation, or other body, public or private,
187.29 in respect thereof. ~~Such~~ The rates, rents, fees, and charges may vary between projects
187.30 involving an education facility and projects involving a health care facility and shall be
187.31 fixed and adjusted in respect of the aggregate of rates, rents, fees, and charges from ~~such~~
187.32 the project so as to provide funds sufficient with other revenues, if any:

188.1 (1) to pay the cost of maintaining, repairing and operating the project and each and every
188.2 portion ~~thereof~~ of the project, to the extent that the payment of ~~such~~ the cost has not otherwise
188.3 been adequately provided for;

188.4 (2) to pay the principal of and the interest on outstanding revenue bonds of the authority
188.5 issued in respect of ~~such~~ the project as the same shall become due and payable; and

188.6 (3) to create and maintain reserves required or provided for in any resolution authorizing,
188.7 or trust agreement securing, ~~such~~ revenue bonds of the authority. ~~Such~~ The rates, rents, fees
188.8 and charges shall not be subject to supervision or regulation by any department, commission,
188.9 board, body, bureau or agency of this state other than the authority. A sufficient amount of
188.10 the revenues derived in respect of a project, except ~~such~~ part of ~~such~~ the revenues as may
188.11 be necessary to pay the cost of maintenance, repair and operation and to provide reserves
188.12 and for renewals, replacements, extensions, enlargements and improvements as may be
188.13 provided for in the resolution authorizing the issuance of any revenue bonds of the authority
188.14 or in the trust agreement securing the same, shall be set aside at ~~such~~ regular intervals as
188.15 may be provided in ~~such~~ the resolution or trust agreement in a sinking or other similar fund
188.16 ~~which that~~ is hereby pledged to, and charged with, the payment of the principal of and the
188.17 interest on ~~such~~ revenue bonds as the same shall become due, and the redemption price or
188.18 the purchase price of bonds retired by call or purchase as therein provided. ~~Such~~ The pledge
188.19 shall be valid and binding from the time when the pledge is made; the rates, rents, fees and
188.20 charges and other revenues or other moneys so pledged and thereafter received by the
188.21 authority shall immediately be subject to the lien of ~~such~~ the pledge without physical delivery
188.22 ~~thereof~~ or further act, and the lien of any ~~such~~ pledge shall be valid and binding as against
188.23 all parties having claims of any kind against the authority, irrespective of whether ~~such~~ the
188.24 parties have notice ~~thereof~~ of the pledge. Neither the resolution nor any trust agreement by
188.25 which a pledge is created need be filed or recorded except in the records of the authority.
188.26 The use and disposition of moneys to the credit of ~~such~~ a sinking or other similar fund shall
188.27 be subject to the provisions of the resolution authorizing the issuance of ~~such~~ bonds or of
188.28 ~~such~~ a trust agreement. Except as may otherwise be provided in ~~such~~ the resolution or ~~such~~
188.29 trust agreement, ~~such~~ the sinking or other similar fund shall be a fund for all ~~such~~ revenue
188.30 bonds issued to finance a project or projects at one or more participating institutions ~~of~~
188.31 ~~higher education~~ without distinction or priority of one over another; provided the authority
188.32 in any ~~such~~ resolution or trust agreement may provide that ~~such~~ the sinking or other similar
188.33 fund shall be the fund for a particular project at ~~an~~ a participating institution of higher
188.34 ~~education~~ and for the revenue bonds issued to finance a particular project and may,
188.35 additionally, permit and provide for the issuance of revenue bonds having a subordinate

189.1 lien in respect of the security herein authorized to other revenue bonds of the authority and,
189.2 in such case, the authority may create separate or other similar funds in respect of ~~such~~ the
189.3 subordinate lien bonds.

189.4 Sec. 25. Minnesota Statutes 2024, section 136A.38, is amended to read:

189.5 **136A.38 BONDS ELIGIBLE FOR INVESTMENT.**

189.6 Bonds issued by the authority under the provisions of sections 136A.25 to 136A.42, are
189.7 hereby made securities in which all public officers and public bodies of the state and its
189.8 political subdivisions, all insurance companies, trust companies, banking associations,
189.9 investment companies, executors, administrators, trustees and other fiduciaries may properly
189.10 and legally invest funds, including capital in their control or belonging to them; it being the
189.11 purpose of this section to authorize the investment in ~~such~~ bonds of all sinking, insurance,
189.12 retirement, compensation, pension and trust funds, whether owned or controlled by private
189.13 or public persons or officers; provided, however, that nothing contained in this section may
189.14 be construed as relieving any person, firm, or corporation from any duty of exercising due
189.15 care in selecting securities for purchase or investment; and provide further, that in no event
189.16 shall assets of pension funds of public employees of the state of Minnesota or any of its
189.17 agencies, boards or subdivisions, whether publicly or privately administered, be invested
189.18 in bonds issued under the provisions of sections 136A.25 to 136A.42. ~~Such~~ The bonds are
189.19 hereby constituted "authorized securities" within the meaning and for the purposes of
189.20 Minnesota Statutes 1969, section 50.14. ~~Such~~ The bonds are hereby made securities ~~which~~
189.21 that may properly and legally be deposited with and received by any state or municipal
189.22 officer or any agency or political subdivision of the state for any purpose for which the
189.23 deposit of bonds or obligations of the state now or may hereafter be authorized by law.

189.24 Sec. 26. Minnesota Statutes 2024, section 136A.41, is amended to read:

189.25 **136A.41 CONFLICT OF INTEREST.**

189.26 Notwithstanding any other law to the contrary it shall not be or constitute a conflict of
189.27 interest for a trustee, director, officer or employee of any participating institution ~~of higher~~
189.28 ~~education~~, financial institution, investment banking firm, brokerage firm, commercial bank
189.29 or trust company, architecture firm, insurance company, construction company, or any other
189.30 firm, person or corporation to serve as a member of the authority, provided ~~such~~ the trustee,
189.31 director, officer or employee shall abstain from deliberation, action and vote by the authority
189.32 in each instance where the business affiliation of any ~~such~~ trustee, director, officer or
189.33 employee is involved.

190.1 Sec. 27. Minnesota Statutes 2024, section 136A.42, is amended to read:

190.2 **136A.42 ANNUAL REPORT.**

190.3 The authority shall keep an accurate account of all of its activities and all of its receipts
190.4 and expenditures ~~and shall annually report to the office.~~ Each year, the authority shall submit
190.5 to the Minnesota Historical Society and the Legislative Reference Library a report of the
190.6 authority's activities in the previous year, including all financial activities.

190.7 Sec. 28. Minnesota Statutes 2024, section 136F.67, subdivision 1, is amended to read:

190.8 Subdivision 1. **Authorization.** A technical college or a community college must not
190.9 seek financing for child care facilities or parking facilities through the ~~Higher~~ Health and
190.10 Education Facilities Authority, as provided in section 136A.28, subdivision 7, without the
190.11 explicit authorization of the board.

190.12 Sec. 29. Minnesota Statutes 2024, section 354B.20, subdivision 7, is amended to read:

190.13 Subd. 7. **Employing unit.** "Employing unit," if the agency employs any persons covered
190.14 by the individual retirement account plan under section 354B.211, means:

190.15 (1) the board;

190.16 (2) the Minnesota Office of Higher Education; and

190.17 (3) the ~~Higher~~ Health and Education Facilities Authority.

190.18 Sec. 30. **REVISOR INSTRUCTION.**

190.19 The revisor of statutes shall renumber the law establishing and governing the Minnesota
190.20 Higher Education Facilities Authority, renamed the Minnesota Health and Education
190.21 Facilities Authority in this act, as Minnesota Statutes, chapter 15D, coded in Minnesota
190.22 Statutes, sections 136A.25 to 136A.42, as amended or repealed in this act. The revisor of
190.23 statutes shall also duplicate any required definitions from Minnesota Statutes, chapter 136A,
190.24 revise any statutory cross-references consistent with the recoding, and report the history in
190.25 Minnesota Statutes, chapter 15D. The revisor of statutes shall change "Minnesota Higher
190.26 Education Facilities Authority" to "Minnesota Health and Higher Education Facilities
190.27 Authority" where it appears in Minnesota Statutes.

190.28 Sec. 31. **REPEALER.**

190.29 Minnesota Statutes 2024, section 136A.29, subdivision 4, is repealed.

ARTICLE 5

PHARMACY BENEFITS

Section 1. [62Q.83] FORMULARY CHANGES.

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

(b) "Drug" has the meaning given in section 151.01, subdivision 5.

(c) "Enrollee" has the meaning given in section 62Q.01, subdivision 2b.

(d) "Formulary" means a current list of covered prescription drug products that is subject to periodic review and update.

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

(f) "Pharmacy benefit manager" has the meaning given in section 62W.02, subdivision 15.

(g) "Prescription" has the meaning given in section 151.01, subdivision 16a.

Subd. 2. Formulary changes. (a) Except as provided in paragraphs (b) and (c), a health plan must not, with respect to an enrollee who was previously prescribed the drug during the plan year, remove a drug from the health plan's formulary or place a drug in a benefit category that increases the enrollee's cost for the duration of the enrollee's plan year.

(b) Paragraph (a) does not apply if a health plan changes the health plan's formulary:

(1) for a drug that has been deemed unsafe by the United States Food and Drug Administration (FDA);

(2) for a drug that has been withdrawn by the FDA or the drug manufacturer; or

(3) when an independent source of research, clinical guidelines, or evidence-based standards has issued drug-specific warnings or recommended changes with respect to a drug's use for reasons related to previously unknown and imminent patient harm.

(c) Paragraph (a) does not apply if a health plan removes a brand name drug from the health plan's formulary or places a brand name drug in a benefit category that increases the enrollee's cost if the health plan:

(1) adds to the health plan's formulary a generic or multisource brand name drug rated as therapeutically equivalent according to the FDA Orange Book, a biologic drug rated as interchangeable according to the FDA Purple Book, or a biosimilar at the same or lower cost to the enrollee; and

192.1 (2) provides at least a 60-day notice to prescribers, pharmacists, and affected enrollees.

192.2 **EFFECTIVE DATE.** This section is effective January 1, 2026, and applies to health
192.3 plans offered, sold, issued, or renewed on or after that date.

192.4 Sec. 2. Minnesota Statutes 2024, section 256B.0625, subdivision 13, is amended to read:

192.5 Subd. 13. **Drugs.** (a) Medical assistance covers drugs, except for fertility drugs when
192.6 specifically used to enhance fertility, if prescribed by a licensed practitioner and dispensed
192.7 by a licensed pharmacist, by a physician enrolled in the medical assistance program as a
192.8 dispensing physician, or by a physician, a physician assistant, or an advanced practice
192.9 registered nurse employed by or under contract with a community health board as defined
192.10 in section 145A.02, subdivision 5, for the purposes of communicable disease control.

192.11 (b) The dispensed quantity of a prescription drug must not exceed a 34-day supply unless
192.12 authorized by the commissioner or as provided in paragraph (h) or the drug appears on the
192.13 90-day supply list published by the commissioner. The 90-day supply list shall be published
192.14 by the commissioner on the department's website. The commissioner may add to, delete
192.15 from, and otherwise modify the 90-day supply list after providing public notice and the
192.16 opportunity for a 15-day public comment period. The 90-day supply list may include
192.17 cost-effective generic drugs and shall not include controlled substances.

192.18 (c) For the purpose of this subdivision and subdivision 13d, an "active pharmaceutical
192.19 ingredient" is defined as a substance that is represented for use in a drug and when used in
192.20 the manufacturing, processing, or packaging of a drug becomes an active ingredient of the
192.21 drug product. An "excipient" is defined as an inert substance used as a diluent or vehicle
192.22 for a drug. The commissioner shall establish a list of active pharmaceutical ingredients and
192.23 excipients which are included in the medical assistance formulary. Medical assistance covers
192.24 selected active pharmaceutical ingredients and excipients used in compounded prescriptions
192.25 when the compounded combination is specifically approved by the commissioner or when
192.26 a commercially available product:

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

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

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

192.32 (d) Medical assistance covers the following over-the-counter drugs when prescribed by
192.33 a licensed practitioner or by a licensed pharmacist who meets standards established by the

193.1 commissioner, in consultation with the board of pharmacy: antacids, acetaminophen, family
193.2 planning products, aspirin, insulin, products for the treatment of lice, vitamins for adults
193.3 with documented vitamin deficiencies, vitamins for children under the age of seven and
193.4 pregnant or nursing women, and any other over-the-counter drug identified by the
193.5 commissioner, in consultation with the Formulary Committee, as necessary, appropriate,
193.6 and cost-effective for the treatment of certain specified chronic diseases, conditions, or
193.7 disorders, and this determination shall not be subject to the requirements of chapter 14. A
193.8 pharmacist may prescribe over-the-counter medications as provided under this paragraph
193.9 for purposes of receiving reimbursement under Medicaid. When prescribing over-the-counter
193.10 drugs under this paragraph, licensed pharmacists must consult with the recipient to determine
193.11 necessity, provide drug counseling, review drug therapy for potential adverse interactions,
193.12 and make referrals as needed to other health care professionals.

193.13 (e) Effective January 1, 2006, medical assistance shall not cover drugs that are coverable
193.14 under Medicare Part D as defined in the Medicare Prescription Drug, Improvement, and
193.15 Modernization Act of 2003, Public Law 108-173, section 1860D-2(e), for individuals eligible
193.16 for drug coverage as defined in the Medicare Prescription Drug, Improvement, and
193.17 Modernization Act of 2003, Public Law 108-173, section 1860D-1(a)(3)(A). For these
193.18 individuals, medical assistance may cover drugs from the drug classes listed in United States
193.19 Code, title 42, section 1396r-8(d)(2), subject to this subdivision and subdivisions 13a to
193.20 13g, except that drugs listed in United States Code, title 42, section 1396r-8(d)(2)(E), shall
193.21 not be covered.

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

193.26 (g) Notwithstanding paragraph (a), medical assistance covers self-administered hormonal
193.27 contraceptives prescribed and dispensed by a licensed pharmacist in accordance with section
193.28 151.37, subdivision 14; nicotine replacement medications prescribed and dispensed by a
193.29 licensed pharmacist in accordance with section 151.37, subdivision 15; and opiate antagonists
193.30 used for the treatment of an acute opiate overdose prescribed and dispensed by a licensed
193.31 pharmacist in accordance with section 151.37, subdivision 16.

193.32 (h) Medical assistance coverage for a prescription contraceptive must provide a 12-month
193.33 supply for any prescription contraceptive if a 12-month supply is prescribed by the
193.34 prescribing health care provider. The prescribing health care provider must determine the
193.35 appropriate duration for which to prescribe the prescription contraceptives, up to 12 months.

194.1 For purposes of this paragraph, "prescription contraceptive" means any drug or device that
194.2 requires a prescription and is approved by the Food and Drug Administration to prevent
194.3 pregnancy. Prescription contraceptive does not include an emergency contraceptive drug
194.4 approved to prevent pregnancy when administered after sexual contact. For purposes of this
194.5 paragraph, "health plan" has the meaning provided in section 62Q.01, subdivision 3.

194.6 (i) Notwithstanding a removal of a drug from the drug formulary under subdivision 13d,
194.7 except as provided in paragraphs (j) and (k), medical assistance covers a drug, with respect
194.8 to an enrollee who was previously prescribed the drug during the calendar year when the
194.9 drug was on the formulary, at the same level until January 1 of the calendar year following
194.10 the year in which the commissioner removed the drug from the formulary.

194.11 (j) Paragraph (i) does not apply if the commissioner changes the drug formulary:

194.12 (1) for a drug that has been deemed unsafe by the United States Food and Drug
194.13 Administration (FDA);

194.14 (2) for a drug that has been withdrawn by the FDA or the drug manufacturer; or

194.15 (3) when an independent source of research, clinical guidelines, or evidence-based
194.16 standards has issued drug-specific warnings or recommended changes with respect to a
194.17 drug's use for reasons related to previously unknown and imminent patient harm.

194.18 (k) Paragraph (i) does not apply if the commissioner removes a brand name drug from
194.19 the formulary if the commissioner:

194.20 (1) adds to the formulary a generic or multisource brand name drug rated as
194.21 therapeutically equivalent according to the FDA Orange Book, or a biologic drug rated as
194.22 interchangeable according to the FDA Purple Book, at the same or lower cost to the enrollee;
194.23 and

194.24 (2) provides at least a 60-day notice to prescribers, pharmacists, and affected enrollees.

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

194.28 Sec. 3. Minnesota Statutes 2024, section 256B.0625, subdivision 13c, is amended to read:

194.29 Subd. 13c. **Formulary Committee.** The commissioner, after receiving recommendations
194.30 from professional medical associations and professional pharmacy associations, and consumer
194.31 groups shall designate a Formulary Committee to carry out duties as described in subdivisions
194.32 13 to 13g. The Formulary Committee shall be comprised of at least five licensed physicians

195.1 actively engaged in the practice of medicine in Minnesota, one of whom is an actively
195.2 practicing psychiatrist, one of whom specializes in the diagnosis and treatment of rare
195.3 diseases, one of whom specializes in pediatrics, and one of whom actively treats persons
195.4 with disabilities; at least three licensed pharmacists actively engaged in the practice of
195.5 pharmacy in Minnesota, one of whom practices outside the metropolitan counties listed in
195.6 section 473.121, subdivision 4, one of whom practices in the metropolitan counties listed
195.7 in section 473.121, subdivision 4, and one of whom is a practicing hospital pharmacist; at
195.8 least two consumer representatives, all of whom must have a personal or professional
195.9 connection to medical assistance; and one representative designated by the Minnesota Rare
195.10 Disease Advisory Council established under section 256.4835; the remainder to be made
195.11 up of health care professionals who are licensed in their field and have recognized knowledge
195.12 in the clinically appropriate prescribing, dispensing, and monitoring of covered outpatient
195.13 drugs. Members of the Formulary Committee shall not be employed by the Department of
195.14 Human Services or have a personal interest in a pharmaceutical company, pharmacy benefits
195.15 manager, health plan company, or their affiliate organizations, but the committee shall be
195.16 staffed by an employee of the department who shall serve as an ex officio, nonvoting member
195.17 of the committee. For the purposes of this subdivision, "personal interest" means that a
195.18 person owns at least five percent of the voting interest or equity interest in the entity, the
195.19 equity interest owned by a person represents at least five percent of that person's net worth,
195.20 or more than five percent of a person's gross income for the preceding year was derived
195.21 from the entity. A committee member must notify the committee of any potential conflict
195.22 of interest and recuse themselves from any communications, discussion, or vote on any
195.23 matter where a conflict of interest exists. A conflict of interest alone, without a personal
195.24 interest, does not preclude an applicant from serving as a member of the Formulary
195.25 Committee. Members may be removed from the committee for cause after a recommendation
195.26 for removal by a majority of the committee membership. For the purposes of this subdivision,
195.27 "cause" does not include offering a differing or dissenting clinical opinion on a drug or drug
195.28 class. The department's medical director shall also serve as an ex officio, nonvoting member
195.29 for the committee. Committee members shall serve three-year terms and may be reappointed
195.30 twice by the commissioner. The committee members shall vote on a chair and vice chair
195.31 from among their membership. The chair shall preside over all committee meetings, and
195.32 the vice chair shall preside over the meetings if the chair is not present. The Formulary
195.33 Committee shall meet at least three times per year. The commissioner may require more
195.34 frequent Formulary Committee meetings as needed. An honorarium of \$100 per meeting
195.35 and reimbursement for mileage shall be paid to each committee member in attendance. The
195.36 Formulary Committee expires June 30, ~~2027~~ 2029. The Formulary Committee is subject to

the Open Meeting Law under chapter 13D. For purposes of establishing a quorum to transact business, vacant committee member positions do not count in the calculation as long as at least 60 percent of the committee member positions are filled.

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

Sec. 4. Minnesota Statutes 2024, section 256B.0625, subdivision 13d, is amended to read:

Subd. 13d. **Drug formulary.** (a) The commissioner shall establish a drug formulary. Its establishment and publication shall not be subject to the requirements of the Administrative Procedure Act, but the Formulary Committee shall review and comment on the formulary contents.

(b) The formulary shall not include:

(1) drugs, active pharmaceutical ingredients, or products for which there is no federal funding;

(2) over-the-counter drugs, except as provided in subdivision 13;

(3) drugs or active pharmaceutical ingredients when used for the treatment of impotence or erectile dysfunction;

(4) drugs or active pharmaceutical ingredients for which medical value has not been established;

(5) drugs from manufacturers who have not signed a rebate agreement with the Department of Health and Human Services pursuant to section 1927 of title XIX of the Social Security Act; and

(6) medical cannabis flower as defined in section 342.01, subdivision 54, or medical cannabinoid products as defined in section 342.01, subdivision 52.

(c) If a single-source drug used by at least two percent of the fee-for-service medical assistance recipients is removed from the formulary due to the failure of the manufacturer to sign a rebate agreement with the Department of Health and Human Services, the commissioner shall notify prescribing practitioners within 30 days of receiving notification from the Centers for Medicare and Medicaid Services (CMS) that a rebate agreement was not signed.

(d) Within ten calendar days of any commissioner determination to change the drug formulary, the commissioner must provide written notice to all enrollees affected by the change. The notice must include a description of the change, the reason for the change, and the date the change will become effective.

197.1 (e) By January 15, 2026, and annually thereafter, the commissioner of human services
197.2 must provide a report with data and information related to the effects on enrollees of drug
197.3 formulary changes made in the prior calendar year to the chairs and ranking minority
197.4 members of the legislative committees with jurisdiction over health and human services
197.5 policy and finance. The report must include but is not limited to data and information on:

197.6 (1) the number of times the formulary was changed;
197.7 (2) the reasons for the formulary changes and how frequently the formulary was changed
197.8 for each reason;

197.9 (3) the drugs that were removed from the formulary;
197.10 (4) for each drug that was removed from the formulary, the number of enrollees who
197.11 were prescribed that drug when it was removed;

197.12 (5) for each drug that was removed from the formulary, whether a therapeutically
197.13 equivalent drug was added;

197.14 (6) the drugs that were added to the formulary;

197.15 (7) the fiscal impacts to the Department of Human Services resulting from the changes
197.16 to the formulary; and

197.17 (8) enrollee populations or medical conditions disproportionately affected by the
197.18 formulary changes.

197.19 Sec. 5. Minnesota Statutes 2024, section 256B.0625, subdivision 13e, is amended to read:

197.20 Subd. 13e. **Payment rates.** (a) The basis for determining the amount of payment shall
197.21 be the lower of the ingredient costs of the drugs plus the professional dispensing fee; or the
197.22 usual and customary price charged to the public. The usual and customary price means the
197.23 lowest price charged by the provider to a patient who pays for the prescription by cash,
197.24 check, or charge account and includes prices the pharmacy charges to a patient enrolled in
197.25 a prescription savings club or prescription discount club administered by the pharmacy or
197.26 pharmacy chain, unless the prescription savings club or prescription discount club is one
197.27 in which an individual pays a recurring monthly access fee for unlimited access to a defined
197.28 list of drugs for which the pharmacy does not bill the member or a payer on a
197.29 per-standard-transaction basis. The amount of payment basis must be reduced to reflect all
197.30 discount amounts applied to the charge by any third-party provider/insurer agreement or
197.31 contract for submitted charges to medical assistance programs. The net submitted charge
197.32 may not be greater than the patient liability for the service. The professional dispensing fee

198.1 shall be \$11.55 for prescriptions filled with legend drugs meeting the definition of "covered
198.2 outpatient drugs" according to United States Code, title 42, section 1396r-8(k)(2). The
198.3 dispensing fee for intravenous solutions that must be compounded by the pharmacist shall
198.4 be \$11.55 per claim. The professional dispensing fee for prescriptions filled with
198.5 over-the-counter drugs meeting the definition of covered outpatient drugs shall be \$11.55
198.6 for dispensed quantities equal to or greater than the number of units contained in the
198.7 manufacturer's original package. The professional dispensing fee shall be prorated based
198.8 on the percentage of the package dispensed when the pharmacy dispenses a quantity less
198.9 than the number of units contained in the manufacturer's original package. The pharmacy
198.10 dispensing fee for prescribed over-the-counter drugs not meeting the definition of covered
198.11 outpatient drugs shall be \$3.65 for quantities equal to or greater than the number of units
198.12 contained in the manufacturer's original package and shall be prorated based on the
198.13 percentage of the package dispensed when the pharmacy dispenses a quantity less than the
198.14 number of units contained in the manufacturer's original package. The ingredient cost for
198.15 a drug is the lower of the National Average Drug Acquisition Cost (NADAC) shall be used
198.16 to determine the ingredient cost of a drug, the Minnesota actual acquisition cost (MNAAC)
198.17 as defined in paragraph (i), or the maximum allowable cost. For drugs for which a NADAC,
198.18 a MNAAC, or a maximum allowable cost is not reported, the commissioner shall estimate
198.19 the ingredient cost at the wholesale acquisition cost minus two percent. The ingredient cost
198.20 of a drug for a provider participating in the federal 340B Drug Pricing Program shall be
198.21 ~~either~~ the 340B Drug Pricing Program ceiling price established by the Health Resources
198.22 and Services Administration ~~or~~, the NADAC, the MNAAC, or the maximum allowable
198.23 cost, whichever is lower. Wholesale acquisition cost is defined as the manufacturer's list
198.24 price for a drug or biological to wholesalers or direct purchasers in the United States, not
198.25 including prompt pay or other discounts, rebates, or reductions in price, for the most recent
198.26 month for which information is available, as reported in wholesale price guides or other
198.27 publications of drug or biological pricing data. The maximum allowable cost of a ~~multisource~~
198.28 drug may be set by the commissioner and it shall be comparable to the actual acquisition
198.29 cost of the drug product and no higher than the NADAC of the generic product. Establishment
198.30 of the amount of payment for drugs shall not be subject to the requirements of the
198.31 Administrative Procedure Act.

198.32 (b) Pharmacies dispensing prescriptions to residents of long-term care facilities using
198.33 an automated drug distribution system meeting the requirements of section 151.58, or a
198.34 packaging system meeting the packaging standards set forth in Minnesota Rules, part
198.35 6800.2700, that govern the return of unused drugs to the pharmacy for reuse, may employ
198.36 retrospective billing for prescription drugs dispensed to long-term care facility residents. A

199.1 retrospectively billing pharmacy must submit a claim only for the quantity of medication
199.2 used by the enrolled recipient during the defined billing period. A retrospectively billing
199.3 pharmacy must use a billing period not less than one calendar month or 30 days.

199.4 (c) A pharmacy provider using packaging that meets the standards set forth in Minnesota
199.5 Rules, part 6800.2700, is required to credit the department for the actual acquisition cost
199.6 of all unused drugs that are eligible for reuse, unless the pharmacy is using retrospective
199.7 billing. The commissioner may permit the drug clozapine to be dispensed in a quantity that
199.8 is less than a 30-day supply.

199.9 (d) If a pharmacy dispenses a multisource drug, the ingredient cost shall be the lesser
199.10 of the NADAC of the generic product, the MNAAC of the generic product, or the maximum
199.11 allowable cost of the generic product established by the commissioner unless prior
199.12 authorization for the brand name product has been granted according to the criteria
199.13 established by the Drug Formulary Committee as required by subdivision 13f, paragraph
199.14 (a), and the prescriber has indicated "dispense as written" on the prescription in a manner
199.15 consistent with section 151.21, subdivision 2. If prior authorization is granted, the ingredient
199.16 cost shall be the lesser of the NADAC of the brand name product, the MNAAC of the brand
199.17 name product, or the maximum allowable cost of the brand name product. A generic product
199.18 includes a generic drug, an authorized generic drug, and a biosimilar biological product as
199.19 defined in Code of Federal Regulations, title 42, section 423.4. A brand name product
199.20 includes a brand name drug, a brand name biological product, and an unbranded biological
199.21 product as defined in Code of Federal Regulations, title 42, section 423.4.

199.22 (e) The basis for determining the amount of payment for drugs administered in an
199.23 outpatient setting shall be the lower of the usual and customary cost submitted by the
199.24 provider, 106 percent of the average sales price as determined by the United States
199.25 Department of Health and Human Services pursuant to title XVIII, section 1847a of the
199.26 federal Social Security Act, the ~~specialty pharmacy rate~~ MNAAC, or the maximum allowable
199.27 cost set by the commissioner. If the average sales price is, the MNAAC, and the maximum
199.28 allowable cost are unavailable, the amount of payment must be lower of the usual and
199.29 customary cost submitted by the provider, or the wholesale acquisition cost, the specialty
199.30 pharmacy rate, or the maximum allowable cost set by the commissioner. The commissioner
199.31 shall discount the payment rate for drugs obtained through the federal 340B Drug Pricing
199.32 Program by 28.6 percent. The payment for drugs administered in an outpatient setting shall
199.33 be made to the administering facility or practitioner. A retail or specialty pharmacy dispensing
199.34 a drug for administration in an outpatient setting is not eligible for direct reimbursement.

200.1 ~~(f) The commissioner may establish maximum allowable cost rates for specialty pharmacy~~
200.2 ~~products that are lower than the ingredient cost formulas specified in paragraph (a). The~~
200.3 ~~commissioner may require individuals enrolled in the health care programs administered~~
200.4 ~~by the department to obtain specialty pharmacy products from providers with whom the~~
200.5 ~~commissioner has negotiated lower reimbursement rates. Specialty pharmacy products are~~
200.6 ~~defined as those used by a small number of recipients or recipients with complex and chronic~~
200.7 ~~diseases that require expensive and challenging drug regimens. Examples of these conditions~~
200.8 ~~include, but are not limited to: multiple sclerosis, HIV/AIDS, transplantation, hepatitis C,~~
200.9 ~~growth hormone deficiency, Crohn's Disease, rheumatoid arthritis, and certain forms of~~
200.10 ~~cancer. Specialty pharmaceutical products include injectable and infusion therapies,~~
200.11 ~~biotechnology drugs, antihemophilic factor products, high-cost therapies, and therapies that~~
200.12 ~~require complex care. The commissioner shall consult with the Formulary Committee to~~
200.13 ~~develop a list of specialty pharmacy products subject to maximum allowable cost~~
200.14 ~~reimbursement. In consulting with the Formulary Committee in developing this list, the~~
200.15 ~~commissioner shall take into consideration the population served by specialty pharmacy~~
200.16 ~~products, the current delivery system and standard of care in the state, and access to care~~
200.17 ~~issues. The commissioner shall have the discretion to adjust the maximum allowable cost~~
200.18 ~~to prevent access to care issues.~~

200.19 ~~(g)~~ (f) Home infusion therapy services provided by home infusion therapy pharmacies
200.20 must be paid at rates according to subdivision 8d.

200.21 ~~(h)~~ (g) The commissioner shall contract with a vendor to conduct a cost of dispensing
200.22 survey for all pharmacies that are physically located in the state of Minnesota that dispense
200.23 outpatient drugs under medical assistance. The commissioner shall ensure that the vendor
200.24 has prior experience in conducting cost of dispensing surveys. Each pharmacy enrolled with
200.25 the department to dispense outpatient prescription drugs to fee-for-service members must
200.26 respond to the cost of dispensing survey. The commissioner may sanction a pharmacy under
200.27 section 256B.064 for failure to respond. The commissioner shall require the vendor to
200.28 measure a single statewide cost of dispensing for specialty prescription drugs and a single
200.29 statewide cost of dispensing for nonspecialty prescription drugs for all responding pharmacies
200.30 to measure the mean, mean weighted by total prescription volume, mean weighted by
200.31 medical assistance prescription volume, median, median weighted by total prescription
200.32 volume, and median weighted by total medical assistance prescription volume. The
200.33 commissioner shall post a copy of the final cost of dispensing survey report on the
200.34 department's website. The initial survey must be completed no later than January 1, 2021,
200.35 and repeated every ~~three~~ two years. The commissioner shall provide a summary of the

201.1 results of each cost of dispensing survey and provide recommendations for any changes to
201.2 the dispensing fee to the chairs and ranking minority members of the legislative committees
201.3 with jurisdiction over medical assistance pharmacy reimbursement. Notwithstanding section
201.4 256.01, subdivision 42, this paragraph does not expire.

201.5 ~~(f)~~ (h) The commissioner shall increase the ingredient cost reimbursement calculated in
201.6 paragraphs (a) and ~~(f)~~ (e) by ~~1.8 percent~~ the amount of the wholesale drug distributor tax
201.7 for prescription and nonprescription drugs subject to the wholesale drug distributor tax
201.8 under section 295.52.

201.9 (i) The commissioner shall contract with a vendor to create MNAAC through a periodic
201.10 survey of enrolled pharmacy providers. Each pharmacy enrolled with the department to
201.11 dispense outpatient prescription drugs must respond to the periodic surveys. The
201.12 commissioner may sanction a pharmacy under section 256B.064 for failure to respond. The
201.13 current MNAAC rates must be publicly available on the department's or vendor's website.
201.14 The commissioner must require that the MNAAC is measured and calculated at least
201.15 quarterly, but the MNAAC can be measured and calculated more frequently. The
201.16 commissioner must ensure that the vendor has an appeal process available to providers for
201.17 the time between the measurement and calculation of the periodically updated MNAAC
201.18 rates if price fluctuations result in a MNAAC that is lower than the price at which enrolled
201.19 providers can purchase a drug. Establishment of the MNAAC and survey reporting
201.20 requirements shall not be subject to the requirements of the Administrative Procedure Act.
201.21 Data provided by pharmacies for the measurement and calculation of the MNAAC are
201.22 nonpublic data as defined in section 13.02, subdivision 9.

201.23 **EFFECTIVE DATE.** This section is effective January 1, 2027, or upon federal approval,
201.24 whichever is later. The commissioner of human services must notify the revisor of statutes
201.25 when federal approval is obtained.

201.26 Sec. 6. Minnesota Statutes 2024, section 256B.064, subdivision 1a, is amended to read:

201.27 Subd. 1a. **Grounds for sanctions.** (a) The commissioner may impose sanctions against
201.28 any individual or entity that receives payments from medical assistance or provides goods
201.29 or services for which payment is made from medical assistance for any of the following:
201.30 (1) fraud, theft, or abuse in connection with the provision of goods and services to recipients
201.31 of public assistance for which payment is made from medical assistance; (2) a pattern of
201.32 presentment of false or duplicate claims or claims for services not medically necessary; (3)
201.33 a pattern of making false statements of material facts for the purpose of obtaining greater
201.34 compensation than that to which the individual or entity is legally entitled; (4) suspension

202.1 or termination as a Medicare vendor; (5) refusal to grant the state agency access during
202.2 regular business hours to examine all records necessary to disclose the extent of services
202.3 provided to program recipients and appropriateness of claims for payment; (6) failure to
202.4 repay an overpayment or a fine finally established under this section; (7) failure to correct
202.5 errors in the maintenance of health service or financial records for which a fine was imposed
202.6 or after issuance of a warning by the commissioner; and (8) any reason for which an
202.7 individual or entity could be excluded from participation in the Medicare program under
202.8 section 1128, 1128A, or 1866(b)(2) of the Social Security Act. For the purposes of this
202.9 section, goods or services for which payment is made from medical assistance includes but
202.10 is not limited to care and services identified in section 256B.0625 or provided pursuant to
202.11 any federally approved waiver.

202.12 (b) The commissioner may impose sanctions against a pharmacy provider for failure to
202.13 respond to a cost of dispensing survey under section 256B.0625, subdivision 13e, paragraph
202.14 ~~(h)~~ (g).

202.15 (c) The commissioner may impose sanctions against a pharmacy provider for failure to
202.16 respond to a Minnesota drug acquisition cost survey under section 256B.0625, subdivision
202.17 13e, paragraph (i).

202.18 **EFFECTIVE DATE.** This section is effective January 1, 2027, or upon federal approval,
202.19 whichever is later. The commissioner of human services must notify the revisor of statutes
202.20 when federal approval is obtained.

202.21 Sec. 7. Minnesota Statutes 2024, section 256B.69, subdivision 6d, is amended to read:

202.22 Subd. 6d. **Prescription drugs.** (a) The commissioner may exclude or modify coverage
202.23 for prescription drugs from the prepaid managed care contracts entered into under this
202.24 section in order to increase savings to the state by collecting additional prescription drug
202.25 rebates.

202.26 (b) The contracts must maintain incentives for the managed care plan to manage drug
202.27 costs and utilization and may require that the managed care plans maintain an open drug
202.28 formulary. In order to manage drug costs and utilization, the contracts may authorize the
202.29 managed care plans to use preferred drug lists and prior authorization. The contracts must
202.30 require that the managed care plans enter into contracts with the state's selected pharmacy
202.31 benefit manager vendor to administer the pharmacy benefit.

202.32 (c) This subdivision is contingent on federal approval of the managed care contract
202.33 changes and the collection of additional prescription drug rebates.

203.1 Sec. 8. Minnesota Statutes 2024, section 256B.69, is amended by adding a subdivision to
203.2 read:

203.3 Subd. 6i. **Directed pharmacy dispensing payment.** (a) The commissioner shall provide
203.4 a directed pharmacy dispensing payment of \$4.50 per filled prescription to eligible outpatient
203.5 retail pharmacies in Minnesota to improve and maintain access to pharmaceutical services
203.6 in rural and underserved areas of Minnesota. Managed care and county-based purchasing
203.7 plans delivering services under section 256B.69 or 256B.692, and any pharmacy benefit
203.8 managers under contract with these entities, must pay the directed pharmacy dispensing
203.9 payment to eligible outpatient retail pharmacies for drugs dispensed to medical assistance
203.10 enrollees. The directed pharmacy dispensing payment is in addition to, and must not supplant
203.11 or reduce, any other dispensing fee paid by these entities to the pharmacy. Entities paying
203.12 the directed pharmacy dispensing payment must not reduce other payments to the pharmacy
203.13 as a result of payment of the directed pharmacy dispensing payment.

203.14 (b) For purposes of this subdivision, "eligible outpatient retail pharmacy" means an
203.15 outpatient retail pharmacy licensed under chapter 151 that is not owned, either directly or
203.16 indirectly or through an affiliate or subsidiary, by a pharmacy benefit manager licensed
203.17 under chapter 62W or a health carrier, as defined in section 62A.011, subdivision 2, and
203.18 that:

203.19 (1) is located in a medically underserved area or primarily serves a medically underserved
203.20 population, as defined by the United States Department of Health and Human Services
203.21 Health Resources and Services Administration under United States Code, title 42, section
203.22 254; or

203.23 (2) shares common ownership with 12 or fewer Minnesota pharmacies.

203.24 (c) In order to receive the directed pharmacy dispensing payment, a pharmacy must
203.25 submit to the commissioner a form, developed by the commissioner, attesting that the
203.26 pharmacy meets the requirements of paragraph (b).

203.27 (d) Managed care and county-based purchasing plans, and any pharmacy benefit managers
203.28 under contract with these entities, shall pay the directed pharmacy dispensing payment to
203.29 eligible outpatient retail pharmacies. The commissioner shall monitor the effect of this
203.30 requirement on access to pharmaceutical services in rural and underserved areas of
203.31 Minnesota. If, for any contract year, federal approval is not received for this subdivision,
203.32 the commissioner must adjust the capitation rates paid to managed care plans and
203.33 county-based purchasing plans for that contract year to reflect removal of this subdivision.
203.34 Contracts between managed care plans and county-based purchasing plans, and any pharmacy

204.1 benefit managers under contract with these entities, and providers to whom this subdivision
 204.2 applies, must allow recovery of payments from those providers if capitation rates are adjusted
 204.3 in accordance with this paragraph. Payment recoveries must not exceed the amount equal
 204.4 to any increase in rates that results from this subdivision. This subdivision expires if federal
 204.5 approval is not received for this subdivision at any time.

204.6 (e) This subdivision expires on December 31, 2026.

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

204.10 Sec. 9. **[256B.696] PRESCRIPTION DRUGS; STATE PHARMACY BENEFIT**
 204.11 **MANAGER.**

204.12 Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have
 204.13 the meanings given.

204.14 (b) "Managed care plans" means health plans and county-based purchasing organizations
 204.15 providing coverage to medical assistance and MinnesotaCare enrollees under the managed
 204.16 care delivery system.

204.17 (c) "Managed care enrollees" means medical assistance and MinnesotaCare enrollees
 204.18 receiving coverage from managed care plans.

204.19 (d) "State pharmacy benefit manager" means the pharmacy benefit manager selected
 204.20 pursuant to the procurement process in subdivision 2.

204.21 Subd. 2. **Procurement process.** (a) The commissioner must, through a competitive
 204.22 procurement process in compliance with paragraph (b), select a single pharmacy benefit
 204.23 manager to comply with the requirements set forth in subdivision 3. The single pharmacy
 204.24 benefit manager selected under this subdivision must be a prepaid ambulatory health plan,
 204.25 as defined in Code of Federal Regulations, title 42, section 438.2.

204.26 (b) When selecting the single pharmacy benefit manager, the commissioner must:

204.27 (1) accept applications for entities seeking to become the single pharmacy benefit
 204.28 manager;

204.29 (2) establish eligibility criteria an entity must meet in order to become the single pharmacy
 204.30 benefit manager; and

204.31 (3) enter into a master contract with a single pharmacy benefit manager.

(c) The contract required under paragraph (b), clause (3), must include provisions that prohibit the single pharmacy benefit manager from:

(1) requiring, enticing, or coercing an enrollee to obtain pharmacy services, including a prescription drug, from a pharmacy owned or otherwise affiliated with the single pharmacy benefit manager;

(2) communicating to an enrollee, in any manner, that the enrollee is required to obtain pharmacy services or have a prescription dispensed at, or pharmacy services provided by, a particular pharmacy owned or affiliated with the single pharmacy benefit manager if there are other nonaffiliated pharmacies that have the ability to dispense the medication or provide the services and are also in network;

(3) requiring an enrollee to obtain pharmacy services, including a prescription drug, exclusively through a mail order pharmacy;

(4) directly or indirectly retroactively denying or reducing a claim or aggregate of claims for pharmacy services, including prescription drugs, after adjudication of the claim or aggregate of claims;

(5) paying or reimbursing a pharmacy or pharmacist for the ingredient drug product component of pharmacist services, including a prescription drug, less than the lesser of national average drug acquisition cost; the Minnesota actual acquisition cost (MNAAC) as defined in section 256B.0625, subdivision 13e, paragraph (i); or the maximum allowable cost as defined in section 62W.08 of that pharmacy service or prescription drug, or, if the national average drug acquisition cost is unavailable, the wholesale acquisition cost minus two percent at the time the drug is administered or dispensed, plus a professional dispensing fee equal to the amount of the dispensing fee if it were determined pursuant to section 256B.0625, subdivision 13e; and

(6) denying a pharmacy or pharmacist the right to participate as a contract provider under the health plan if the pharmacy or pharmacist agrees to provide pharmacy services, including but not limited to prescription drugs that meet the terms and requirements set forth by the health plan and agrees to the terms of reimbursement set forth by the health plan company.

(d) Applicants for the single pharmacy benefit manager must disclose to the commissioner the following during the procurement process:

(1) any activity, policy, practice, contract, or arrangement of the single pharmacy benefit manager that may directly or indirectly present any conflict of interest with the pharmacy

206.1 benefit manager's relationship with or obligation to the Department of Human Services, a
206.2 health plan company, or a county-based purchasing organization;

206.3 (2) all common ownership, members of a board of directors, managers, or other control
206.4 of the pharmacy benefit manager or any of the pharmacy benefit manager's affiliated
206.5 companies with:

206.6 (i) a health plan company administering medical assistance or MinnesotaCare benefits
206.7 in Minnesota or an affiliate of the health plan company;

206.8 (ii) a county-based purchasing organization;

206.9 (iii) an entity that contracts on behalf of a pharmacy or any pharmacy services
206.10 administration organization and its affiliates;

206.11 (iv) a drug wholesaler or distributor and its affiliates;

206.12 (v) a third-party payer and its affiliates; or

206.13 (vi) a pharmacy and its affiliates;

206.14 (3) any direct or indirect fees, charges, or any kind of assessments imposed by the
206.15 pharmacy benefit manager on pharmacies licensed in Minnesota with which the pharmacy
206.16 benefit manager shares common ownership, management, or control, or that are owned,
206.17 managed, or controlled by any of the pharmacy benefit manager's affiliated companies;

206.18 (4) any direct or indirect fees, charges, or any kind of assessments imposed by the
206.19 pharmacy benefit manager on pharmacies licensed in Minnesota; and

206.20 (5) any financial terms and arrangements between the pharmacy benefit manager and a
206.21 prescription drug manufacturer or labeler, including formulary management, drug substitution
206.22 programs, educational support claims processing, or data sales fees.

206.23 Subd. 3. **Drug coverage.** (a) The commissioner may require the state pharmacy benefit
206.24 manager to modify utilization review limitations, requirements, and strategies imposed by
206.25 managed care plans on prescription drug coverage.

206.26 (b) The state pharmacy benefit manager is responsible for processing all point of sale
206.27 outpatient pharmacy claims under the managed care delivery system. Managed care plans
206.28 must use the state pharmacy benefit manager pursuant to the terms of the master contract
206.29 required under subdivision 2, paragraph (b), clause (3). The pharmacy benefit manager
206.30 selected is the exclusive pharmacy benefit manager used by health plan companies and
206.31 county-based purchasing organizations when providing coverage to enrollees. The

207.1 commissioner may require the managed care plans and state pharmacy benefit manager to
207.2 directly exchange data and files for members enrolled with managed care plans.

207.3 (c) All payment arrangements between the Department of Human Services, managed
207.4 care plans, and the state pharmacy benefit manager must comply with state and federal
207.5 statutes, regulations adopted by the Centers for Medicare and Medicaid Services, and any
207.6 other agreement between the department and the Centers for Medicare and Medicaid Services.
207.7 The commissioner may change a payment arrangement to comply with this paragraph.

207.8 (d) The commissioner must administer and oversee this section to:

207.9 (1) ensure proper administration of prescription drug benefits for managed care enrollees;
207.10 and

207.11 (2) increase the transparency of prescription drug prices and other information for the
207.12 benefit of pharmacies.

207.13 Subd. 4. **Prescription drug disclosures.** (a) The state pharmacy benefit manager must,
207.14 on request from the commissioner, disclose to the commissioner all sources of payment the
207.15 pharmacy benefit manager receives for prescribed drugs, including drug rebates, discounts,
207.16 credits, clawbacks, fees, grants, chargebacks, reimbursements, or other financial benefits
207.17 or payments related to services provided for a managed care plan.

207.18 (b) Each managed care plan must disclose to the commissioner, in the format specified
207.19 by the commissioner, the entity's administrative costs associated with providing pharmacy
207.20 services under the managed care delivery system.

207.21 (c) The state pharmacy benefit manager must provide a written quarterly report to the
207.22 commissioner containing the following information from the immediately preceding quarter:

207.23 (1) the prices the state pharmacy benefit manager negotiated for prescribed drugs under
207.24 the managed care delivery system. The prices must include any rebates the state pharmacy
207.25 benefit manager received from the drug manufacturer;

207.26 (2) unredacted copies of contracts between the state pharmacy benefit manager and
207.27 enrolled pharmacies;

207.28 (3) any rebate amounts the state pharmacy benefit manager passed on to individual
207.29 pharmacies;

207.30 (4) any changes to the information previously disclosed in accordance with subdivision
207.31 2, paragraph (d); and

207.32 (5) any other information required by the commissioner.

208.1 (d) The commissioner may request and collect additional information and clinical data
208.2 from the state pharmacy benefit manager.

208.3 (e) At the time of contract execution, renewal, or modification, the commissioner must
208.4 modify the reporting requirements under its managed care contracts as necessary to meet
208.5 the requirements of this subdivision.

208.6 Subd. 5. **Program authority.** (a) To accomplish the requirements of subdivision 3,
208.7 paragraph (d), the commissioner, in consultation with the Formulary Committee established
208.8 under section 256B.0625, subdivision 13c, has the authority to:

208.9 (1) adopt or develop a preferred drug list for managed care plans;

208.10 (2) at the commissioner's discretion, engage in price negotiations with prescription drug
208.11 manufacturers, wholesalers, or group purchasing organizations in place of the state pharmacy
208.12 benefit manager to obtain price discounts and rebates for prescription drugs for managed
208.13 care enrollees; and

208.14 (3) develop and manage a drug formulary for managed care plans.

208.15 (b) The commissioner may contract with one or more entities to perform any of the
208.16 functions described in paragraph (a).

208.17 Subd. 6. **Pharmacies.** The commissioner may review contracts between the state
208.18 pharmacy benefit manager and pharmacies for compliance with this section and the master
208.19 contract required under subdivision 2, paragraph (b), clause (3). The commissioner may
208.20 amend any term or condition of a contract that does not comply with this section or the
208.21 master contract.

208.22 Subd. 7. **Federal approval.** The commissioner must seek any necessary federal approvals
208.23 to implement this section.

208.24 **EFFECTIVE DATE.** This section is effective January 1, 2027, or upon federal approval,
208.25 whichever is later, except that subdivision 7 is effective the day following final enactment.
208.26 The commissioner of human services shall notify the revisor of statutes when federal approval
208.27 is obtained.

ARTICLE 6

HUMAN SERVICES HEALTH CARE FINANCE

Section 1. Minnesota Statutes 2024, section 62A.673, subdivision 2, is amended to read:

Subd. 2. **Definitions.** (a) For purposes of this section, the terms defined in this subdivision have the meanings given.

(b) "Distant site" means a site at which a health care provider is located while providing health care services or consultations by means of telehealth.

(c) "Health care provider" means a health care professional who is licensed or registered by the state to perform health care services within the provider's scope of practice and in accordance with state law. A health care provider includes a mental health professional under section 245I.04, subdivision 2; a mental health practitioner under section 245I.04, subdivision 4; a clinical trainee under section 245I.04, subdivision 6; a treatment coordinator under section 245G.11, subdivision 7; an alcohol and drug counselor under section 245G.11, subdivision 5; and a recovery peer under section 245G.11, subdivision 8.

(d) "Health carrier" has the meaning given in section 62A.011, subdivision 2.

(e) "Health plan" has the meaning given in section 62A.011, subdivision 3. Health plan includes dental plans as defined in section 62Q.76, subdivision 3, but does not include dental plans that provide indemnity-based benefits, regardless of expenses incurred, and are designed to pay benefits directly to the policy holder.

(f) "Originating site" means a site at which a patient is located at the time health care services are provided to the patient by means of telehealth. For purposes of store-and-forward technology, the originating site also means the location at which a health care provider transfers or transmits information to the distant site.

(g) "Store-and-forward technology" means the asynchronous electronic transfer or transmission of a patient's medical information or data from an originating site to a distant site for the purposes of diagnostic and therapeutic assistance in the care of a patient.

(h) "Telehealth" means the delivery of health care services or consultations through the use of real time two-way interactive audio and visual communications to provide or support health care delivery and facilitate the assessment, diagnosis, consultation, treatment, education, and care management of a patient's health care. Telehealth includes the application of secure video conferencing, store-and-forward technology, and synchronous interactions between a patient located at an originating site and a health care provider located at a distant site. Until July 1, ~~2025~~ 2028, telehealth also includes audio-only communication between

210.1 a health care provider and a patient ~~in accordance with subdivision 6, paragraph (b) if the~~
210.2 communication is a scheduled appointment and the standard of care for that particular
210.3 service can be met through the use of audio-only communication or if, for substance use
210.4 disorder treatment services and mental health care services delivered through telehealth by
210.5 means of audio-only communication, the communication was initiated by the enrollee while
210.6 in an emergency or crisis situation and a scheduled appointment was not possible due to
210.7 the need of an immediate response. Telehealth does not include communication between
210.8 health care providers that consists solely of a telephone conversation, email, or facsimile
210.9 transmission. Telehealth does not include communication between a health care provider
210.10 and a patient that consists solely of an email or facsimile transmission. Telehealth does not
210.11 include telemonitoring services as defined in paragraph (i).

210.12 (i) "Telemonitoring services" means the remote monitoring of clinical data related to
210.13 the enrollee's vital signs or biometric data by a monitoring device or equipment that transmits
210.14 the data electronically to a health care provider for analysis. Telemonitoring is intended to
210.15 collect an enrollee's health-related data for the purpose of assisting a health care provider
210.16 in assessing and monitoring the enrollee's medical condition or status.

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

210.18 Sec. 2. Minnesota Statutes 2024, section 62M.17, subdivision 2, is amended to read:

210.19 Subd. 2. **Effect of change in prior authorization clinical criteria.** (a) If, during a plan
210.20 year, or a calendar year for fee-for-service providers under chapters 256B and 256L, a
210.21 utilization review organization changes coverage terms for a health care service or the
210.22 clinical criteria used to conduct prior authorizations for a health care service, the change in
210.23 coverage terms or change in clinical criteria shall not apply until the next plan year, or the
210.24 next calendar year for fee-for-service providers under chapters 256B and 256L, for any
210.25 enrollee who received prior authorization for a health care service using the coverage terms
210.26 or clinical criteria in effect before the effective date of the change.

210.27 (b) Paragraph (a) does not apply if a utilization review organization changes coverage
210.28 terms for a drug or device that has been deemed unsafe by the United States Food and Drug
210.29 Administration (FDA); that has been withdrawn by either the FDA or the product
210.30 manufacturer; or when an independent source of research, clinical guidelines, or
210.31 evidence-based standards has issued drug- or device-specific warnings or recommended
210.32 changes in drug or device usage.

210.33 (c) Paragraph (a) does not apply if a utilization review organization changes coverage
210.34 terms for a service or the clinical criteria used to conduct prior authorizations for a service

211.1 when an independent source of research, clinical guidelines, or evidence-based standards
211.2 has recommended changes in usage of the service for reasons related to patient harm. This
211.3 paragraph expires December 31, 2025, for health benefit plans offered, sold, issued, or
211.4 renewed on or after that date.

211.5 (d) Effective January 1, 2026, and applicable to health benefit plans offered, sold, issued,
211.6 or renewed on or after that date, paragraph (a) does not apply if a utilization review
211.7 organization changes coverage terms for a service or the clinical criteria used to conduct
211.8 prior authorizations for a service when an independent source of research, clinical guidelines,
211.9 or evidence-based standards has recommended changes in usage of the service for reasons
211.10 related to previously unknown and imminent patient harm.

211.11 (e) Paragraph (a) does not apply if a utilization review organization removes a brand
211.12 name drug from its formulary or places a brand name drug in a benefit category that increases
211.13 the enrollee's cost, provided the utilization review organization (1) adds to its formulary a
211.14 generic or multisource brand name drug rated as therapeutically equivalent according to
211.15 the FDA Orange Book, or a biologic drug rated as interchangeable according to the FDA
211.16 Purple Book, at a lower cost to the enrollee, and (2) provides at least a 60-day notice to
211.17 prescribers, pharmacists, and affected enrollees.

211.18 Sec. 3. Minnesota Statutes 2024, section 256.9657, is amended by adding a subdivision
211.19 to read:

211.20 Subd. 2b. **Hospital assessment.** (a) For purposes of this subdivision, the following terms
211.21 have the meanings given:

211.22 (1) "eligible hospital" means a hospital licensed under section 144.50 and located in
211.23 Minnesota;

211.24 (2) "net outpatient revenue" means the value reflecting total outpatient revenue less
211.25 Medicare revenue as calculated from Worksheet G of the hospital's most recent Medicare
211.26 cost report filed and showing in the Healthcare Cost Report Information System (HCRIS)
211.27 as of August 1 of each year; and

211.28 (3) "total patient days" means the value reflecting total hospital inpatient days as reported
211.29 on Worksheet S-3 of the hospital's most recent Medicare cost report filed and showing in
211.30 HCRIS as of August 1 of each year.

211.31 (b) Subject to paragraphs (m) to (o), each eligible hospital must pay to the hospital
211.32 directed payment program account assessments in an aggregate annual amount equal to the
211.33 sum of the following:

- 212.1 (1) \$120.22 multiplied by total patient days; and
- 212.2 (2) 5.96 percent of the hospital's net outpatient revenue.
- 212.3 (c) The assessment amount for calendar years 2026 and 2027 must be based on the total
- 212.4 patient days and net outpatient revenue in 2021 for each eligible hospital.
- 212.5 (d) The commissioner may, after consultation with the Minnesota Hospital Association,
- 212.6 modify the rates of assessment in paragraph (b) as necessary to comply with federal law,
- 212.7 obtain or maintain a waiver under Code of Federal Regulations, title 42, section 433.72, or
- 212.8 to otherwise maximize under this section federal financial participation for medical assistance.
- 212.9 Notwithstanding the foregoing authorization to maximize federal financial participation for
- 212.10 medical assistance, the commissioner must reduce the rates of assessment in paragraph (b)
- 212.11 as necessary to ensure:
- 212.12 (1) the state's aggregated health care-related taxes on inpatient hospital services do not
- 212.13 exceed five percent of the net patient revenue attributable to those services; and
- 212.14 (2) the state's aggregated health care-related taxes on outpatient hospital services do not
- 212.15 exceed five percent of the net patient revenue attributable to those services.
- 212.16 (e) Eligible hospitals must pay the annual assessment amount under paragraph (b) to the
- 212.17 commissioner by paying four equal quarterly assessments. Eligible hospitals must pay the
- 212.18 quarterly assessments by January 1, April 1, July 1, and October 1 each year. Eligible
- 212.19 hospitals must pay the assessments in the form and manner specified by the commissioner.
- 212.20 An eligible hospital is prohibited from paying a quarterly assessment until the eligible
- 212.21 hospital has received the applicable invoice under paragraph (f). The commissioner may
- 212.22 make the assessment retroactive to the first quarter for which federal approval is effective.
- 212.23 (f) The commissioner must provide eligible hospitals with an invoice by December 1
- 212.24 for the assessment due January 1, March 1 for the assessment due April 1, June 1 for the
- 212.25 assessment due July 1, and September 1 for the assessment due October 1 each year.
- 212.26 (g) The commissioner must notify each eligible hospital of its estimated annual assessment
- 212.27 amount for the subsequent calendar year by October 15 each year.
- 212.28 (h) If any of the dates for assessments or invoices in paragraphs (e) to (g) fall on a
- 212.29 holiday, the applicable date is the next business day.
- 212.30 (i) A hospital is not required to pay an assessment under this subdivision until the start
- 212.31 of the first full fiscal year the hospital is an eligible hospital. A hospital that has merged
- 212.32 with another hospital must have the hospital's assessment revised at the start of the first full

213.1 fiscal year after the merger is complete. A closed hospital is retroactively responsible for
213.2 assessments owed for services provided through the final date of operations.

213.3 (j) If the commissioner determines that a hospital has underpaid or overpaid an
213.4 assessment, the commissioner must notify the hospital of the unpaid assessment or of any
213.5 refund due.

213.6 (k) Revenue from an assessment under this subdivision must only be used by the
213.7 commissioner to pay the nonfederal share of the directed payment program under section
213.8 256B.1974.

213.9 (l) The commissioner is prohibited from collecting any assessment under this subdivision
213.10 during any period of time when:

213.11 (1) federal financial participation is unavailable, disallowed, or reduced by at least 15
213.12 percent relative to the state's share of medical assistance as of April 1, 2025; or

213.13 (2) a directed payment under section 256B.1974 is not approved by the Centers for
213.14 Medicare and Medicaid Services.

213.15 (m) The commissioner must make the following discounts from the inpatient portion of
213.16 the assessment under paragraph (b), clause (1), in the stated amount or as necessary to
213.17 achieve federal approval of the assessment in this section:

213.18 (1) for Hennepin Healthcare, a discount of 25 percent off the inpatient portion of the
213.19 assessment rate;

213.20 (2) for Mayo Rochester, a discount of ten percent off the inpatient portion of the
213.21 assessment rate; and

213.22 (3) for Gillette Children's Hospital, a discount of 90 percent off the inpatient portion of
213.23 the assessment rate.

213.24 (n) The commissioner must make the following discounts from the outpatient portion
213.25 of the assessment under paragraph (b), clause (2), in the stated amount or as necessary to
213.26 achieve federal approval of the assessment in this section:

213.27 (1) for each critical access hospital or independent hospital located outside a city of the
213.28 first class and paid under the Medicare prospective payment system, a discount of 40 percent
213.29 off the outpatient portion of the assessment rate;

213.30 (2) for Gillette Children's Hospital, a discount of 90 percent off the outpatient portion
213.31 of the assessment rate;

214.1 (3) for Hennepin Healthcare, a discount of 60 percent off the outpatient portion of the
214.2 assessment rate; and

214.3 (4) for Mayo Rochester, a discount of 20 percent off the outpatient portion of the
214.4 assessment rate.

214.5 (o) The commissioner must fully exempt the following from the assessment in this
214.6 section:

214.7 (1) federal Indian Health Service facilities;

214.8 (2) state-owned or state-operated regional treatment centers and all state-operated services;

214.9 (3) federal Veterans Administration Medical Centers; and

214.10 (4) long-term acute care hospitals.

214.11 (p) If the federal share of the hospital directed payment program under section 256B.1974
214.12 is increased as the result of an increase to the federal medical assistance percentage, then
214.13 the commissioner must reduce the assessment on a uniform percentage basis across eligible
214.14 hospitals on which the assessment is imposed, such that the aggregate amount collected
214.15 from hospitals under this subdivision does not exceed the total amount needed to maintain
214.16 the same aggregate state and federal funding level for the directed payments authorized by
214.17 section 256B.1974.

214.18 (q) Hospitals subject to the assessment under this subdivision must submit to the
214.19 commissioner on an annual basis, in the form and manner specified by the commissioner
214.20 in consultation with the Minnesota Hospital Association, all documentation necessary to
214.21 determine the assessment amounts under this subdivision.

214.22 (r) Any disproportionate share hospital payments that are supplanted due to the
214.23 implementation of the hospital directed payment program under section 256B.1974 must
214.24 be redirected into the hospital directed payment program as an offset to the assessment
214.25 under this section owed by all medical assistance disproportionate share hospitals as defined
214.26 in section 256.969, subdivision 9, and reduce their assessments on a uniform basis.

214.27 (s) Any future state funding sources identified and used toward the hospital directed
214.28 payment program under section 256B.1974 may be used to offset the assessment under this
214.29 section.

214.30 **EFFECTIVE DATE.** (a) This section is effective the later of January 1, 2026, or federal
214.31 approval of all of the following:

214.32 (1) this section; and

215.1 (2) the amendments in this act to Minnesota Statutes, sections 256B.1973 and 256B.1974.

215.2 (b) The commissioner of human services shall notify the revisor of statutes when federal
215.3 approval for all amendments set forth in paragraph (a) is obtained.

215.4 Sec. 4. Minnesota Statutes 2024, section 256.969, subdivision 2b, is amended to read:

215.5 Subd. 2b. **Hospital payment rates.** (a) For discharges occurring on or after November
215.6 1, 2014, hospital inpatient services for hospitals located in Minnesota shall be paid according
215.7 to the following:

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

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

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

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

215.16 (b) For the period beginning January 1, 2011, through October 31, 2014, rates shall not
215.17 be rebased, except that a Minnesota long-term hospital shall be rebased effective January
215.18 1, 2011, based on its most recent Medicare cost report ending on or before September 1,
215.19 2008, with the provisions under subdivisions 9 and 23, based on the rates in effect on
215.20 December 31, 2010. For rate setting periods after November 1, 2014, in which the base
215.21 years are updated, a Minnesota long-term hospital's base year shall remain within the same
215.22 period as other hospitals.

215.23 (c) Effective for discharges occurring on and after November 1, 2014, payment rates
215.24 for hospital inpatient services provided by hospitals located in Minnesota or the local trade
215.25 area, except for the hospitals paid under the methodologies described in paragraph (a),
215.26 clauses (2) and (3), shall be rebased, incorporating cost and payment methodologies in a
215.27 manner similar to Medicare. The base year or years for the rates effective November 1,
215.28 2014, shall be calendar year 2012. The rebasing under this paragraph shall be budget neutral,
215.29 ensuring that the total aggregate payments under the rebased system are equal to the total
215.30 aggregate payments that were made for the same number and types of services in the base
215.31 year. Separate budget neutrality calculations shall be determined for payments made to
215.32 critical access hospitals and payments made to hospitals paid under the DRG system. Only
215.33 the rate increases or decreases under subdivision 3a or 3c that applied to the hospitals being

216.1 rebased during the entire base period shall be incorporated into the budget neutrality
216.2 calculation.

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

216.9 (e) For discharges occurring on or after November 1, 2014, the commissioner may make
216.10 additional adjustments to the rebased rates, and when evaluating whether additional
216.11 adjustments should be made, the commissioner shall consider the impact of the rates on the
216.12 following:

216.13 (1) pediatric services;

216.14 (2) behavioral health services;

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

216.16 (4) transplant services;

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

216.19 (6) outlier admissions;

216.20 (7) low-volume providers; and

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

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

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

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

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

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

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

(h) Effective for discharges occurring on or after July 1, 2017, and every two years thereafter, payment rates under this section shall be rebased to reflect only those changes in hospital costs between the existing base year or years and the next base year or years. In any year that inpatient claims volume falls below the threshold required to ensure a statistically valid sample of claims, the commissioner may combine claims data from two consecutive years to serve as the base year. Years in which inpatient claims volume is reduced or altered due to a pandemic or other public health emergency shall not be used as a base year or part of a base year if the base year includes more than one year. Changes in costs between base years shall be measured using the lower of the hospital cost index defined in subdivision 1, paragraph (a), or the percentage change in the case mix adjusted cost per claim. The commissioner shall establish the base year for each rebasing period considering the most recent year or years for which filed Medicare cost reports are available, except that the base years for the rebasing effective July 1, 2023, are calendar years 2018 and 2019. The estimated change in the average payment per hospital discharge resulting from a scheduled rebasing must be calculated and made available to the legislature by January 15 of each year in which rebasing is scheduled to occur, and must include by hospital the differential in payment rates compared to the individual hospital's costs.

(i) Effective for discharges occurring on or after July 1, 2015, inpatient payment rates for critical access hospitals located in Minnesota or the local trade area shall be determined using a new cost-based methodology. The commissioner shall establish within the methodology tiers of payment designed to promote efficiency and cost-effectiveness. Payment rates for hospitals under this paragraph shall be set at a level that does not exceed the total cost for critical access hospitals as reflected in base year cost reports. Until the

218.1 next rebasing that occurs, the new methodology shall result in no greater than a five percent
218.2 decrease from the base year payments for any hospital, except a hospital that had payments
218.3 that were greater than 100 percent of the hospital's costs in the base year shall have their
218.4 rate set equal to 100 percent of costs in the base year. The rates paid for discharges on and
218.5 after July 1, 2016, covered under this paragraph shall be increased by the inflation factor
218.6 in subdivision 1, paragraph (a). The new cost-based rate shall be the final rate and shall not
218.7 be settled to actual incurred costs. Hospitals shall be assigned a payment tier based on the
218.8 following criteria:

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

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

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

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

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

218.21 (2) the ratio between the hospital's costs for treating medical assistance patients and the
218.22 hospital's payments received from the medical assistance program for the care of medical
218.23 assistance patients;

218.24 (3) the ratio between the hospital's charges to the medical assistance program and the
218.25 hospital's payments received from the medical assistance program for the care of medical
218.26 assistance patients;

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

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

218.30 (6) geographic location.

218.31 (k) Subject to subdivision 2g, effective for discharges occurring on or after January 1,
218.32 2024, the rates paid to hospitals described in paragraph (a), clauses (2) to (4), must include

219.1 a rate factor specific to each hospital that qualifies for a medical education and research
219.2 cost distribution under section 62J.692, subdivision 4, paragraph (a).

219.3 (l) Effective for discharges occurring on or after January 1, 2028, or on or after the date
219.4 of federal approval, whichever is later, the commissioner must increase by an annual
219.5 aggregate amount of \$10,000,000:

219.6 (1) payments for inpatient behavioral health services provided by hospitals paid under
219.7 the DRG methodology by increasing the adjustment for behavioral health services under
219.8 section 256.969, subdivision 2b, paragraph (e); and

219.9 (2) capitation payments made to managed care plans and county-based purchasing plans
219.10 to reflect the rate increase provided under this paragraph. Managed care and county-based
219.11 purchasing plans must use the capitation rate increase provided under this clause to increase
219.12 payment rates for inpatient behavioral health services provided by hospitals paid under the
219.13 DRG methodology. The commissioner must monitor the effect of this rate increase on
219.14 enrollee access to behavioral health services. If for any contract year federal approval is not
219.15 received for this clause, the commissioner must adjust the capitation rates paid to managed
219.16 care plans and county-based purchasing plans for that contract year to reflect the removal
219.17 of this clause. Contracts between managed care plans and county-based purchasing plans
219.18 and providers to whom this paragraph applies must allow recovery of payments from those
219.19 providers if capitation rates are adjusted in accordance with this clause. Payment recoveries
219.20 must not exceed the amount equal to any increase in rates that results from this paragraph.

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

219.22 Sec. 5. Minnesota Statutes 2024, section 256B.0625, subdivision 3b, is amended to read:

219.23 Subd. 3b. **Telehealth services.** (a) Medical assistance covers medically necessary services
219.24 and consultations delivered by a health care provider through telehealth in the same manner
219.25 as if the service or consultation was delivered through in-person contact. Services or
219.26 consultations delivered through telehealth shall be paid at the full allowable rate.

219.27 (b) The commissioner may establish criteria that a health care provider must attest to in
219.28 order to demonstrate the safety or efficacy of delivering a particular service through
219.29 telehealth. The attestation may include that the health care provider:

219.30 (1) has identified the categories or types of services the health care provider will provide
219.31 through telehealth;

219.32 (2) has written policies and procedures specific to services delivered through telehealth
219.33 that are regularly reviewed and updated;

220.1 (3) has policies and procedures that adequately address patient safety before, during,
220.2 and after the service is delivered through telehealth;

220.3 (4) has established protocols addressing how and when to discontinue telehealth services;
220.4 and

220.5 (5) has an established quality assurance process related to delivering services through
220.6 telehealth.

220.7 (c) As a condition of payment, a licensed health care provider must document each
220.8 occurrence of a health service delivered through telehealth to a medical assistance enrollee.
220.9 Health care service records for services delivered through telehealth must meet the
220.10 requirements set forth in Minnesota Rules, part 9505.2175, subparts 1 and 2, and must
220.11 document:

220.12 (1) the type of service delivered through telehealth;

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

220.15 (3) the health care provider's basis for determining that telehealth is an appropriate and
220.16 effective means for delivering the service to the enrollee;

220.17 (4) the mode of transmission used to deliver the service through telehealth and records
220.18 evidencing that a particular mode of transmission was utilized;

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

220.20 (6) if the claim for payment is based on a physician's consultation with another physician
220.21 through telehealth, the written opinion from the consulting physician providing the telehealth
220.22 consultation; and

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

220.25 (d) Telehealth visits provided through audio and visual communication or accessible
220.26 video-based platforms may be used to satisfy the face-to-face requirement for reimbursement
220.27 under the payment methods that apply to a federally qualified health center, rural health
220.28 clinic, Indian health service, 638 tribal clinic, and certified community behavioral health
220.29 clinic, if the service would have otherwise qualified for payment if performed in person.

220.30 (e) For purposes of this subdivision, unless otherwise covered under this chapter:

220.31 (1) "telehealth" means the delivery of health care services or consultations using real-time
220.32 two-way interactive audio and visual communication or accessible telehealth video-based

221.1 platforms to provide or support health care delivery and facilitate the assessment, diagnosis,
221.2 consultation, treatment, education, and care management of a patient's health care. Telehealth
221.3 includes: the application of secure video conferencing consisting of a real-time, full-motion
221.4 synchronized video; store-and-forward technology; and synchronous interactions, between
221.5 a patient located at an originating site and a health care provider located at a distant site.
221.6 Telehealth does not include communication between health care providers, or between a
221.7 health care provider and a patient that consists solely of an audio-only communication,
221.8 email, or facsimile transmission or as specified by law, except that from July 1, 2025, to
221.9 July 1, 2028, telehealth includes communication between a health care provider and a patient
221.10 that solely consists of audio-only communication;

221.11 (2) "health care provider" means a health care provider as defined under section 62A.673;
221.12 a community paramedic as defined under section 144E.001, subdivision 5f; a community
221.13 health worker who meets the criteria under subdivision 49, paragraph (a); a mental health
221.14 certified peer specialist under section 245I.04, subdivision 10; a mental health certified
221.15 family peer specialist under section 245I.04, subdivision 12; a mental health rehabilitation
221.16 worker under section 245I.04, subdivision 14; a mental health behavioral aide under section
221.17 245I.04, subdivision 16; a treatment coordinator under section 245G.11, subdivision 7; an
221.18 alcohol and drug counselor under section 245G.11, subdivision 5; or a recovery peer under
221.19 section 245G.11, subdivision 8; and

221.20 (3) "originating site," "distant site," and "store-and-forward technology" have the
221.21 meanings given in section 62A.673, subdivision 2.

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

221.25 Sec. 6. Minnesota Statutes 2024, section 256B.0625, subdivision 17a, is amended to read:

221.26 Subd. 17a. **Payment for ambulance services.** (a) Medical assistance covers ambulance
221.27 services. Providers shall bill ambulance services according to Medicare criteria.
221.28 Nonemergency ambulance services shall not be paid as emergencies. Effective for services
221.29 rendered on or after July 1, 2001, medical assistance payments for ambulance services shall
221.30 be paid at the Medicare reimbursement rate or at the medical assistance payment rate in
221.31 effect on July 1, 2000, whichever is greater.

221.32 (b) Effective for services provided on or after July 1, 2016, medical assistance payment
221.33 rates for ambulance services identified in this paragraph are increased by five percent.
221.34 Capitation payments made to managed care plans and county-based purchasing plans for

222.1 ambulance services provided on or after January 1, 2017, shall be increased to reflect this
222.2 rate increase. The increased rate described in this paragraph applies to ambulance service
222.3 providers whose base of operations as defined in section 144E.10 is located:

222.4 (1) outside the metropolitan counties listed in section 473.121, subdivision 4, and outside
222.5 the cities of Duluth, Mankato, Moorhead, St. Cloud, and Rochester; or

222.6 (2) within a municipality with a population of less than 1,000.

222.7 (c) Effective for services provided statewide on or after January 1, 2026, medical
222.8 assistance payment rates for ambulance services are increased by 15 percent. Capitation
222.9 payments made to managed care plans and county-based purchasing plans for ambulance
222.10 services provided on or after January 1, 2026, must be increased to reflect this rate increase.

222.11 (d) Effective for services provided on or after January 1, 2026, medical assistance
222.12 payment rates for ambulance services identified in this paragraph are increased by ten
222.13 percent. Capitation payments made to managed care plans and county-based purchasing
222.14 plans for ambulance services provided on or after January 1, 2026, must be increased to
222.15 reflect this rate increase. The increased rate described in this paragraph applies to ambulance
222.16 service providers whose base of operations, as defined in section 144E.001, is located:

222.17 (1) outside the metropolitan counties listed in section 473.121, subdivision 4, and outside
222.18 the cities of Duluth, Mankato, Moorhead, St. Cloud, and Rochester; or

222.19 (2) within a municipality with a population of less than 1,000.

222.20 ~~(e)~~ (e) Effective for the first day of each calendar quarter in which the price of gasoline
222.21 as posted publicly by the United States Energy Information Administration exceeds \$3.00
222.22 per gallon, the commissioner shall adjust the rate paid per mile in paragraph (a) by one
222.23 percent up or down for every increase or decrease of ten cents for the price of gasoline. The
222.24 increase or decrease must be calculated using a base gasoline price of \$3.00. The percentage
222.25 increase or decrease must be calculated using the average of the most recently available
222.26 price of all grades of gasoline for Minnesota as posted publicly by the United States Energy
222.27 Information Administration.

222.28 ~~(d)~~ (f) Managed care plans and county-based purchasing plans must provide a fuel
222.29 adjustment for ambulance services rates when fuel exceeds \$3 per gallon. If, for any contract
222.30 year, federal approval is not received for this paragraph, the commissioner must adjust the
222.31 capitation rates paid to managed care plans and county-based purchasing plans for that
222.32 contract year to reflect the removal of this provision. Contracts between managed care plans
222.33 and county-based purchasing plans and providers to whom this paragraph applies must

223.1 allow recovery of payments from those providers if capitation rates are adjusted in accordance
223.2 with this paragraph. Payment recoveries must not exceed the amount equal to any increase
223.3 in rates that results from this paragraph. This paragraph expires if federal approval is not
223.4 received for this paragraph at any time.

223.5 Sec. 7. Minnesota Statutes 2024, section 256B.0625, subdivision 25c, is amended to read:

223.6 Subd. 25c. **Applicability of utilization review provisions.** (a) Effective January 1,
223.7 2026, the following provisions of chapter 62M apply to the commissioner when delivering
223.8 services under chapters 256B and 256L: 62M.02, subdivisions 1 to 5, 7 to 12, 13, 14 to 18,
223.9 and 21; 62M.04; 62M.05, subdivisions 1 to 4; 62M.06, subdivisions 1 to 3; 62M.07;
223.10 62M.072; 62M.09; 62M.10; 62M.12; and 62M.17, subdivision 2; ~~and 62M.18.~~

223.11 (b) By April 1, 2026, and each April 1 thereafter, managed care plans and county-based
223.12 purchasing plans when the plan is providing coverage to enrollees under chapter 256B or
223.13 256L, and the commissioner when delivering services under chapters 256B and 256L, must
223.14 post on the entity's public website the following data for the immediately preceding calendar
223.15 year for each health plan or program:

223.16 (1) the number of prior authorization requests for which an authorization was issued;

223.17 (2) the number of prior authorization requests for which an adverse determination was
223.18 issued and sorted by:

223.19 (i) health care service;

223.20 (ii) whether the adverse determination was appealed; and

223.21 (iii) whether the adverse determination was upheld or reversed on appeal;

223.22 (3) the number of prior authorization requests that were submitted electronically and
223.23 not by facsimile or email or other method pursuant to section 62J.497; and

223.24 (4) the reasons for prior authorization denial, including but not limited to:

223.25 (i) the patient did not meet prior authorization criteria;

223.26 (ii) the provider submitted incomplete information to the utilization review organization;

223.27 (iii) a change in treatment program; and

223.28 (iv) the patient is no longer covered by the plan or program.

223.29 (c) All information posted under paragraph (b) must be written in easily understandable
223.30 language.

224.1 Sec. 8. Minnesota Statutes 2024, section 256B.0625, subdivision 30, is amended to read:

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

224.8 (b) A federally qualified health center (FQHC) that is beginning initial operation shall
224.9 submit an estimate of budgeted costs and visits for the initial reporting period in the form
224.10 and detail required by the commissioner. An FQHC that is already in operation shall submit
224.11 an initial report using actual costs and visits for the initial reporting period. Within 90 days
224.12 of the end of its reporting period, an FQHC shall submit, in the form and detail required by
224.13 the commissioner, a report of its operations, including allowable costs actually incurred for
224.14 the period and the actual number of visits for services furnished during the period, and other
224.15 information required by the commissioner. FQHCs that file Medicare cost reports shall
224.16 provide the commissioner with a copy of the most recent Medicare cost report filed with
224.17 the Medicare program intermediary for the reporting year which support the costs claimed
224.18 on their cost report to the state.

224.19 (c) In order to continue cost-based payment under the medical assistance program
224.20 according to paragraphs (a) and (b), an FQHC or rural health clinic must apply for designation
224.21 as an essential community provider within six months of final adoption of rules by the
224.22 Department of Health according to section 62Q.19, subdivision 7. For those FQHCs and
224.23 rural health clinics that have applied for essential community provider status within the
224.24 six-month time prescribed, medical assistance payments will continue to be made according
224.25 to paragraphs (a) and (b) for the first three years after application. For FQHCs and rural
224.26 health clinics that either do not apply within the time specified above or who have had
224.27 essential community provider status for three years, medical assistance payments for health
224.28 services provided by these entities shall be according to the same rates and conditions
224.29 applicable to the same service provided by health care providers that are not FQHCs or rural
224.30 health clinics.

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

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

225.3 (f) Effective January 1, 2001, through December 31, 2020, each FQHC and rural health
225.4 clinic may elect to be paid either under the prospective payment system established in United
225.5 States Code, title 42, section 1396a(aa), or under an alternative payment methodology
225.6 consistent with the requirements of United States Code, title 42, section 1396a(aa), and
225.7 approved by the Centers for Medicare and Medicaid Services. The alternative payment
225.8 methodology shall be 100 percent of cost as determined according to Medicare cost
225.9 principles.

225.10 (g) Effective for services provided on or after January 1, 2021, all claims for payment
225.11 of clinic services provided by FQHCs and rural health clinics shall be paid by the
225.12 commissioner, according to an annual election by the FQHC or rural health clinic, under
225.13 the current prospective payment system described in paragraph (f) or the alternative payment
225.14 methodology described in paragraph (l), or, upon federal approval, for FQHCs that are also
225.15 urban Indian organizations under Title V of the federal Indian Health Improvement Act, as
225.16 provided under paragraph (k).

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

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

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

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

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

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

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

225.28 (i) Effective for services provided on or after January 1, 2015, all claims for payment
225.29 of clinic services provided by FQHCs and rural health clinics shall be paid by the
225.30 commissioner. the commissioner shall determine the most feasible method for paying claims
225.31 from the following options:

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

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

(j) For clinic services provided prior to January 1, 2015, the commissioner shall calculate and pay monthly the proposed managed care supplemental payments to clinics, and clinics shall conduct a timely review of the payment calculation data in order to finalize all supplemental payments in accordance with federal law. Any issues arising from a clinic's review must be reported to the commissioner by January 1, 2017. Upon final agreement between the commissioner and a clinic on issues identified under this subdivision, and in accordance with United States Code, title 42, section 1396a(bb), no supplemental payments for managed care plan or county-based purchasing plan claims for services provided prior to January 1, 2015, shall be made after June 30, 2017. If the commissioner and clinics are unable to resolve issues under this subdivision, the parties shall submit the dispute to the arbitration process under section 14.57.

(k) The commissioner shall establish an encounter payment rate that is equivalent to the all inclusive rate (AIR) payment established by the Indian Health Service and published in the Federal Register. The encounter rate must be updated annually and must reflect the changes in the AIR established by the Indian Health Service each calendar year. FQHCs that are also urban Indian organizations under Title V of the federal Indian Health Improvement Act may elect to be paid: (1) at the encounter rate established under this paragraph; (2) under the alternative payment methodology described in paragraph (l); or (3) under the federally required prospective payment system described in paragraph (f). FQHCs that elect to be paid at the encounter rate established under this paragraph must continue to meet all state and federal requirements related to FQHCs and urban Indian organizations, and must maintain their statuses as FQHCs and urban Indian organizations.

(l) All claims for payment of clinic services provided by FQHCs and rural health clinics, that have elected to be paid under this paragraph, shall be paid by the commissioner according to the following requirements:

(1) the commissioner shall establish a single medical and single dental organization encounter rate for each FQHC and rural health clinic when applicable;

227.1 (2) each FQHC and rural health clinic is eligible for same day reimbursement of one
227.2 medical and one dental organization encounter rate if eligible medical and dental visits are
227.3 provided on the same day;

227.4 (3) the commissioner shall reimburse FQHCs and rural health clinics, in accordance
227.5 with current applicable Medicare cost principles, their allowable costs, including direct
227.6 patient care costs and patient-related support services. Nonallowable costs include, but are
227.7 not limited to:

227.8 (i) general social services and administrative costs;

227.9 (ii) retail pharmacy;

227.10 (iii) patient incentives, food, housing assistance, and utility assistance;

227.11 (iv) external lab and x-ray;

227.12 (v) navigation services;

227.13 (vi) health care taxes;

227.14 (vii) advertising, public relations, and marketing;

227.15 (viii) office entertainment costs, food, alcohol, and gifts;

227.16 (ix) contributions and donations;

227.17 (x) bad debts or losses on awards or contracts;

227.18 (xi) fines, penalties, damages, or other settlements;

227.19 (xii) fundraising, investment management, and associated administrative costs;

227.20 (xiii) research and associated administrative costs;

227.21 (xiv) nonpaid workers;

227.22 (xv) lobbying;

227.23 (xvi) scholarships and student aid; and

227.24 (xvii) nonmedical assistance covered services;

227.25 (4) the commissioner shall review the list of nonallowable costs in the years between
227.26 the rebasing process established in clause (5), in consultation with the Minnesota Association
227.27 of Community Health Centers, FQHCs, and rural health clinics. The commissioner shall
227.28 publish the list and any updates in the Minnesota health care programs provider manual;

228.1 (5) the initial applicable base year organization encounter rates for FQHCs and rural
228.2 health clinics shall be computed for services delivered on or after January 1, 2021, and:

228.3 (i) must be determined using each FQHC's and rural health clinic's Medicare cost reports
228.4 from 2017 and 2018;

228.5 (ii) must be according to current applicable Medicare cost principles as applicable to
228.6 FQHCs and rural health clinics without the application of productivity screens and upper
228.7 payment limits or the Medicare prospective payment system FQHC aggregate mean upper
228.8 payment limit;

228.9 (iii) must be subsequently rebased every two years thereafter using the Medicare cost
228.10 reports that are three and four years prior to the rebasing year. Years in which organizational
228.11 cost or claims volume is reduced or altered due to a pandemic, disease, or other public health
228.12 emergency shall not be used as part of a base year when the base year includes more than
228.13 one year. The commissioner may use the Medicare cost reports of a year unaffected by a
228.14 pandemic, disease, or other public health emergency, or previous two consecutive years,
228.15 inflated to the base year as established under item (iv);

228.16 (iv) must be inflated to the base year using the inflation factor described in clause (6);
228.17 and

228.18 (v) the commissioner must provide for a 60-day appeals process under section 14.57;

228.19 (6) the commissioner shall annually inflate the applicable organization encounter rates
228.20 for FQHCs and rural health clinics from the base year payment rate to the effective date by
228.21 using the CMS FQHC Market Basket inflator established under United States Code, title
228.22 42, section 1395m(o), less productivity;

228.23 (7) FQHCs and rural health clinics that have elected the alternative payment methodology
228.24 under this paragraph shall submit all necessary documentation required by the commissioner
228.25 to compute the rebased organization encounter rates no later than six months following the
228.26 date the applicable Medicare cost reports are due to the Centers for Medicare and Medicaid
228.27 Services;

228.28 (8) the commissioner shall reimburse FQHCs and rural health clinics an additional
228.29 amount relative to their medical and dental organization encounter rates that is attributable
228.30 to the tax required to be paid according to section 295.52, if applicable;

228.31 (9) FQHCs and rural health clinics may submit change of scope requests to the
228.32 commissioner if the change of scope would result in an increase or decrease of 2.5 percent

229.1 or higher in the medical or dental organization encounter rate currently received by the
229.2 FQHC or rural health clinic;

229.3 (10) for FQHCs and rural health clinics seeking a change in scope with the commissioner
229.4 under clause (9) that requires the approval of the scope change by the federal Health
229.5 Resources Services Administration:

229.6 (i) FQHCs and rural health clinics shall submit the change of scope request, including
229.7 the start date of services, to the commissioner within seven business days of submission of
229.8 the scope change to the federal Health Resources Services Administration;

229.9 (ii) the commissioner shall establish the effective date of the payment change as the
229.10 federal Health Resources Services Administration date of approval of the FQHC's or rural
229.11 health clinic's scope change request, or the effective start date of services, whichever is
229.12 later; and

229.13 (iii) within 45 days of one year after the effective date established in item (ii), the
229.14 commissioner shall conduct a retroactive review to determine if the actual costs established
229.15 under clause (3) or encounters result in an increase or decrease of 2.5 percent or higher in
229.16 the medical or dental organization encounter rate, and if this is the case, the commissioner
229.17 shall revise the rate accordingly and shall adjust payments retrospectively to the effective
229.18 date established in item (ii);

229.19 (11) for change of scope requests that do not require federal Health Resources Services
229.20 Administration approval, the FQHC and rural health clinic shall submit the request to the
229.21 commissioner before implementing the change, and the effective date of the change is the
229.22 date the commissioner received the FQHC's or rural health clinic's request, or the effective
229.23 start date of the service, whichever is later. The commissioner shall provide a response to
229.24 the FQHC's or rural health clinic's request within 45 days of submission and provide a final
229.25 approval within 120 days of submission. This timeline may be waived at the mutual
229.26 agreement of the commissioner and the FQHC or rural health clinic if more information is
229.27 needed to evaluate the request;

229.28 (12) the commissioner, when establishing organization encounter rates for new FQHCs
229.29 and rural health clinics, shall consider the patient caseload of existing FQHCs and rural
229.30 health clinics in a 60-mile radius for organizations established outside of the seven-county
229.31 metropolitan area, and in a 30-mile radius for organizations in the seven-county metropolitan
229.32 area. If this information is not available, the commissioner may use Medicare cost reports
229.33 or audited financial statements to establish base rates;

230.1 (13) the commissioner, when establishing organization encounter rates under this section
 230.2 for FQHCs and rural health clinics resulting from a merger of existing clinics or the
 230.3 acquisition of an existing clinic by another existing clinic, must use the combined costs and
 230.4 caseloads from the clinics participating in the merger or acquisition to set the encounter rate
 230.5 for the new clinic organization resulting from the merger or acquisition. The scope of services
 230.6 for the newly formed clinic must be inclusive of the scope of services of the clinics
 230.7 participating in the merger or acquisition;

230.8 ~~(13)~~ (14) the commissioner shall establish a quality measures workgroup that includes
 230.9 representatives from the Minnesota Association of Community Health Centers, FQHCs,
 230.10 and rural health clinics, to evaluate clinical and nonclinical measures; and

230.11 ~~(14)~~ (15) the commissioner shall not disallow or reduce costs that are related to an
 230.12 FQHC's or rural health clinic's participation in health care educational programs to the extent
 230.13 that the costs are not accounted for in the alternative payment methodology encounter rate
 230.14 established in this paragraph.

230.15 (m) Effective July 1, 2023, an enrolled Indian health service facility or a Tribal health
 230.16 center operating under a 638 contract or compact may elect to also enroll as a Tribal FQHC.
 230.17 Requirements that otherwise apply to an FQHC covered in this subdivision do not apply to
 230.18 a Tribal FQHC enrolled under this paragraph, except that any requirements necessary to
 230.19 comply with federal regulations do apply to a Tribal FQHC. The commissioner shall establish
 230.20 an alternative payment method for a Tribal FQHC enrolled under this paragraph that uses
 230.21 the same method and rates applicable to a Tribal facility or health center that does not enroll
 230.22 as a Tribal FQHC.

230.23 (n) FQHC reimbursement for mental health targeted case management services is limited
 230.24 to:

230.25 (1) only those services described under section 256B.0625, subdivision 20, and provided
 230.26 in accordance with contracts executed with counties authorized to subcontract for mental
 230.27 health targeted case management services; and

230.28 (2) an FQHC's actual incurred costs as separately reported on the cost report submitted
 230.29 to the Centers for Medicare and Medicaid Services and further identified in reports submitted
 230.30 to the commissioner.

230.31 (o) Counties contracting with FQHCs for mental health targeted case management remain
 230.32 responsible for the nonfederal share of the cost of the provided mental health targeted case
 230.33 management services. The commissioner must bill each county for the nonfederal share of
 230.34 the mental health targeted case management costs as reported by the FQHC.

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

231.2 Sec. 9. Minnesota Statutes 2024, section 256B.0625, subdivision 54, is amended to read:

231.3 Subd. 54. **Services provided in birth centers.** (a) Medical assistance covers services
231.4 provided in a licensed birth center by a licensed health professional if the service would
231.5 otherwise be covered if provided in a hospital.

231.6 (b) Facility services provided by a birth center shall be paid at the lower of billed charges
231.7 or ~~70~~ 100 percent of the ~~statewide average for a facility payment rate made to a hospital~~
231.8 hospital facility fee cost trended to current for an uncomplicated vaginal birth as determined
231.9 using the most recent calendar year for which complete claims data is available. If a recipient
231.10 is transported from a birth center to a hospital prior to the delivery, the payment for facility
231.11 services to the birth center shall be the lower of billed charges or ~~15~~ 100 percent of the
231.12 average hospital facility payment made to a hospital for the services provided fee cost
231.13 trended to current for an uncomplicated vaginal delivery as determined using the most recent
231.14 calendar year for which complete claims data is available.

231.15 (c) ~~Nursery care~~ Facility services provided to a newborn by a birth center shall be paid
231.16 the lower of billed charges or ~~70~~ 100 percent of the ~~statewide average for a payment rate~~
231.17 ~~paid to a hospital for nursery care as determined by using the most recent calendar year for~~
231.18 ~~which complete claims data is available~~ the hospital facility fee for a normal newborn as
231.19 determined using the most recent calendar year for which complete claims data is available,
231.20 cost trended to current.

231.21 (d) Professional services provided by traditional midwives licensed under chapter 147D
231.22 shall be paid at the lower of billed charges or 100 percent of the rate paid to a physician
231.23 performing the same services. If a recipient is transported from a birth center to a hospital
231.24 prior to the delivery, a licensed traditional midwife who does not perform the delivery may
231.25 not bill for any delivery services. Services are not covered if provided by an unlicensed
231.26 traditional midwife.

231.27 (e) Licensed health professionals working in licensed birth centers shall be reimbursed
231.28 for the full range of maternity care and newborn care services within their scope of practice,
231.29 regardless of place of service. The commissioner shall review current birth center
231.30 reimbursement and, in consultation with birth centers currently licensed in the state, develop
231.31 revisions to current payment practices in order to ensure reimbursement for the full range
231.32 of maternity care and newborn care services, including but not limited to:

232.1 (1) professional services for intrapartum care when a recipient is transferred from a birth
232.2 center to a hospital prior to delivery;

232.3 (2) professional services billed with a home place of service code by a licensed health
232.4 professional within their scope of practice;

232.5 (3) professional services when a licensed health professional provides any
232.6 Minnesota-mandated newborn screening, including but not limited to the newborn metabolic
232.7 screen, CCHD screening, hearing screen, or any other medically necessary newborn
232.8 screening, test, or assessment; and

232.9 (4) telehealth services provided by any licensed health professional working in a birth
232.10 center.

232.11 (f) Managed care organizations and county-based purchasing plans contracted to provide
232.12 medical assistance coverage under section 256B.69 shall reimburse licensed birth centers
232.13 and licensed health professionals working in licensed birth centers for the full range of
232.14 maternity care services within their scope of practice, regardless of place of service, as
232.15 determined in paragraph (e) at no less than the medical assistance fee for service fee schedule
232.16 for the year in which the service is provided.

232.17 ~~(e)~~ (g) The commissioner shall apply for any necessary waivers from the Centers for
232.18 Medicare and Medicaid Services to allow birth centers and birth center providers to be
232.19 reimbursed.

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

232.23 Sec. 10. Minnesota Statutes 2024, section 256B.0625, is amended by adding a subdivision
232.24 to read:

232.25 Subd. 54a. **Home birth.** (a) For purposes of this subdivision, the following terms have
232.26 the meanings given:

232.27 (1) "birth services" means prenatal, labor, birth, and postpartum services;

232.28 (2) "eligible provider" means a licensed or certified health care professional eligible for
232.29 reimbursement under the medical assistance program; and

232.30 (3) "low-risk patient for birth services" means a person undergoing a normal,
232.31 uncomplicated prenatal course as determined by documentation of adequate prenatal care
232.32 who anticipates a normal, uncomplicated labor and birth, as defined by reasonable and

233.1 generally accepted criteria adopted by professional groups for maternal, fetal, and neonatal
233.2 health care.

233.3 (b) Medical assistance covers birth services provided at home when the following
233.4 conditions are met:

233.5 (1) the birth services are provided by an eligible provider whose scope of practice and
233.6 experience includes home birth;

233.7 (2) the recipient is a low-risk patient for birth services; and

233.8 (3) the recipient has a plan of care that includes:

233.9 (i) a consent form detailing the risks and benefits of home birth signed by the recipient;

233.10 (ii) sufficient visits, test results, and follow-up consultations as needed to establish that
233.11 the recipient is a low-risk patient for birth services; and

233.12 (iii) a plan for transfer to a hospital as needed.

233.13 (c) Services provided under this subdivision by an eligible provider must be paid at a
233.14 rate at least equal to 100 percent of the rate paid to a physician performing the same services.

233.15 An eligible provider who does not perform the delivery must not bill for any delivery
233.16 services.

233.17 (d) Supplies used for birth services under this subdivision must be paid at 70 percent of
233.18 the statewide average for a facility payment rate made to a hospital for an uncomplicated
233.19 vaginal delivery as determined using the most recent calendar year for which complete
233.20 claims data are available. If a recipient is transported from a home to a hospital prior to the
233.21 delivery, the payment for the supplies used for birth services under this subdivision must
233.22 be the lower of billed charges or 15 percent of the statewide average for a facility payment
233.23 rate made to a hospital for the services provided for an uncomplicated vaginal delivery as
233.24 determined using the most recent calendar year for which complete claims data are available.

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

233.28 Sec. 11. Minnesota Statutes 2024, section 256B.0757, subdivision 5, is amended to read:

233.29 Subd. 5. **Payments.** (a) The commissioner shall make payments to each designated
233.30 provider for the provision of health home services described in subdivision 3 to each eligible
233.31 individual under subdivision 2 that selects the health home as a provider. This paragraph
233.32 expires on the date that paragraph (b) becomes effective.

(b) Effective January 1, 2028, or upon federal approval, whichever is later, the commissioner shall make payments to each designated provider for the provision of health home services described in subdivision 3, except for behavioral health services, to each eligible individual under subdivision 2 who selects the health home as a provider.

Sec. 12. Minnesota Statutes 2024, section 256B.0757, is amended by adding a subdivision to read:

Subd. 5a. Payments for behavioral health home services. (a) Notwithstanding subdivision 5, the commissioner must implement a single statewide reimbursement rate for behavioral health home services under this section. The rate must be no less than \$425 per member per month. The commissioner must adjust the reimbursement rate for behavioral health home services annually according to the change from the midpoint of the previous rate year to the midpoint of the rate year for which the rate is being determined using the Centers for Medicare and Medicaid Services Medicare Economic Index as forecasted in the fourth quarter of the calendar year before the rate year.

(b) The commissioner must review and update the behavioral health home services rate under paragraph (a) at least every four years. The updated rate must account for the average hours required for behavioral health home team members spent providing services and the Department of Labor prevailing wage for required behavioral health home team members. The updated rate must ensure that behavioral health home services rates are sufficient to allow providers to meet required certifications, training, and practice transformation standards; staff qualification requirements; and service delivery standards.

(c) Managed care plans and county-based purchasing plans must reimburse providers at an amount that is at least equal to the fee-for-service rate for services under this subdivision. The commissioner must monitor the effect of this rate increase on enrollee access to services under this subdivision. If for any contract year federal approval is not received for this paragraph, the commissioner must adjust the capitation rates paid to managed care plans and county-based purchasing plans for that contract year to reflect the removal of this paragraph. Contracts between managed care plans and county-based purchasing plans and providers to whom this paragraph applies must allow recovery of payments from those providers if capitation rates are adjusted in accordance with this paragraph. Payment recoveries must not exceed the amount equal to any increase in rates that results from this paragraph.

(d) This subdivision is effective January 1, 2028, or upon federal approval, whichever is later.

235.1 Sec. 13. Minnesota Statutes 2024, section 256B.1973, is amended by adding a subdivision
235.2 to read:

235.3 Subd. 9. **Interaction with other directed payments.** An eligible provider under
235.4 subdivision 3 may participate in the hospital directed payment program under section
235.5 256B.1974 for inpatient hospital services, outpatient hospital services, or both. A provider
235.6 participating in the hospital directed payment program must not receive a directed payment
235.7 under this section for any provider classes paid via the hospital directed payment program.
235.8 A hospital subject to this section must notify the commissioner in writing no later than 30
235.9 days after enactment of this subdivision of its intention to participate in the hospital directed
235.10 payment program under section 256B.1974 for inpatient hospital services, outpatient hospital
235.11 services, or both. The election under this subdivision is a onetime election, except that if
235.12 an eligible provider elects to participate in the hospital directed payment program, and the
235.13 hospital directed payment program expires, then the eligible provider may thereafter elect
235.14 to participate in the directed payment program under this section.

235.15 **EFFECTIVE DATE.** (a) This section is effective on the later of January 1, 2026, or
235.16 federal approval of all of the following:

235.17 (1) this section;

235.18 (2) the amendments in this act to add Minnesota Statutes, section 256.9657, subdivision
235.19 2b; and

235.20 (3) the amendments in this act to Minnesota Statutes, section 256B.1974.

235.21 (b) The commissioner of human services shall notify the revisor of statutes when federal
235.22 approval for all amendments set forth in paragraph (a) is obtained.

235.23 Sec. 14. **[256B.1974] HOSPITAL DIRECTED PAYMENT PROGRAM.**

235.24 Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have
235.25 the meanings given.

235.26 (b) "Health plan" means a managed care plan or county-based purchasing plan that is
235.27 under contract with the commissioner to deliver services to medical assistance enrollees
235.28 under section 256B.69.

235.29 (c) "Hospital" means a hospital licensed under section 144.50.

235.30 Subd. 2. **Required conditions for program.** The hospital directed payment program is
235.31 contingent on the satisfaction of all requirements necessary for the collection of an assessment

236.1 under section 256.9657, and must conform with the requirements for permissible directed
236.2 managed care organization expenditures under section 256B.6928, subdivision 5.

236.3 Subd. 3. **Commissioner's duties; state-directed fee schedule requirement.** (a) For
236.4 each federally approved directed payment program that is a state-directed fee schedule
236.5 requirement that includes a quarterly payment amount to be submitted by each health plan
236.6 to each hospital, the commissioner must determine the quarterly payment amount using the
236.7 average commercial payer rate, or using another method acceptable to the Centers for
236.8 Medicare and Medicaid Services if the average commercial payer rate is not approved. The
236.9 commissioner must ensure that the application of the quarterly payment amounts maximizes
236.10 the amount generated by the hospital assessment in section 256.9657, subdivision 2b, for
236.11 allowable directed payments and does not result in payments exceeding federal limits.

236.12 (b) The commissioner must use an annual settle-up process that occurs within the time
236.13 period allowed for medical assistance managed care claims adjustments.

236.14 (c) On and after January 1, 2028, if the federal regulations set forth in Code of Federal
236.15 Regulations, title 42, parts 430, 438, and 457, remain effective, the hospital directed payment
236.16 program must be specific to each health plan and prospectively incorporated into capitation
236.17 payments for that plan.

236.18 (d) For each federally approved directed payment program that is a state-directed fee
236.19 schedule requirement, the commissioner must develop a plan for the initial implementation
236.20 of the state-directed fee schedule requirement to ensure that hospitals receive the entire
236.21 permissible value of the federally approved directed payment. If federal approval of a
236.22 directed payment under this subdivision is retroactive, the commissioner must make a
236.23 onetime pro rata increase to the quarterly payment amount and the initial payments to include
236.24 claims submitted between the retroactive federal approval date and the period captured by
236.25 the initial payments.

236.26 (e) Directed payments under this section must only be used to supplement, and not
236.27 supplant, medical assistance reimbursement to hospitals. The directed payment program
236.28 must not modify, reduce, or offset the medical assistance payment rates determined for each
236.29 hospital as required by section 256.969.

236.30 (f) The commissioner must require health plans to make quarterly directed payments
236.31 according to this section.

236.32 (g) Health plans must make quarterly directed payments using electronic funds transfers,
236.33 if the hospital provides the information necessary to process such transfers, and in accordance

237.1 with directions provided by the commissioner. Health plans must make quarterly directed
237.2 payments:

237.3 (1) for the first two quarters for which such payments are due, within 30 calendar days
237.4 of the date the commissioner issued sufficient payments to the health plan to make the
237.5 directed payments according to this section; and

237.6 (2) for all subsequent quarters, within ten calendar days of the date the commissioner
237.7 issued sufficient payments to the health plan to make the directed payments according to
237.8 this section.

237.9 (h) The commissioner must publish on the Department of Human Services' website, on
237.10 a quarterly basis, the dates that the health plans completed their required quarterly payments
237.11 under this section.

237.12 (i) Payments to health plans that would be paid consistent with actuarial certification
237.13 and enrollment in the absence of the increased capitation payments under this section must
237.14 not be reduced as a result of this section.

237.15 (j) The commissioner must publish all directed payments owed to each hospital from
237.16 each health plan on the department's website for at least two years. All calculations and
237.17 reports must be posted no later than the first day of the quarter for which the payments are
237.18 to be issued.

237.19 (k) By December 1 each year, the commissioner must notify each hospital of any changes
237.20 to the payment methodologies in this section, including but not limited to changes in the
237.21 directed payment rates, the aggregate directed payment amount for all hospitals, and the
237.22 hospital's directed payment amount for the upcoming calendar year.

237.23 (l) The commissioner must distribute payments required under this section for each
237.24 hospital within 30 days of a quarterly assessment under section 256.9657, subdivision 2b,
237.25 being received. The commissioner must pay the directed payments to health plans under
237.26 contract no later than January 1, April 1, July 1, and October 1 each year.

237.27 (m) A hospital is not entitled to payments under this section until the start of the first
237.28 full fiscal year it is an eligible hospital. A hospital that has merged with another hospital
237.29 must have its payments under this section revised at the start of the first full fiscal year after
237.30 the merger is complete. A closed hospital is entitled to the payments under this section for
237.31 services provided through the final date of operations.

237.32 Subd. 4. **Health plan duties; submission of claims.** Each health plan must submit to
237.33 the commissioner, in accordance with its contract with the commissioner to serve as a

238.1 managed care organization in medical assistance, payment information for each claim paid
 238.2 to a hospital for services provided to a medical assistance enrollee. Health plans must allow
 238.3 each hospital to review the health plan's own paid claims detail to enable proper validation
 238.4 that the medical assistance managed care claims volume and content is consistent with the
 238.5 hospital's internal records. To support the validation process for the directed payment
 238.6 program, health plans must permit the commissioner to share inpatient and outpatient
 238.7 claims-level details with hospitals identifying only those claims where the prepaid medical
 238.8 assistance program under section 256B.69 is the payer source. Hospitals must provide notice
 238.9 of discrepancies in claims paid to the commissioner in a form determined by the
 238.10 commissioner. The commissioner is authorized to determine the final disposition of the
 238.11 validation process for disputed claims.

238.12 Subd. 5. **Health plan duties; directed payment add-on.** (a) Each health plan must
 238.13 make, in accordance with its contract with the commissioner to serve as a managed care
 238.14 organization in medical assistance, a directed payment to each hospital. The amount of the
 238.15 directed payment to the hospital must be equal to the payment amounts the plan received
 238.16 from the commissioner for the hospital.

238.17 (b) Health plans are prohibited from:

238.18 (1) setting, establishing, or negotiating reimbursement rates with a hospital in a manner
 238.19 that directly or indirectly takes into account a directed payment that a hospital receives
 238.20 under this section;

238.21 (2) unnecessarily delaying a directed payment to a hospital; or

238.22 (3) recouping or offsetting a directed payment for any reason, except as expressly
 238.23 authorized by the commissioner.

238.24 Subd. 6. **Hospital duties; quarterly supplemental directed payment add-on.** (a) A
 238.25 hospital receiving a directed payment under this section is prohibited from:

238.26 (1) setting, establishing, or negotiating reimbursement rates with a managed care
 238.27 organization in a manner that directly or indirectly takes into account a directed payment
 238.28 that a hospital receives under this section; or

238.29 (2) directly passing on the cost of an assessment to patients or nonmedical assistance
 238.30 payers, including as a fee or rate increase.

238.31 (b) A hospital that violates this subdivision is prohibited from receiving a directed
 238.32 payment under this section for the remainder of the rate year. This subdivision does not
 238.33 prohibit a hospital from negotiating with a payer for a rate increase.

239.1 (c) Any hospital receiving a directed payment under this section must meet the
239.2 commissioner's standards for directed payments as described in subdivision 7.

239.3 Subd. 7. **State minimum policy goals established.** (a) The effect of the directed
239.4 payments under this section must align with the state's policy goals for medical assistance
239.5 enrollees. The directed payments must be used to maintain quality and access to a full range
239.6 of health care delivery mechanisms for medical assistance enrollees, and specifically provide
239.7 improvement for one of the following quality measures:

239.8 (1) overall well child visit rates;

239.9 (2) maternal depression screening rates; or

239.10 (3) colon cancer screening rates.

239.11 (b) The commissioner, in consultation with the Minnesota Hospital Association, must
239.12 submit to the Centers for Medicare and Medicaid Services quality measures performance
239.13 evaluation criteria and a methodology to regularly measure access to care and the
239.14 achievement of state policy goals described in this subdivision.

239.15 (c) The quality measures evaluation data, as determined by paragraph (b), must be
239.16 reported to the Centers for Medicare and Medicaid Services after at least 12 months of
239.17 directed payments to hospitals.

239.18 Subd. 8. **Administrative review.** Before making the payments required under this
239.19 section, and on at least an annual basis, the commissioner must consult with and provide
239.20 for review of the payment amounts by a permanent select committee established by the
239.21 Minnesota Hospital Association. Any data or information reviewed by members of the
239.22 committee are data not on individuals, as defined in section 13.02. The committee's members
239.23 must not include any current employee or paid consultant of any hospital.

239.24 **EFFECTIVE DATE.** (a) This section is effective the later of January 1, 2026, or federal
239.25 approval for all of the following:

239.26 (1) the amendments in this act to add Minnesota Statutes, section 256.9657, subdivision
239.27 2b; and

239.28 (2) the amendments in this act to this section.

239.29 (b) The commissioner of human services shall notify the revisor of statutes when federal
239.30 approval for all amendments set forth in paragraph (a) is obtained.

Sec. 15. **[256B.1975] HOSPITAL DIRECTED PAYMENT PROGRAM ACCOUNT.**

Subdivision 1. **Account established; appropriation.** (a) The hospital directed payment program account is created in the special revenue fund in the state treasury.

(b) Money in the account, including interest earned, is annually appropriated to the commissioner for the purposes specified in section 256B.1974.

(c) Transfers from this account to another fund are prohibited, except as necessary to make the payments required under section 256B.1974.

Subd. 2. **Reports to the legislature.** By January 15, 2027, and each January 15 thereafter, the commissioner must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services policy and finance that details the activities and uses of money in the hospital directed payment program account, including the metrics and outcomes of the policy goals established by section 256B.1974, subdivision 7.

EFFECTIVE DATE. This section is effective on the later of January 1, 2026, or federal approval of the amendments in this act to add Minnesota Statutes, section 256.9657, subdivision 2b. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 16. Minnesota Statutes 2024, section 256B.76, subdivision 1, is amended to read:

Subdivision 1. ~~**Physician and professional services Reimbursement adjustments.** (a) Effective for services rendered on or after October 1, 1992, the commissioner shall make payments for physician services as follows:~~

~~(1) payment for level one Centers for Medicare and Medicaid Services' common procedural coding system codes titled "office and other outpatient services," "preventive medicine new and established patient," "delivery, antepartum, and postpartum care," "critical care," cesarean delivery and pharmacologic management provided to psychiatric patients, and level three codes for enhanced services for prenatal high risk, shall be paid at the lower of (i) submitted charges, or (ii) 25 percent above the rate in effect on June 30, 1992;~~

~~(2) payments for all other services shall be paid at the lower of (i) submitted charges, or (ii) 15.4 percent above the rate in effect on June 30, 1992; and~~

~~(3) all physician rates shall be converted from the 50th percentile of 1982 to the 50th percentile of 1989, less the percent in aggregate necessary to equal the above increases~~

241.1 ~~except that payment rates for home health agency services shall be the rates in effect on~~
241.2 ~~September 30, 1992.~~

241.3 ~~(b) Effective for services rendered on or after January 1, 2000, payment rates for physician~~
241.4 ~~and professional services shall be increased by three percent over the rates in effect on~~
241.5 ~~December 31, 1999, except for home health agency and family planning agency services.~~
241.6 ~~The increases in this paragraph shall be implemented January 1, 2000, for managed care.~~

241.7 ~~(c) Effective for services rendered on or after July 1, 2009, payment rates for physician~~
241.8 ~~and professional services shall be reduced by five percent, except that for the period July~~
241.9 ~~1, 2009, through June 30, 2010, payment rates shall be reduced by 6.5 percent for the medical~~
241.10 ~~assistance and general assistance medical care programs, over the rates in effect on June~~
241.11 ~~30, 2009. This reduction and the reductions in paragraph (d) do not apply to office or other~~
241.12 ~~outpatient visits, preventive medicine visits and family planning visits billed by physicians,~~
241.13 ~~advanced practice registered nurses, or physician assistants in a family planning agency or~~
241.14 ~~in one of the following primary care practices: general practice, general internal medicine,~~
241.15 ~~general pediatrics, general geriatrics, and family medicine. This reduction and the reductions~~
241.16 ~~in paragraph (d) do not apply to federally qualified health centers, rural health centers, and~~
241.17 ~~Indian health services. Effective October 1, 2009, payments made to managed care plans~~
241.18 ~~and county-based purchasing plans under sections 256B.69, 256B.692, and 256L.12 shall~~
241.19 ~~reflect the payment reduction described in this paragraph.~~

241.20 ~~(d) Effective for services rendered on or after July 1, 2010, payment rates for physician~~
241.21 ~~and professional services shall be reduced an additional seven percent over the five percent~~
241.22 ~~reduction in rates described in paragraph (c). This additional reduction does not apply to~~
241.23 ~~physical therapy services, occupational therapy services, and speech pathology and related~~
241.24 ~~services provided on or after July 1, 2010. This additional reduction does not apply to~~
241.25 ~~physician services billed by a psychiatrist or an advanced practice registered nurse with a~~
241.26 ~~specialty in mental health. Effective October 1, 2010, payments made to managed care plans~~
241.27 ~~and county-based purchasing plans under sections 256B.69, 256B.692, and 256L.12 shall~~
241.28 ~~reflect the payment reduction described in this paragraph.~~

241.29 ~~(e) Effective for services rendered on or after September 1, 2011, through June 30, 2013,~~
241.30 ~~payment rates for physician and professional services shall be reduced three percent from~~
241.31 ~~the rates in effect on August 31, 2011. This reduction does not apply to physical therapy~~
241.32 ~~services, occupational therapy services, and speech pathology and related services.~~

241.33 ~~(f) Effective for services rendered on or after September 1, 2014, payment rates for~~
241.34 ~~physician and professional services, including physical therapy, occupational therapy, speech~~

242.1 ~~pathology, and mental health services shall be increased by five percent from the rates in~~
242.2 ~~effect on August 31, 2014. In calculating this rate increase, the commissioner shall not~~
242.3 ~~include in the base rate for August 31, 2014, the rate increase provided under section~~
242.4 ~~256B.76, subdivision 7. This increase does not apply to federally qualified health centers,~~
242.5 ~~rural health centers, and Indian health services. Payments made to managed care plans and~~
242.6 ~~county-based purchasing plans shall not be adjusted to reflect payments under this paragraph.~~

242.7 ~~(g)~~ (a) Effective for services rendered on or after July 1, 2015, payment rates for physical
242.8 therapy, occupational therapy, and speech pathology and related services provided by a
242.9 hospital meeting the criteria specified in section 62Q.19, subdivision 1, paragraph (a), clause
242.10 (4), shall be increased by 90 percent from the rates in effect on June 30, 2015. Payments
242.11 made to managed care plans and county-based purchasing plans shall not be adjusted to
242.12 reflect payments under this paragraph.

242.13 ~~(h)~~ (b) Any ratables effective before July 1, 2015, do not apply to early intensive
242.14 developmental and behavioral intervention (EIDBI) benefits described in section 256B.0949.

242.15 ~~(i)~~ (c) The commissioner may reimburse physicians and other licensed professionals for
242.16 costs incurred to pay the fee for testing newborns who are medical assistance enrollees for
242.17 heritable and congenital disorders under section 144.125, subdivision 1, paragraph (c), when
242.18 the sample is collected outside of an inpatient hospital ~~or freestanding birth center~~ and the
242.19 cost is not recognized by another payment source.

242.20 **EFFECTIVE DATE.** This section is effective January 1, 2026, or upon federal approval
242.21 of the amendments in this act to Minnesota Statutes, sections 256B.76, subdivision 6, and
242.22 256B.768, whichever is later. The commissioner of human services shall notify the revisor
242.23 of statutes when federal approval is obtained.

242.24 Sec. 17. Minnesota Statutes 2024, section 256B.76, subdivision 6, is amended to read:

242.25 Subd. 6. **Medicare relative value units.** (a) Effective for services rendered on or after
242.26 January 1, 2007, the commissioner shall make payments for physician and professional
242.27 services based on the Medicare relative value units (RVUs). This change shall be budget
242.28 neutral and the cost of implementing RVUs will be incorporated in the established conversion
242.29 factor. This paragraph expires on the date that paragraph (b) becomes effective.

242.30 (b) Effective January 1, 2026, or upon federal approval, whichever is later, and effective
242.31 for services rendered on or after January 1, 2007, the commissioner must make payments
242.32 for physician and professional services based on the Medicare relative value units (RVUs).

243.1 ~~(b)~~ (c) Effective for services rendered on or after January 1, 2025, rates for mental health
243.2 services reimbursed under the resource-based relative value scale (RBRVS) must be equal
243.3 to 83 percent of the Medicare Physician Fee Schedule. This paragraph expires on the date
243.4 that section 256B.768 becomes effective.

243.5 ~~(e)~~ (d) Effective for services rendered on or after January 1, 2025, the commissioner
243.6 shall increase capitation payments made to managed care plans and county-based purchasing
243.7 plans to reflect the rate increases provided under this subdivision. Managed care plans and
243.8 county-based purchasing plans must use the capitation rate increase provided under this
243.9 paragraph to increase payment rates to the providers corresponding to the rate increases.
243.10 The commissioner must monitor the effect of this rate increase on enrollee access to services
243.11 under this subdivision. If for any contract year federal approval is not received for this
243.12 paragraph, the commissioner must adjust the capitation rates paid to managed care plans
243.13 and county-based purchasing plans for that contract year to reflect the removal of this
243.14 paragraph. Contracts between managed care plans and county-based purchasing plans and
243.15 providers to whom this paragraph applies must allow recovery of payments from those
243.16 providers if capitation rates are adjusted in accordance with this paragraph. Payment
243.17 recoveries must not exceed the amount equal to any increase in rates that results from this
243.18 paragraph. This paragraph expires on the date that section 256B.768 becomes effective.

243.19 Sec. 18. Minnesota Statutes 2024, section 256B.761, is amended to read:

243.20 **256B.761 REIMBURSEMENT FOR MENTAL HEALTH SERVICES.**

243.21 Subdivision 1. Rates effective 2026. ~~(a) Effective for services rendered on or after July~~
243.22 ~~1, 2001, payment for medication management provided to psychiatric patients, outpatient~~
243.23 ~~mental health services, day treatment services, home-based mental health services, and~~
243.24 ~~family community support services shall be paid at the lower of (1) submitted charges, or~~
243.25 ~~(2) 75.6 percent of the 50th percentile of 1999 charges.~~

243.26 ~~(b) Effective July 1, 2001, the medical assistance rates for outpatient mental health~~
243.27 ~~services provided by an entity that operates: (1) a Medicare-certified comprehensive~~
243.28 ~~outpatient rehabilitation facility; and (2) a facility that was certified prior to January 1, 1993,~~
243.29 ~~with at least 33 percent of the clients receiving rehabilitation services in the most recent~~
243.30 ~~calendar year who are medical assistance recipients, will be increased by 38 percent, when~~
243.31 ~~those services are provided within the comprehensive outpatient rehabilitation facility and~~
243.32 ~~provided to residents of nursing facilities owned by the entity.~~

243.33 ~~(c) In addition to rate increases otherwise provided, the commissioner may restructure~~
243.34 ~~coverage policy and rates to improve access to adult rehabilitative mental health services~~

~~under section 256B.0623 and related mental health support services under section 256B.021, subdivision 4, paragraph (f), clause (2). For state fiscal years 2015 and 2016, the projected state share of increased costs due to this paragraph is transferred from adult mental health grants under sections 245.4661 and 256K.10. The transfer for fiscal year 2016 is a permanent base adjustment for subsequent fiscal years. Payments made to managed care plans and county-based purchasing plans under sections 256B.69, 256B.692, and 256L.12 shall reflect the rate changes described in this paragraph.~~

~~(d) Any ratables effective before July 1, 2015, do not apply to early intensive developmental and behavioral intervention (EIDBI) benefits described in section 256B.0949.~~

~~(e) Effective for services rendered on or after January 1, 2024, payment rates for behavioral health services included in the rate analysis required by Laws 2021, First Special Session chapter 7, article 17, section 18, except for adult day treatment services under section 256B.0671, subdivision 3; early intensive developmental and behavioral intervention services under section 256B.0949; and substance use disorder services under chapter 254B, must be increased by three percent from the rates in effect on December 31, 2023. Effective for services rendered on or after January 1, 2025, payment rates for behavioral health services included in the rate analysis required by Laws 2021, First Special Session chapter 7, article 17, section 18; early intensive developmental behavioral intervention services under section 256B.0949; and substance use disorder services under chapter 254B, must be annually adjusted according to the change from the midpoint of the previous rate year to the midpoint of the rate year for which the rate is being determined using the Centers for Medicare and Medicaid Services Medicare Economic Index as forecasted in the fourth quarter of the calendar year before the rate year. For payments made in accordance with this paragraph, if and to the extent that the commissioner identifies that the state has received federal financial participation for behavioral health services in excess of the amount allowed under United States Code, title 42, section 447.321, the state shall repay the excess amount to the Centers for Medicare and Medicaid Services with state money and maintain the full payment rate under this paragraph. This paragraph does not apply to federally qualified health centers, rural health centers, Indian health services, certified community behavioral health clinics, cost-based rates, and rates that are negotiated with the county. This paragraph expires upon legislative implementation of the new rate methodology resulting from the rate analysis required by Laws 2021, First Special Session chapter 7, article 17, section 18.~~

~~(f) Effective January 1, 2024, the commissioner shall increase capitation payments made to managed care plans and county-based purchasing plans to reflect the behavioral health service rate increase provided in paragraph (e). Managed care and county-based purchasing~~

245.1 ~~plans must use the capitation rate increase provided under this paragraph to increase payment~~
 245.2 ~~rates to behavioral health services providers. The commissioner must monitor the effect of~~
 245.3 ~~this rate increase on enrollee access to behavioral health services. If for any contract year~~
 245.4 ~~federal approval is not received for this paragraph, the commissioner must adjust the~~
 245.5 ~~capitation rates paid to managed care plans and county-based purchasing plans for that~~
 245.6 ~~contract year to reflect the removal of this provision. Contracts between managed care plans~~
 245.7 ~~and county-based purchasing plans and providers to whom this paragraph applies must~~
 245.8 ~~allow recovery of payments from those providers if capitation rates are adjusted in accordance~~
 245.9 ~~with this paragraph. Payment recoveries must not exceed the amount equal to any increase~~
 245.10 ~~in rates that results from this provision.~~

245.11 (a) Effective for services rendered on or after January 1, 2026, the commissioner must
 245.12 establish market-based payment rates for the following services:

- 245.13 (1) children's therapeutic services and supports under section 256B.0943;
- 245.14 (2) child and family psychoeducation services under section 256B.0671, subdivision 5;
- 245.15 (3) clinical care consultation services under section 256B.0671, subdivision 7; and
- 245.16 (4) mental health certified family peer specialist services under section 256B.0616.

245.17 (b) Rates established under paragraph (a) must not be lower than:

- 245.18 (1) the payment rates recommended in the rate analysis required by Laws 2021, First
 245.19 Special Session chapter 7, article 17, section 18, and published by the Department of Human
 245.20 Services on January 22, 2024; or
- 245.21 (2) the payment rates in effect on December 31, 2025.

245.22 Subd. 2. **Rates effective 2027.** (a) Effective for services rendered on or after January 1,
 245.23 2027, the commissioner must establish market-based payment rates for the following services:

- 245.24 (1) adult day treatment services under section 256B.0671, subdivision 3;
- 245.25 (2) adult rehabilitative mental health services under section 256B.0623;
- 245.26 (3) adult mental health peer support specialist services under section 256B.0615;
- 245.27 (4) dialectical behavioral therapy under section 256B.0671, subdivision 6;
- 245.28 (5) explanation of findings under section 256B.0671, subdivision 4;
- 245.29 (6) mental health crisis response services under section 256B.0624;
- 245.30 (7) mental health provider travel time under section 256B.0625, subdivision 43;

(8) neuropsychological testing under section 256B.0671, subdivision 9;

(9) partial hospitalization services under section 256B.0671, subdivision 12; and

(10) psychotherapy services under section 256B.0671, subdivision 11, incorporating
biofeedback.

(b) Rates established under paragraph (a) must not be lower than:

(1) the payments rates recommended in the rate analysis required by Laws 2021, First
Special Session chapter 7, article 17, section 18, and published by the Department of Human
Services on January 22, 2024; or

(2) the payment rates in effect on December 31, 2026.

Subd. 3. **Capitation payments.** The commissioner must adjust capitation payments
made to managed care plans and county-based purchasing plans to reflect the behavioral
health service rates provided in this section. Managed care and county-based purchasing
plans must reimburse providers at an amount that is at least equal to the fee-for-service rate
for services under this section. The commissioner must monitor the effect of this rate
adjustment on enrollee access to behavioral health services. If for any contract year federal
approval is not received for this subdivision, the commissioner must adjust the capitation
rates paid to managed care plans and county-based purchasing plans for that contract year
to reflect the removal of this provision. Contracts between managed care plans and
county-based purchasing plans and providers to whom this subdivision applies must allow
recovery of payments from those providers if capitation rates are adjusted in accordance
with this subdivision. Payment recoveries must not exceed the amount equal to any increase
in rates that results from this subdivision.

Subd. 4. **Inflation adjustment.** The commissioner must adjust the reimbursement rate
for services under this section annually according to the change from the midpoint of the
previous rate year to the midpoint of the rate year for which the rate is being determined
using the Centers for Medicare and Medicaid Services Medicare Economic Index as
forecasted in the fourth quarter of the calendar year before the rate year.

Subd. 5. **Exceptions.** (a) This section does not apply to federally qualified health centers,
rural health centers, Indian health services, or certified community behavioral health clinics
or to cost-based rates or rates that are negotiated with the county.

(b) This section does not apply to services with reimbursement rates established pursuant
to section 256B.768.

247.1 **EFFECTIVE DATE.** This section is effective January 1, 2026, or upon federal approval
247.2 of this section and Minnesota Statutes, section 256B.768, whichever is later. The
247.3 commissioner shall notify the revisor of statutes when federal approval is obtained.

247.4 Sec. 19. Minnesota Statutes 2024, section 256B.766, is amended to read:

247.5 **256B.766 REIMBURSEMENT FOR BASIC CARE SERVICES.**

247.6 **Subdivision 1. Payment reductions for base care services effective July 1, 2009.** ~~(a)~~
247.7 Effective for services provided on or after July 1, 2009, total payments for basic care services,
247.8 shall be reduced by three percent, except that for the period July 1, 2009, through June 30,
247.9 2011, total payments shall be reduced by 4.5 percent for the medical assistance and general
247.10 assistance medical care programs, prior to third-party liability and spenddown calculation.

247.11 **Subd. 2. Classification of therapies as basic care services.** ~~Effective July 1, 2010,~~ The
247.12 commissioner shall classify physical therapy services, occupational therapy services, and
247.13 speech-language pathology and related services as basic care services. The reduction in ~~this~~
247.14 ~~paragraph~~ subdivision 1 shall apply to physical therapy services, occupational therapy
247.15 services, and speech-language pathology and related services provided on or after July 1,
247.16 2010.

247.17 **Subd. 3. Payment reductions to managed care plans effective October 1, 2009.** ~~(b)~~
247.18 Payments made to managed care plans and county-based purchasing plans shall be reduced
247.19 for services provided on or after October 1, 2009, to reflect the reduction in subdivision 1
247.20 effective July 1, 2009, and payments made to the plans shall be reduced effective October
247.21 1, 2010, to reflect the reduction in subdivision 1 effective July 1, 2010.

247.22 **Subd. 4. Temporary payment reductions effective September 1, 2011.** ~~(c)~~ (a) Effective
247.23 for services provided on or after September 1, 2011, through June 30, 2013, total payments
247.24 for outpatient hospital facility fees shall be reduced by five percent from the rates in effect
247.25 on August 31, 2011.

247.26 ~~(d)~~ (b) Effective for services provided on or after September 1, 2011, through June 30,
247.27 2013, total payments for ambulatory surgery centers facility fees, medical supplies and
247.28 durable medical equipment not subject to a volume purchase contract, prosthetics and
247.29 orthotics, renal dialysis services, laboratory services, public health nursing services, physical
247.30 therapy services, occupational therapy services, speech therapy services, eyeglasses not
247.31 subject to a volume purchase contract, hearing aids not subject to a volume purchase contract,
247.32 and anesthesia services shall be reduced by three percent from the rates in effect on August
247.33 31, 2011.

Subd. 5. Payment increases effective September 1, 2014. ~~(e)~~ (a) Effective for services provided on or after September 1, 2014, payments for ambulatory surgery centers facility fees, hospice services, renal dialysis services, laboratory services, public health nursing services, eyeglasses not subject to a volume purchase contract, and hearing aids not subject to a volume purchase contract shall be increased by three percent and payments for outpatient hospital facility fees shall be increased by three percent.

(b) Payments made to managed care plans and county-based purchasing plans shall not be adjusted to reflect payments under this ~~paragraph~~ subdivision.

Subd. 6. Temporary payment reductions effective July 1, 2014. ~~(f)~~ Payments for medical supplies and durable medical equipment not subject to a volume purchase contract, and prosthetics and orthotics, provided on or after July 1, 2014, through June 30, 2015, shall be decreased by .33 percent.

Subd. 7. Payment increases effective July 1, 2015. (a) Payments for medical supplies and durable medical equipment not subject to a volume purchase contract, and prosthetics and orthotics, provided on or after July 1, 2015, shall be increased by three percent from the rates as determined under ~~paragraphs (i) and (j)~~ subdivisions 9 and 10.

~~(g)~~ (b) Effective for services provided on or after July 1, 2015, payments for outpatient hospital facility fees, medical supplies and durable medical equipment not subject to a volume purchase contract, prosthetics, and orthotics to a hospital meeting the criteria specified in section 62Q.19, subdivision 1, paragraph (a), clause (4), shall be increased by 90 percent from the rates in effect on June 30, 2015.

(c) Payments made to managed care plans and county-based purchasing plans shall not be adjusted to reflect payments under ~~this paragraph~~ (b).

Subd. 8. Exempt services. ~~(h)~~ This section does not apply to physician and professional services, inpatient hospital services, family planning services, mental health services, dental services, prescription drugs, medical transportation, federally qualified health centers, rural health centers, Indian health services, and Medicare cost-sharing.

Subd. 9. Individually priced items. ~~(i)~~ (a) Effective for services provided on or after July 1, 2015, the following categories of medical supplies and durable medical equipment shall be individually priced items: customized and other specialized tracheostomy tubes and supplies, electric patient lifts, and durable medical equipment repair and service.

(b) This ~~paragraph~~ subdivision does not apply to medical supplies and durable medical equipment subject to a volume purchase contract, products subject to the preferred diabetic

249.1 testing supply program, and items provided to dually eligible recipients when Medicare is
249.2 the primary payer for the item.

249.3 (c) The commissioner shall not apply any medical assistance rate reductions to durable
249.4 medical equipment as a result of Medicare competitive bidding.

249.5 Subd. 10. Rate increases effective July 1, 2015. ~~(j)~~ (a) Effective for services provided
249.6 on or after July 1, 2015, medical assistance payment rates for durable medical equipment,
249.7 prosthetics, orthotics, or supplies shall be increased as follows:

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

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

249.15 ~~This~~ (b) Paragraph (a) does not apply to medical supplies and durable medical equipment
249.16 subject to a volume purchase contract, products subject to the preferred diabetic testing
249.17 supply program, items provided to dually eligible recipients when Medicare is the primary
249.18 payer for the item, and individually priced items identified in ~~paragraph (i)~~ subdivision 9.

249.19 (c) Payments made to managed care plans and county-based purchasing plans shall not
249.20 be adjusted to reflect the rate increases in this ~~paragraph~~ subdivision.

249.21 Subd. 11. Rates for ventilators. ~~(k)~~ (a) Effective for nonpressure support ventilators
249.22 provided on or after January 1, 2016, the rate shall be the lower of the submitted charge or
249.23 the Medicare fee schedule rate.

249.24 (b) Effective for pressure support ventilators provided on or after January 1, 2016, the
249.25 rate shall be the lower of the submitted charge or 47 percent above the Medicare fee schedule
249.26 rate.

249.27 (c) For payments made in accordance with this ~~paragraph~~ subdivision, if, and to the
249.28 extent that, the commissioner identifies that the state has received federal financial
249.29 participation for ventilators in excess of the amount allowed effective January 1, 2018,
249.30 under United States Code, title 42, section 1396b(i)(27), the state shall repay the excess
249.31 amount to the Centers for Medicare and Medicaid Services with state funds and maintain
249.32 the full payment rate under this ~~paragraph~~ subdivision.

250.1 Subd. 12. Rates subject to the upper payment limit. ~~(4)~~ Payment rates for durable
250.2 medical equipment, prosthetics, orthotics or supplies, that are subject to the upper payment
250.3 limit in accordance with section 1903(i)(27) of the Social Security Act, shall be paid the
250.4 Medicare rate. Rate increases provided in this chapter shall not be applied to the items listed
250.5 in this ~~paragraph~~ subdivision.

250.6 Subd. 13. Temporary rates for enteral nutrition and supplies. ~~(m)~~ (a) For dates of
250.7 service on or after July 1, 2023, through June 30, 2025, enteral nutrition and supplies must
250.8 be paid according to this ~~paragraph~~ subdivision. If sufficient data exists for a product or
250.9 supply, payment must be based upon the 50th percentile of the usual and customary charges
250.10 per product code submitted to the commissioner, using only charges submitted per unit.
250.11 Increases in rates resulting from the 50th percentile payment method must not exceed 150
250.12 percent of the previous fiscal year's rate per code and product combination. Data are sufficient
250.13 if: (1) the commissioner has at least 100 paid claim lines by at least ten different providers
250.14 for a given product or supply; or (2) in the absence of the data in clause (1), the commissioner
250.15 has at least 20 claim lines by at least five different providers for a product or supply that
250.16 does not meet the requirements of clause (1). If sufficient data are not available to calculate
250.17 the 50th percentile for enteral products or supplies, the payment rate must be the payment
250.18 rate in effect on June 30, 2023.

250.19 (b) This subdivision expires June 30, 2025.

250.20 Subd. 14. Rates for enteral nutrition and supplies. ~~(n)~~ For dates of service on or after
250.21 July 1, 2025, enteral nutrition and supplies must be paid according to this ~~paragraph~~
250.22 subdivision and updated annually each January 1. If sufficient data exists for a product or
250.23 supply, payment must be based upon the 50th percentile of the usual and customary charges
250.24 per product code submitted to the commissioner for the previous calendar year, using only
250.25 charges submitted per unit. Increases in rates resulting from the 50th percentile payment
250.26 method must not exceed 150 percent of the previous year's rate per code and product
250.27 combination. Data are sufficient if: (1) the commissioner has at least 100 paid claim lines
250.28 by at least ten different providers for a given product or supply; or (2) in the absence of the
250.29 data in clause (1), the commissioner has at least 20 claim lines by at least five different
250.30 providers for a product or supply that does not meet the requirements of clause (1). If
250.31 sufficient data are not available to calculate the 50th percentile for enteral products or
250.32 supplies, the payment must be the manufacturer's suggested retail price of that product or
250.33 supply minus 20 percent. If the manufacturer's suggested retail price is not available, payment
250.34 must be the actual acquisition cost of that product or supply plus 20 percent.

Subd. 15. **Rates for phototherapy services.** For dates of service on or after July 1, 2025, the payment rate for phototherapy services provided to newborns in the home setting must include a service fee in the amount of \$520 per patient episode, in addition to the daily rental rate for the medical equipment in subdivision 12. The commissioner shall provide an annual inflation adjustment for the phototherapy service fee. The index for the inflation adjustment must be based on the Consumer Price Index for All Urban Consumers increase published by the Bureau of Labor Statistics.

Sec. 20. **[256B.768] MEDICARE RATE ALIGNMENT.**

Subdivision 1. **Medicare physician fee schedule rates.** (a) Effective January 1, 2026, or upon federal approval, whichever is later, and effective for services rendered on or after January 1, 2026, or the date of federal approval, whichever is later, the commissioner must make payments based on the resource-based relative value scale for all services:

(1) covered in medical assistance; and

(2) with a corresponding rate and procedure code in the Medicare Physician Fee Schedule.

(b) Effective January 1, 2026, or upon federal approval, whichever is later, and effective for services rendered on or after January 1, 2026, or the date of federal approval, whichever is later, rates must be at least equal to 100 percent of the Medicare Physician Fee Schedule if the service:

(1) is reimbursed in medical assistance under the resource-based relative value scale;

and

(2) has a corresponding rate and procedural code in the Medicare Physician Fee Schedule.

(c) For services rendered on or after January 1, 2026, the commissioner shall increase capitation payments made to managed care plans and county-based purchasing plans to reflect the rate increases provided under this subdivision. Managed care plans and county-based purchasing plans must reimburse providers at an amount that is at least equal to the fee-for-service rate for services under this subdivision. The commissioner must monitor the effect of this rate increase on enrollee access to services under this subdivision. If for any contract year federal approval is not received for this paragraph, the commissioner must adjust the capitation rates paid to managed care plans and county-based purchasing plans for that contract year to reflect the removal of this paragraph. Contracts between managed care plans and county-based purchasing plans and providers to whom this paragraph applies must allow recovery of payments from those providers if capitation rates are adjusted

252.1 in accordance with this paragraph. Payment recoveries must not exceed the amount equal
252.2 to any increase in rates that results from this paragraph.

252.3 Subd. 2. **Applicable fee schedule.** For purposes of this section, the applicable Medicare
252.4 Physician Fee Schedule is the most recent Medicare Physician Fee Schedule Final Rule
252.5 issued by the Centers for Medicare and Medicaid Services in effect at the time the service
252.6 was rendered.

252.7 Subd. 3. **Exceptions.** This section does not apply to federally qualified health centers,
252.8 rural health centers, Indian health services, certified community behavioral health clinics,
252.9 cost-based rates, and rates that are negotiated with the county.

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

252.13 Sec. 21. Minnesota Statutes 2024, section 295.50, subdivision 3, is amended to read:

252.14 Subd. 3. **Gross revenues.** (a) "Gross revenues" are total amounts received in money or
252.15 otherwise by:

252.16 (1) a hospital for patient services;

252.17 (2) a surgical center for patient services;

252.18 (3) a health care provider, other than a staff model health plan company, for patient
252.19 services;

252.20 (4) a wholesale drug distributor for sale or distribution of legend drugs that are delivered
252.21 in Minnesota by the wholesale drug distributor, by common carrier, or by mail, unless the
252.22 legend drugs are delivered to another wholesale drug distributor who sells legend drugs
252.23 exclusively at wholesale; and

252.24 (5) a staff model health plan company as gross premiums for enrollees, co-payments,
252.25 deductibles, coinsurance, and fees for patient services.

252.26 (b) For purposes of paragraph (a), clause (4), "gross revenues" includes the amount of
252.27 any rebate provided by the wholesale drug distributor to a customer, however provided,
252.28 including a rebate provided under a contractual obligation. "Rebate" means any price
252.29 concession provided by a wholesale drug distributor, including any price concession based
252.30 on the actual or estimated utilization, sale volume, or effectiveness of a legend drug.

252.31 **EFFECTIVE DATE.** This section is effective for gross revenues received after June
252.32 30, 2025.

253.1 Sec. 22. Minnesota Statutes 2024, section 295.52, subdivision 1, is amended to read:

253.2 Subdivision 1. **Hospital tax.** A tax is imposed on each hospital equal to ~~1.8~~ two percent
253.3 of its gross revenues.

253.4 **EFFECTIVE DATE.** This section is effective for gross revenues received after June
253.5 30, 2025.

253.6 Sec. 23. Minnesota Statutes 2024, section 295.52, subdivision 1a, is amended to read:

253.7 Subd. 1a. **Surgical center tax.** A tax is imposed on each surgical center equal to ~~1.8~~
253.8 two percent of its gross revenues.

253.9 **EFFECTIVE DATE.** This section is effective for gross revenues received after June
253.10 30, 2025.

253.11 Sec. 24. Minnesota Statutes 2024, section 295.52, subdivision 2, is amended to read:

253.12 Subd. 2. **Provider tax.** A tax is imposed on each health care provider equal to ~~1.8~~ two
253.13 percent of its gross revenues.

253.14 **EFFECTIVE DATE.** This section is effective for gross revenues received after June
253.15 30, 2025.

253.16 Sec. 25. Minnesota Statutes 2024, section 295.52, subdivision 3, is amended to read:

253.17 Subd. 3. **Wholesale drug distributor tax.** A tax is imposed on each wholesale drug
253.18 distributor equal to ~~1.8~~ two percent of its gross revenues.

253.19 **EFFECTIVE DATE.** This section is effective for gross revenues received after June
253.20 30, 2025.

253.21 Sec. 26. Minnesota Statutes 2024, section 295.52, subdivision 4, is amended to read:

253.22 Subd. 4. **Use tax; legend drugs.** (a) A person that receives legend drugs for resale or
253.23 use in Minnesota, other than from a wholesale drug distributor that is subject to tax under
253.24 subdivision 3, is subject to a tax equal to the price paid for the legend drugs multiplied by
253.25 ~~1.8~~ two percent. Liability for the tax is incurred when legend drugs are received or delivered
253.26 in Minnesota by the person.

253.27 (b) A tax imposed under this subdivision does not apply to purchases by an individual
253.28 for personal consumption.

254.1 **EFFECTIVE DATE.** This section is effective for gross revenues received after June
254.2 30, 2025.

254.3 Sec. 27. **[295.525] MCO ASSESSMENT ON HEALTH PLAN COMPANIES.**

254.4 Subdivision 1. **Definitions.** (a) For purposes of this section, the definitions in this
254.5 subdivision have the meanings given.

254.6 (b) "Commissioner" means the commissioner of human services.

254.7 (c) "Enrollee" has the meaning given in section 62Q.01, except that enrollee does not
254.8 include:

254.9 (1) an individual enrolled in a Medicare plan;

254.10 (2) a plan-to-plan enrollee; or

254.11 (3) an individual enrolled in a health plan pursuant to the Federal Employees Health
254.12 Benefits Act of 1959, Public Law 86-382, as amended, to the extent the imposition of the
254.13 assessment under this section is preempted pursuant to United States Code, title 5, section
254.14 8909, subsection (f).

254.15 (d) "Health plan" has the meaning given in section 62Q.01.

254.16 (e) "Health plan company" has the meaning given in section 62Q.01.

254.17 (f) "Medical assistance" means the medical assistance program established under chapter
254.18 256B.

254.19 (g) "Medical assistance enrollee" means an enrollee in medical assistance or
254.20 MinnesotaCare for whom the Department of Human Services directly pays the health plan
254.21 company a capitated payment.

254.22 (h) "MinnesotaCare" means the MinnesotaCare program established under chapter 256L.

254.23 (i) "Plan-to-plan enrollee" means an individual who receives coverage for health care
254.24 services through a health plan pursuant to a subcontract from another health plan.

254.25 Subd. 2. **MCO assessment.** (a) An annual assessment is imposed on health plan
254.26 companies for each calendar year beginning in calendar year 2026. The total annual
254.27 assessment amount is equal to the sum of the amounts assessed for medical assistance
254.28 enrollees under paragraph (b) and for nonmedical assistance enrollees under paragraph (c).

254.29 (b) The amount assessed for medical assistance enrollees is equal to the sum of the
254.30 following:

- 255.1 (1) for medical assistance enrollees 0 to 60,000, \$0 per enrollee;
- 255.2 (2) for medical assistance enrollees 60,001 to 100,000, \$340 per enrollee;
- 255.3 (3) for medical assistance enrollees 100,001 to 200,000, \$365 per enrollee; and
- 255.4 (4) for medical assistance enrollees 200,001 to 350,000, \$380 per enrollee.
- 255.5 (c) The amount assessed for nonmedical assistance enrollees is equal to the sum of the
- 255.6 following:
- 255.7 (1) for nonmedical assistance enrollees 0 to 60,000, \$0 per enrollee;
- 255.8 (2) for nonmedical assistance enrollees 60,001 to 100,000, 50 cents per enrollee;
- 255.9 (3) for nonmedical assistance enrollees 100,001 to 200,000, 75 cents per enrollee; and
- 255.10 (4) for nonmedical assistance enrollees 200,001 to 350,000, \$1 per enrollee.
- 255.11 (d) The commissioner must annually use the commissioner's authority as necessary to
- 255.12 modify the rate of assessment, provided under paragraph (e), such that the annual assessment
- 255.13 imposed under this subdivision does not exceed the lesser of:
- 255.14 (1) 2.8 percent of the health plan companies' aggregate gross revenue; and
- 255.15 (2) the cumulative costs attributable to:
- 255.16 (i) the program changes in section 295.525, subdivision 4, paragraph (b), clauses (1) to
- 255.17 (6); and
- 255.18 (ii) the appropriation under section 144E.54, subdivision 10.
- 255.19 (e) The commissioner may, after consultation with health plan companies likely to be
- 255.20 affected, modify the rate of assessment, as set forth in paragraphs (a) to (d), as necessary
- 255.21 to:
- 255.22 (1) comply with federal law, obtain or maintain a waiver under Code of Federal
- 255.23 Regulations, title 42, section 433.72, or to otherwise maximize under this section federal
- 255.24 financial participation for medical assistance; and
- 255.25 (2) comply with paragraph (d).
- 255.26 (f) Unpaid assessment amounts accrue interest at a rate of ten percent per annum,
- 255.27 beginning the day following the assessment payment's due date. A penalty, equal to the
- 255.28 total accrued interest charge, is imposed monthly on payments 60 days or more overdue
- 255.29 until the payment, penalty, and interest are paid in full.

- 256.1 Subd. 3. **Assessment computation; collection.** (a) The commissioner must annually
256.2 determine the following for each health plan company:
- 256.3 (1) total enrollment for the calendar year;
256.4 (2) total Medicare enrollment for the calendar year;
256.5 (3) total medical assistance enrollment for the calendar year;
256.6 (4) total plan-to-plan enrollment for the calendar year;
256.7 (5) total enrollment through the Federal Employees Health Benefits Act of 1959, Public
256.8 Law 86-382, as amended, for the calendar year; and
- 256.9 (6) total other enrollment for the calendar year that is not otherwise counted in clauses
256.10 (2) to (5).
- 256.11 (b) Health plan companies must provide any information requested by the commissioner
256.12 for the purpose of this subdivision, provided that the commissioner determines such
256.13 information is necessary to accurately determine the information in paragraph (a).
- 256.14 (c) The commissioner may correct errors in data provided to the commissioner by a
256.15 health plan company to the extent necessary to accurately determine the information in
256.16 paragraph (a).
- 256.17 (d) For purposes of calculating the information in paragraph (a) for a health plan company,
256.18 the commissioner must count any individual that was an enrollee of a health plan at any
256.19 point of the calendar year, regardless of the enrollee's duration as an enrollee of the health
256.20 plan.
- 256.21 (e) The commissioner must annually use the information in paragraph (a) to compute
256.22 the assessment for each health plan company.
- 256.23 (f) The commissioner must collect the annual assessment for each health plan company
256.24 in four equal installments, in the manner and on the schedule determined by the
256.25 commissioner. The commissioner is prohibited from collecting any amount under this section
256.26 until 20 days after the commissioner has notified the health plan company of:
- 256.27 (1) the effective date of this section;
256.28 (2) the assessment due dates for the applicable calendar year; and
256.29 (3) the annual assessment amount.
- 256.30 (g) The commissioner may waive all or part of the interest or penalty imposed on a
256.31 health plan company under subdivision 2, paragraph (f), if the commissioner determines

257.1 the interest or penalty is likely to create an undue financial hardship on the health plan
257.2 company or a significant financial difficulty in providing necessary services to medical
257.3 assistance enrollees. A waiver under this paragraph must be contingent on the health plan
257.4 company's agreement to make assessment payments on an alternative schedule, determined
257.5 by the commissioner, that accounts for the health plan company's finances and the potential
257.6 impact on the delivery of services to medical assistance enrollees.

257.7 (h) In the event of a merger, acquisition, or other transaction that results in the transfer
257.8 of health plan responsibility to another health plan company or similar entity during calendar
257.9 years 2026 to 2029, the surviving, acquiring, or controlling health plan company or similar
257.10 entity shall be responsible for paying the full assessment amount as provided in this section
257.11 that would have been the responsibility of the health plan company to which that full
257.12 assessment amount was assessed upon the effective date of the transaction. If a transaction
257.13 results in the transfer of health plan responsibility for only some of a health plan's enrollees
257.14 under this section but not all enrollees, the full assessment amount as provided in this section
257.15 remains the responsibility of that health plan company to which that full assessment amount
257.16 was assessed.

257.17 Subd. 4. **MCO assessment expenditures.** (a) All amounts collected by the commissioner
257.18 under this section must be deposited in the health care access fund.

257.19 (b) Of the total amount collected by the commissioner under this section, \$18,000,000
257.20 annually is for the appropriation under section 144E.54, subdivision 10. All other amounts
257.21 collected by the commissioner under this section are annually appropriated to the
257.22 commissioner to provide nonfederal money for medical assistance and MinnesotaCare
257.23 program rate changes made in this act related to:

257.24 (1) ambulance services under section 256B.0625, subdivision 17a;

257.25 (2) behavioral health home services under section 256B.0757;

257.26 (3) mental health services under section 256B.761;

257.27 (4) services reimbursed under the resource-based relative value scale and with a
257.28 corresponding rate and procedural code in the Medicare Physician Fee Schedule under
257.29 section 256B.768;

257.30 (5) inpatient behavioral health services provided by hospitals paid under the DRG
257.31 methodology under section 256.969, subdivision 2b, paragraph (l); and

257.32 (6) mental health services provided by masters-prepared mental health professionals
257.33 and physician assistants resulting from the repeal of section 256B.0625, subdivision 38.

(c) Except for the amount necessary for the appropriation under section 144E.54, subdivision 10, the assessment money must be used to supplement money for medical assistance from the general fund.

(d) The commissioner must provide an annual report to all health plan companies, in a time and manner determined by the commissioner. The report must identify the assessments imposed on each health plan company pursuant to this section, account for all money raised by the MCO assessment, and provide an itemized accounting of expenditures from the fund.

EFFECTIVE DATE. This section is effective January 1, 2026, or upon federal approval for the assessment established in this section to be considered a permissible health care-related tax under Code of Federal Regulations, title 42, section 433.68, eligible for federal financial participation, including but not limited to federal approval of a waiver under Code of Federal Regulations, title 42, section 433.72, if such waiver is necessary to receive health care-related taxes without a reduction in federal financial participation, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 28. DIRECTION TO COMMISSIONER OF HUMAN SERVICES; ENHANCED FEDERAL REIMBURSEMENT FOR FAMILY PLANNING SERVICES IN MEDICAL ASSISTANCE.

The commissioner of human services must make the systems modification necessary to claim enhanced federal reimbursement for all family planning services under the medical assistance program.

Sec. 29. IMPLEMENTATION OF HOSPITAL ASSESSMENT AND DIRECTED PAYMENT PROGRAM.

(a) The commissioner of human services must immediately begin all necessary claims analysis to calculate the assessment and payments required under Minnesota Statutes, section 256.9657, subdivision 2b, and the hospital directed payment program described in Minnesota Statutes, section 256B.1974.

(b) The commissioner of human services, in consultation with the Minnesota Hospital Association, must submit to the Centers for Medicare and Medicaid Services a request for federal approval to implement the hospital assessment described in Minnesota Statutes, section 256.9657, subdivision 2b, and the hospital directed payment program under Minnesota Statutes, section 256B.1974. At least 15 days before submitting the request for approval, the commissioner must make available to the public the draft assessment

259.1 requirements, draft directed payment details, and an estimate of each assessment amount
259.2 for each hospital without an exemption from the assessment pursuant to Minnesota Statutes,
259.3 section 256.9657, subdivision 2b, paragraph (k).

259.4 (c) During the design and prior to submission of the request for approval under paragraph
259.5 (b), the commissioner of human services must consult with the Minnesota Hospital
259.6 Association and any hospitals without an exemption from the assessment pursuant to
259.7 Minnesota Statutes, section 256.9657, subdivision 2b, paragraph (k), and that are not
259.8 members of the Minnesota Hospital Association.

259.9 (d) If federal approval is received for the request under paragraph (b), the commissioner
259.10 of human services must provide at least 15 days of public posting and review of the federally
259.11 approved terms and conditions for the assessment and the directed payment program prior
259.12 to any assessment under Minnesota Statutes, section 256.9657, subdivision 2b, becoming
259.13 due from a hospital.

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

259.15 Sec. 30. **FEDERAL APPROVAL; WAIVERS.**

259.16 (a) The commissioner must request, as the commissioner determines necessary, federal
259.17 approval for the MCO assessment on health plan companies established in this act to be
259.18 considered a permissible health-care-related tax under Code of Federal Regulations, title
259.19 42, section 433.68, eligible for federal financial participation.

259.20 (b) To obtain the federal approval under paragraph (a), the commissioner may apply for
259.21 a waiver of the federal broad-based requirement for health care-related taxes, uniform
259.22 requirement for health-care-related taxes, and any other provision of federal law necessary
259.23 to implement Minnesota Statutes, section 295.525.

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

259.25 Sec. 31. **BUDGET NEUTRALITY; RATE ADJUSTMENTS.**

259.26 (a) By October 1 of each year, the commissioner of human services must determine the
259.27 difference between the actual costs or forecasted costs to the medical assistance and
259.28 MinnesotaCare programs attributable to the program changes in Minnesota Statutes, section
259.29 295.525, subdivision 4, paragraph (b), clauses (1) to (6), and the revenue from the MCO
259.30 assessment imposed under Minnesota Statutes, section 295.525, subdivision 2, including
259.31 federal financial participation.

(b) For each fiscal year, the commissioner of human services must certify the difference between the actual costs or forecasted costs to the medical assistance and MinnesotaCare programs determined under paragraph (a), and report the difference in costs to the commissioner of management and budget at least four weeks prior to a forecast under Minnesota Statutes, section 16A.103.

(c) If for any fiscal year, the cumulative costs attributable to: (1) the program changes in Minnesota Statutes, section 295.525, subdivision 4, paragraph (b), clauses (1) to (6), and (2) the appropriation under section 144E.54, subdivision 10, exceed revenue from the MCO assessment imposed under Minnesota Statutes, section 295.525, subdivision 2, as determined under paragraph (a), the commissioner of human services must reduce the costs to the medical assistance and MinnesotaCare programs attributable to the program changes in Minnesota Statutes, section 295.525, subdivision 4, paragraph (b), clauses (1) to (6). The commissioner's reduction under this paragraph must be on a uniform percentage basis across the rate increases provided in Minnesota Statutes, section 295.525, subdivision 4, paragraph (b), clauses (1) to (6).

Sec. 32. TREND LIMIT; CALCULATION.

(a) Beginning January 1, 2027, and ending June 30, 2029, the commissioner of human services may limit the trend increase in rates paid to managed care plans and county-based purchasing plans under Minnesota Statutes, sections 256B.69 and 256B.692, by an amount equal to the value of a 0.35 percent reduction in trend in medical assistance. Managed care rates must meet actuarial soundness and rate development requirements under Code of Federal Regulations, title 42, part 438, subpart A.

(b) In the November 2025 forecast, the commissioner of human services, in consultation with the commissioner of management and budget, must reduce the forecasted trend growth in managed care for medical assistance expenditures in fiscal years 2027, 2028, and 2029. The reduction must not be less than \$7,784,000 in fiscal year 2027, \$8,219,000 in fiscal year 2028, and \$8,446,000 in fiscal year 2029.

Sec. 33. PROGRAM FOR AMBULANCE SERVICE PROVIDER FUNDING.

The commissioner of human services may implement a voluntary program to increase funding to ambulance service providers licensed under Minnesota Statutes, chapter 144E, for services delivered to enrollees of fee-for-service medical assistance and medical assistance delivered by managed care and county-based purchasing plans. In developing the program, the commissioner of human services must consider a range of approaches, including but

261.1 not limited to intergovernmental transfer and certified public expenditure programs, as
261.2 allowed under Code of Federal Regulations, title 42, section 433.51. The program must
261.3 supplement, and not supplant or replace, any existing programs operated by the commissioner
261.4 of human services to increase funding to ambulance service providers.

261.5 Sec. 34. **REPEALER.**

261.6 Minnesota Statutes 2024, section 256B.0625, subdivision 38, is repealed.

261.7 **EFFECTIVE DATE.** This section is effective January 1, 2027, or upon federal approval
261.8 of this section and the amendments in this act to Minnesota Statutes, sections 256B.76,
261.9 subdivision 6, and 256B.761, whichever is later. The commissioner of human services shall
261.10 notify the revisor of statutes when federal approval is obtained.

261.11 **ARTICLE 7**

261.12 **HUMAN SERVICES HEALTH CARE POLICY**

261.13 Section 1. Minnesota Statutes 2024, section 62Q.522, subdivision 1, is amended to read:

261.14 Subdivision 1. **Definitions.** (a) The definitions in this subdivision apply to this section.

261.15 (b) "Contraceptive method" means a drug, device, or other product approved by the
261.16 Food and Drug Administration to prevent unintended pregnancy.

261.17 (c) "Contraceptive service" means consultation, examination, procedures, and medical
261.18 services related to the prevention of unintended pregnancy, ~~excluding vasectomies~~. This
261.19 includes but is not limited to voluntary sterilization procedures, patient education, counseling
261.20 on contraceptives, and follow-up services related to contraceptive methods or services,
261.21 management of side effects, counseling for continued adherence, and device insertion or
261.22 removal.

261.23 (d) "Medical necessity" includes but is not limited to considerations such as severity of
261.24 side effects, difference in permanence and reversibility of a contraceptive method or service,
261.25 and ability to adhere to the appropriate use of the contraceptive method or service, as
261.26 determined by the attending provider.

261.27 (e) "Therapeutic equivalent version" means a drug, device, or product that can be expected
261.28 to have the same clinical effect and safety profile when administered to a patient under the
261.29 conditions specified in the labeling, and that:

261.30 (1) is approved as safe and effective;

(2) is a pharmaceutical equivalent: (i) containing identical amounts of the same active drug ingredient in the same dosage form and route of administration; and (ii) meeting compendial or other applicable standards of strength, quality, purity, and identity;

(3) is bioequivalent in that:

(i) the drug, device, or product does not present a known or potential bioequivalence problem and meets an acceptable in vitro standard; or

(ii) if the drug, device, or product does present a known or potential bioequivalence problem, it is shown to meet an appropriate bioequivalence standard;

(4) is adequately labeled; and

(5) is manufactured in compliance with current manufacturing practice regulations.

EFFECTIVE DATE. This section is effective January 1, 2026, and applies to health plans offered, issued, or renewed on or after that date.

Sec. 2. Minnesota Statutes 2024, section 256B.0371, subdivision 3, is amended to read:

Subd. 3. **Contingent contract with dental administrator.** (a) The commissioner shall determine the extent to which managed care and county-based purchasing plans in the aggregate meet the performance benchmark specified in subdivision 1 for coverage year 2024. If managed care and county-based purchasing plans in the aggregate fail to meet the performance benchmark, the commissioner, after issuing a request for information followed by a request for proposals, shall contract with a dental administrator to administer dental services beginning January 1, ~~2026~~ 2030, for all recipients of medical assistance and MinnesotaCare, including persons served under fee-for-service and persons receiving services through managed care and county-based purchasing plans.

(b) The dental administrator must provide administrative services, including but not limited to:

(1) provider recruitment, contracting, and assistance;

(2) recipient outreach and assistance;

(3) utilization management and reviews of medical necessity for dental services;

(4) dental claims processing;

(5) coordination of dental care with other services;

(6) management of fraud and abuse;

263.1 (7) monitoring access to dental services;

263.2 (8) performance measurement;

263.3 (9) quality improvement and evaluation; and

263.4 (10) management of third-party liability requirements.

263.5 ~~(e) Dental administrator payments to contracted dental providers must be at the rates~~
263.6 ~~established under sections 256B.76 and 256L.11.~~

263.7 ~~(d)~~ (c) Recipients must be given a choice of dental provider, including any provider who
263.8 agrees to provider participation requirements and payment rates established by the
263.9 commissioner and dental administrator. The dental administrator must comply with the
263.10 network adequacy and geographic access requirements that apply to managed care and
263.11 county-based purchasing plans for dental services under section 62K.14.

263.12 ~~(e)~~ (d) The contract with the dental administrator must include a provision that states
263.13 that if the dental administrator fails to meet, by calendar year ~~2029~~ 2032, a performance
263.14 benchmark under which at least 55 percent of children and adults who were continuously
263.15 enrolled for at least 11 months in either medical assistance or MinnesotaCare received at
263.16 least one dental visit during the calendar year, the contract must be terminated and the
263.17 commissioner must enter into a contract with a new dental administrator as soon as
263.18 practicable.

263.19 ~~(f)~~ (e) The commissioner shall implement this subdivision in consultation with
263.20 representatives of providers who provide dental services to patients enrolled in medical
263.21 assistance or MinnesotaCare, including but not limited to providers serving primarily
263.22 low-income and socioeconomically complex populations, and with representatives of
263.23 managed care plans and county-based purchasing plans.

263.24 Sec. 3. Minnesota Statutes 2024, section 256B.0625, is amended by adding a subdivision
263.25 to read:

263.26 Subd. 77. **Vasectomies.** (a) Medical assistance covers vasectomies.

263.27 (b) Medical assistance must meet the requirements with respect to coverage of
263.28 vasectomies that would otherwise apply to a health plan under section 62Q.522, except that
263.29 medical assistance is not required to comply with any provision of section 62Q.522 if
263.30 compliance with the provision would:

263.31 (1) prevent the state from receiving federal financial participation for the coverage under
263.32 this subdivision;

(2) result in a lower level of coverage or reduced access to coverage for medical assistance enrollees; or

(3) violate Code of Federal Regulations, title 42, part 441, subpart F.

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. 4. Minnesota Statutes 2024, section 256B.76, is amended by adding a subdivision to read:

Subd. 1a. Certain long-term ambulatory electrocardiogram monitoring services. **(a)** For the purpose of this subdivision, "long-term ambulatory electrocardiogram monitoring services" means the provision of external cardiac patch monitoring devices to patients to wear for 48 hours or greater and the interpretation of data gathered by such devices to detect heart arrhythmias that can lead to stroke, cardiac arrest, or other comorbidities or medical complications if not correctly diagnosed.

(b) Effective January 1, 2026, or upon federal approval, whichever is later, the commissioner must reimburse diagnostic testing facilities providing long-term ambulatory electrocardiogram monitoring services at 100 percent of the Medicare Physician Fee Schedule rate for such services or higher.

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

ARTICLE 8

BEHAVIORAL HEALTH

Section 1. Minnesota Statutes 2024, section 245.462, subdivision 20, is amended to read:

Subd. 20. Mental illness. **(a)** "Mental illness" means an organic disorder of the brain or a clinically significant disorder of thought, mood, perception, orientation, memory, or behavior that is detailed in a diagnostic codes list published by the commissioner, and that seriously limits a person's capacity to function in primary aspects of daily living such as personal relations, living arrangements, work, and recreation.

(b) An "adult with acute mental illness" means an adult who has a mental illness that is serious enough to require prompt intervention.

265.1 (c) For purposes of enrolling in case management and community support services, a
265.2 "person with serious and persistent mental illness" means an adult who has a mental illness
265.3 and meets at least one of the following criteria:

265.4 (1) the adult has undergone ~~two~~ one or more episodes of inpatient, residential, or crisis
265.5 residential care for a mental illness within the preceding ~~24~~ 12 months;

265.6 (2) the adult has experienced a continuous psychiatric hospitalization or residential
265.7 treatment exceeding six months' duration within the preceding 12 months;

265.8 (3) the adult has been treated by a crisis team two or more times within the preceding
265.9 24 months;

265.10 (4) the adult:

265.11 (i) has a diagnosis of schizophrenia, bipolar disorder, major depression, schizoaffective
265.12 disorder, post-traumatic stress disorder, generalized anxiety disorder, panic disorder, eating
265.13 disorder, or borderline personality disorder;

265.14 (ii) indicates a significant impairment in functioning; and

265.15 (iii) has a written opinion from a mental health professional, in the last three years,
265.16 stating that the adult is reasonably likely to have future episodes requiring inpatient or
265.17 residential treatment, of a frequency described in clause (1) or (2), or the need for in-home
265.18 services to remain in one's home, unless ongoing case management or community support
265.19 services are provided;

265.20 (5) the adult has, in the last ~~three~~ five years, been committed by a court as a person ~~who~~
265.21 ~~is mentally ill~~ with a mental illness under chapter 253B, or the adult's commitment has been
265.22 stayed or continued; or

265.23 ~~(6) the adult (i) was eligible under clauses (1) to (5), but the specified time period has~~
265.24 ~~expired or the adult was eligible as a child under section 245.4871, subdivision 6; and (ii)~~
265.25 ~~has a written opinion from a mental health professional, in the last three years, stating that~~
265.26 ~~the adult is reasonably likely to have future episodes requiring inpatient or residential~~
265.27 ~~treatment, of a frequency described in clause (1) or (2), unless ongoing case management~~
265.28 ~~or community support services are provided; or~~

265.29 ~~(7)~~ (6) the adult was eligible as a child under section 245.4871, subdivision 6, and is
265.30 age 21 or younger.

(d) For purposes of enrolling in case management and community support services, a "person with a complex post-traumatic stress disorder" or "C-PTSD" means an adult who has a mental illness and meets the following criteria:

(1) the adult has post-traumatic stress disorder (PTSD) symptoms that significantly interfere with daily functioning related to intergenerational trauma, racial trauma, or unresolved historical grief; and

(2) the adult has a written opinion from a mental health professional that includes documentation of:

(i) culturally sensitive assessments or screenings and identification of intergenerational trauma, racial trauma, or unresolved historical grief;

(ii) significant impairment in functioning due to the PTSD symptoms that meet C-PTSD condition eligibility; and

(iii) increasing concerns within the last three years that indicates the adult is at a reasonable likelihood of experiencing significant episodes of PTSD with increased frequency, impacting daily functioning unless mitigated by targeted case management or community support services.

(e) Adults may continue to receive case management or community support services if, in the written opinion of a mental health professional, the person needs case management or community support services to maintain the person's recovery.

EFFECTIVE DATE. Paragraph (d) is effective upon federal approval. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 2. Minnesota Statutes 2024, section 245.4661, subdivision 2, is amended to read:

Subd. 2. **Program design and implementation.** Adult mental health initiatives shall be responsible for designing, planning, improving, and maintaining a mental health service delivery system for adults with serious and persistent mental illness that would:

(1) provide an expanded array of services from which clients can choose services appropriate to their needs;

(2) be based on purchasing strategies that improve access and coordinate services without 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;

267.1 (4) incorporate existing state facilities and resources into the community mental health
267.2 infrastructure through creative partnerships with local vendors; and

267.3 (5) ~~utilize existing categorical funding streams and reimbursement sources in combined~~
267.4 ~~and creative ways, except~~ adult mental health initiative funding only after all other eligible
267.5 funding sources have been applied. Appropriations and all funds that are attributable to the
267.6 operation of state-operated services under the control of the Direct Care and Treatment
267.7 executive board are excluded unless appropriated specifically by the legislature for a purpose
267.8 consistent with this section.

267.9 Sec. 3. Minnesota Statutes 2024, section 245.4661, subdivision 6, is amended to read:

267.10 Subd. 6. **Duties of commissioner.** (a) For purposes of adult mental health initiatives,
267.11 the commissioner shall facilitate integration of funds or other resources as needed and
267.12 requested by each adult mental health initiative. These resources may include:

267.13 (1) community support services funds administered under Minnesota Rules, parts
267.14 9535.1700 to 9535.1760;

267.15 (2) other mental health special project funds;

267.16 (3) medical assistance, MinnesotaCare, and housing support under chapter 256I if
267.17 requested by the adult mental health initiative's managing entity and if the commissioner
267.18 determines this would be consistent with the state's overall health care reform efforts; and

267.19 (4) regional treatment center resources, with consent from the Direct Care and Treatment
267.20 executive board.

267.21 ~~(b) The commissioner shall consider the following criteria in awarding grants for adult~~
267.22 ~~mental health initiatives:~~

267.23 ~~(1) the ability of the initiatives to accomplish the objectives described in subdivision 2;~~

267.24 ~~(2) the size of the target population to be served; and~~

267.25 ~~(3) geographical distribution.~~

267.26 ~~(e)~~ (b) The commissioner shall review overall status of the initiatives at least every two
267.27 years and recommend any legislative changes needed by January 15 of each odd-numbered
267.28 year.

267.29 ~~(d)~~ (c) The commissioner may waive administrative rule requirements that are
267.30 incompatible with the implementation of the adult mental health initiative.

~~(e)~~ (d) The commissioner may exempt the participating counties from fiscal sanctions for noncompliance with requirements in laws and rules that are incompatible with the implementation of the adult mental health initiative.

~~(f)~~ (e) The commissioner may award grants to an entity designated by a county board or group of county boards to pay for start-up and implementation costs of the adult mental health initiative.

Sec. 4. Minnesota Statutes 2024, section 245.4661, subdivision 7, is amended to read:

Subd. 7. **Duties of adult mental health initiative board.** The adult mental health initiative board, or other entity which is approved to administer an adult mental health initiative, shall:

(1) administer the initiative in a manner that is consistent with the objectives described in subdivision 2 and the planning process described in subdivision 5;

(2) assure that no one is denied services that they would otherwise be eligible for; and

(3) provide the commissioner of human services with timely and pertinent information through the following methods:

~~(i) submission of mental health plans and plan amendments which are based on a format and timetable determined by the commissioner;~~

~~(ii) submission of social services expenditure and grant reconciliation reports, based on a coding format to be determined by mutual agreement between the initiative's managing entity and the commissioner; and~~

~~(iii) submission of data and participation in an evaluation of the adult mental health initiatives, to be designed cooperatively by the commissioner and the initiatives. For services provided to American Indians in Tribal Nations or urban Indian communities, oral reports using a system designed in partnership between the commissioner and the reporting community satisfy the requirements of this clause.~~

Sec. 5. Minnesota Statutes 2024, section 245.467, subdivision 4, is amended to read:

Subd. 4. **Referral for case management.** Each provider of emergency services, day treatment services, outpatient treatment, community support services, residential treatment, 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 developed, unless the case manager receives a written request from the client or the client's family for a review of the plan every 90 days after it is developed. The case manager is

270.1 responsible for developing the individual community support plan based on a diagnostic
270.2 assessment and a functional assessment and for implementing and monitoring the delivery
270.3 of services according to the individual community support plan. To the extent possible, the
270.4 adult with serious and persistent mental illness or a complex post-traumatic stress disorder,
270.5 the person's family, advocates, service providers, and significant others must be involved
270.6 in all phases of development and implementation of the individual community support plan.

270.7 (b) The client's individual community support plan must state:

270.8 (1) the goals of each service;

270.9 (2) the activities for accomplishing each goal;

270.10 (3) a schedule for each activity; and

270.11 (4) the frequency of face-to-face contacts by the case manager, as appropriate to client
270.12 need and the implementation of the individual community support plan.

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

270.15 Sec. 8. Minnesota Statutes 2024, section 245.4712, subdivision 1, is amended to read:

270.16 Subdivision 1. **Availability of community support services.** (a) County boards must
270.17 provide or contract for sufficient community support services within the county to meet the
270.18 needs of adults with serious and persistent mental illness or a complex post-traumatic stress
270.19 disorder who are residents of the county. Adults may be required to pay a fee according to
270.20 section 245.481. The community support services program must be designed to improve
270.21 the ability of adults with serious and persistent mental illness or a complex post-traumatic
270.22 stress disorder to:

270.23 (1) find and maintain competitive employment;

270.24 (2) handle basic activities of daily living;

270.25 (3) participate in leisure time activities;

270.26 (4) set goals and plans; and

270.27 (5) obtain and maintain appropriate living arrangements.

270.28 The community support services program must also be designed to reduce the need for
270.29 and use of more intensive, costly, or restrictive placements both in number of admissions
270.30 and length of stay.

271.1 (b) Community support services are those services that are supportive in nature and not
271.2 necessarily treatment oriented, and include:

271.3 (1) conducting outreach activities such as home visits, health and wellness checks, and
271.4 problem solving;

271.5 (2) connecting people to resources to meet their basic needs;

271.6 (3) finding, securing, and supporting people in their housing;

271.7 (4) attaining and maintaining health insurance benefits;

271.8 (5) assisting with job applications, finding and maintaining employment, and securing
271.9 a stable financial situation;

271.10 (6) fostering social support, including support groups, mentoring, peer support, and other
271.11 efforts to prevent isolation and promote recovery; and

271.12 (7) educating about mental illness, treatment, and recovery.

271.13 (c) Community support services shall use all available funding streams. The county shall
271.14 maintain the level of expenditures for this program, as required under section 245.4835.

271.15 County boards must continue to provide funds for those services not covered by other
271.16 funding streams and to maintain an infrastructure to carry out these services. The county is
271.17 encouraged to fund evidence-based practices such as Individual Placement and Supported
271.18 Employment and Illness Management and Recovery.

271.19 (d) The commissioner shall collect data on community support services programs,
271.20 including, but not limited to, demographic information such as age, sex, race, the number
271.21 of people served, and information related to housing, employment, hospitalization, symptoms,
271.22 and satisfaction with services.

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

271.25 Sec. 9. Minnesota Statutes 2024, section 245.4712, subdivision 3, is amended to read:

271.26 Subd. 3. **Benefits assistance.** The county board must offer to help adults with serious
271.27 and persistent mental illness or a complex post-traumatic stress disorder in applying for
271.28 state and federal benefits, including Supplemental Security Income, medical assistance,
271.29 Medicare, general assistance, and Minnesota supplemental aid. The help must be offered
271.30 as part of the community support program available to adults with serious and persistent
271.31 mental illness or a complex post-traumatic stress disorder for whom the county is financially
271.32 responsible and who may qualify for these benefits.

272.1 Sec. 10. Minnesota Statutes 2024, section 245.4871, subdivision 5, is amended to read:

272.2 Subd. 5. **Child.** "Child" means a person under 18 years of age, or a person 18 years of
272.3 age or older and under 21 years of age receiving continuous children's mental health targeted
272.4 case management services as defined in section 245.4875, subdivision 8.

272.5 Sec. 11. Minnesota Statutes 2024, section 245.4889, subdivision 1, is amended to read:

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

272.8 (1) counties;

272.9 (2) Indian tribes;

272.10 (3) children's collaboratives under section 142D.15 or 245.493; or

272.11 (4) mental health service providers.

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

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

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

272.17 (3) respite care services for children with emotional disturbances or severe emotional
272.18 disturbances who are at risk of residential treatment or hospitalization, who are already in
272.19 out-of-home placement in family foster settings as defined in chapter 142B and at risk of
272.20 change in out-of-home placement or placement in a residential facility or other higher level
272.21 of care, who have utilized crisis services or emergency room services, or who have
272.22 experienced a loss of in-home staffing support. Allowable activities and expenses for respite
272.23 care services are defined under subdivision 4. A child is not required to have case
272.24 management services to receive respite care services. Counties must work to provide access
272.25 to regularly scheduled respite care;

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

272.27 (5) child-, youth-, and family-specific mobile response and stabilization services models;

272.28 (6) mental health services for people from cultural and ethnic minorities, including
272.29 supervision of clinical trainees who are Black, indigenous, or people of color;

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

- 273.1 (8) services to promote and develop the capacity of providers to use evidence-based
273.2 practices in providing children's mental health services;
- 273.3 (9) school-linked mental health services under section 245.4901;
- 273.4 (10) building evidence-based mental health intervention capacity for children birth to
273.5 age five;
- 273.6 (11) suicide prevention and counseling services that use text messaging statewide;
- 273.7 (12) mental health first aid training;
- 273.8 (13) training for parents, collaborative partners, and mental health providers on the
273.9 impact of adverse childhood experiences and trauma and development of an interactive
273.10 website to share information and strategies to promote resilience and prevent trauma;
- 273.11 (14) transition age services to develop or expand mental health treatment and supports
273.12 for adolescents and young adults 26 years of age or younger;
- 273.13 (15) early childhood mental health consultation;
- 273.14 (16) evidence-based interventions for youth at risk of developing or experiencing a first
273.15 episode of psychosis, and a public awareness campaign on the signs and symptoms of
273.16 psychosis;
- 273.17 (17) psychiatric consultation for primary care practitioners; ~~and~~
- 273.18 (18) providers to begin operations and meet program requirements when establishing a
273.19 new children's mental health program. These may be start-up grants; and
- 273.20 (19) evidence-based interventions for youth and young adults at risk of developing or
273.21 experiencing an early episode of bipolar disorder.
- 273.22 (c) Services under paragraph (b) must be designed to help each child to function and
273.23 remain with the child's family in the community and delivered consistent with the child's
273.24 treatment plan. Transition services to eligible young adults under this paragraph must be
273.25 designed to foster independent living in the community.
- 273.26 (d) As a condition of receiving grant funds, a grantee shall obtain all available third-party
273.27 reimbursement sources, if applicable.
- 273.28 (e) The commissioner may establish and design a pilot program to expand the mobile
273.29 response and stabilization services model for children, youth, and families. The commissioner
273.30 may use grant funding to consult with a qualified expert entity to assist in the formulation

274.1 of measurable outcomes and explore and position the state to submit a Medicaid state plan
274.2 amendment to scale the model statewide.

274.3 Sec. 12. Minnesota Statutes 2024, section 245.4905, is amended to read:

274.4 **245.4905 FIRST EPISODE OF PSYCHOSIS AND EARLY EPISODE OF**
274.5 **BIPOLAR DISORDER GRANT PROGRAM.**

274.6 Subdivision 1. ~~Creation~~ **Establishment.** The commissioner of human services must
274.7 establish the first episode of psychosis and early episode of bipolar disorder grant program
274.8 ~~is established in the Department of Human Services~~ within the department to fund: (1)
274.9 evidence-based interventions for youth and young adults at risk of developing or experiencing
274.10 a first episode of psychosis or an early episode of bipolar disorder; and (2) a public awareness
274.11 campaign on the signs and symptoms of psychosis. First episode of psychosis services are
274.12 ~~eligible for children's mental health grants as specified in section 245.4889, subdivision 1,~~
274.13 ~~paragraph (b), clause (15)~~ For purposes of this section, "youth and young adults" means
274.14 individuals who are 15 years of age or older and under 41 years of age.

274.15 Subd. 2. **Activities.** (a) All first episode of psychosis ~~grant programs~~ or early episode
274.16 of bipolar disorder grantees must:

274.17 (1) provide intensive treatment and support for ~~adolescents and~~ youth and young adults
274.18 experiencing or at risk of experiencing a first psychotic episode of psychosis or early episodes
274.19 of bipolar disorder. Intensive treatment and support includes may include medication
274.20 management, psychoeducation for an individual and an individual's family, case management,
274.21 employment support, education support, cognitive behavioral approaches, social skills
274.22 training, peer and family peer support, crisis planning, and stress management;

274.23 (2) conduct outreach and provide training and guidance to mental health and health care
274.24 professionals, including postsecondary health clinicians, on early psychosis and bipolar
274.25 disorder symptoms, screening tools, and best practices;

274.26 (3) ensure access for individuals to first psychotic episode of psychosis services under
274.27 this section, including access for individuals who live in rural areas; and

274.28 (4) use all available funding streams.

274.29 (b) Grant money may ~~also~~ be used to pay for housing or travel expenses for individuals
274.30 receiving services or to address other barriers preventing individuals and their families from
274.31 participating in first psychotic episode of psychosis services.

Subd. 3. **Eligibility Funding.** ~~Program activities must be provided to people 15 to 40 years old with early signs of psychosis~~ First episode of psychosis services and early episode of bipolar disorder services are eligible for children's mental health grants as specified in section 245.4889, subdivision 1, paragraph (b), clauses (16) and (19).

Subd. 4. **Outcomes.** (a) The commissioner must annually evaluate the first episode of psychosis and early episode of bipolar disorder grant program.

(b) The evaluation of program activities must utilize evidence-based practices and must include the following outcome evaluation criteria:

(1) whether individuals experience a reduction in ~~psychotic~~ symptoms;

(2) whether individuals experience a decrease in inpatient mental health hospitalizations or interactions with the criminal justice system; and

(3) whether individuals experience an increase in educational attainment or employment.

(c) By July 1, 2026, and every July 1 thereafter, the commissioner must provide a report to the chairs and ranking minority members of the legislative committees with jurisdiction over behavioral health, along with the chairs and ranking minority members of the senate finance committee and house of representatives ways and means committee. The report must include the number of grantees receiving funds under this section, the number of individuals served under this section, data from the evaluation conducted under this subdivision, and information on the use of state and federal funds for the services provided under this section.

Subd. 5. **Federal aid or grants.** The commissioner of human services must comply with all conditions and requirements necessary to receive federal aid or grants.

Sec. 13. Minnesota Statutes 2024, section 256B.0625, subdivision 20, is amended to read:

Subd. 20. **Mental health case management.** (a) To the extent authorized by rule of the state agency, medical assistance covers case management services to persons with serious and persistent mental illness, persons with a complex post-traumatic stress disorder, and children with severe emotional disturbance. Services provided under this section must meet the relevant standards in sections 245.461 to 245.4887, the Comprehensive Adult and Children's Mental Health Acts, Minnesota Rules, parts 9520.0900 to 9520.0926, and 9505.0322, excluding subpart 10.

(b) Entities meeting program standards set out in rules governing family community support services as defined in section 245.4871, subdivision 17, are eligible for medical

276.1 assistance reimbursement for case management services for children with severe emotional
276.2 disturbance when these services meet the program standards in Minnesota Rules, parts
276.3 9520.0900 to 9520.0926 and 9505.0322, excluding subparts 6 and 10.

276.4 (c) Medical assistance and MinnesotaCare payment for mental health case management
276.5 shall be made on a monthly basis. In order to receive payment for an eligible child, the
276.6 provider must document at least a face-to-face contact either in person or by interactive
276.7 video that meets the requirements of subdivision 20b with the child, the child's parents, or
276.8 the child's legal representative. To receive payment for an eligible adult, the provider must
276.9 document:

276.10 (1) at least a face-to-face contact with the adult or the adult's legal representative either
276.11 in person or by interactive video that meets the requirements of subdivision 20b; or

276.12 (2) at least a telephone contact with the adult or the adult's legal representative and
276.13 document a face-to-face contact either in person or by interactive video that meets the
276.14 requirements of subdivision 20b with the adult or the adult's legal representative within the
276.15 preceding two months.

276.16 (d) Payment for mental health case management provided by county or state staff shall
276.17 be based on the monthly rate methodology under section 256B.094, subdivision 6, paragraph
276.18 (b), with separate rates calculated for child welfare and mental health, and within mental
276.19 health, separate rates for children and adults.

276.20 (e) Payment for mental health case management provided by Indian health services or
276.21 by agencies operated by Indian tribes may be made according to this section or other relevant
276.22 federally approved rate setting methodology.

276.23 (f) Payment for mental health case management provided by vendors who contract with
276.24 a county must be calculated in accordance with section 256B.076, subdivision 2. Payment
276.25 for mental health case management provided by vendors who contract with a Tribe must
276.26 be based on a monthly rate negotiated by the Tribe. The rate must not exceed the rate charged
276.27 by the vendor for the same service to other payers. If the service is provided by a team of
276.28 contracted vendors, the team shall determine how to distribute the rate among its members.
276.29 No reimbursement received by contracted vendors shall be returned to the county or tribe,
276.30 except to reimburse the county or tribe for advance funding provided by the county or tribe
276.31 to the vendor.

276.32 (g) If the service is provided by a team which includes contracted vendors, tribal staff,
276.33 and county or state staff, the costs for county or state staff participation in the team shall be
276.34 included in the rate for county-provided services. In this case, the contracted vendor, the

277.1 tribal agency, and the county may each receive separate payment for services provided by
277.2 each entity in the same month. In order to prevent duplication of services, each entity must
277.3 document, in the recipient's file, the need for team case management and a description of
277.4 the roles of the team members.

277.5 (h) Notwithstanding section 256B.19, subdivision 1, the nonfederal share of costs for
277.6 mental health case management shall be provided by the recipient's county of responsibility,
277.7 as defined in sections 256G.01 to 256G.12, from sources other than federal funds or funds
277.8 used to match other federal funds. If the service is provided by a tribal agency, the nonfederal
277.9 share, if any, shall be provided by the recipient's tribe. When this service is paid by the state
277.10 without a federal share through fee-for-service, 50 percent of the cost shall be provided by
277.11 the recipient's county of responsibility.

277.12 (i) Notwithstanding any administrative rule to the contrary, prepaid medical assistance
277.13 and MinnesotaCare include mental health case management. When the service is provided
277.14 through prepaid capitation, the nonfederal share is paid by the state and the county pays no
277.15 share.

277.16 (j) The commissioner may suspend, reduce, or terminate the reimbursement to a provider
277.17 that does not meet the reporting or other requirements of this section. The county of
277.18 responsibility, as defined in sections 256G.01 to 256G.12, or, if applicable, the tribal agency,
277.19 is responsible for any federal disallowances. The county or tribe may share this responsibility
277.20 with its contracted vendors.

277.21 (k) The commissioner shall set aside a portion of the federal funds earned for county
277.22 expenditures under this section to repay the special revenue maximization account under
277.23 section 256.01, subdivision 2, paragraph (n). The repayment is limited to:

277.24 (1) the costs of developing and implementing this section; and

277.25 (2) programming the information systems.

277.26 (l) Payments to counties and tribal agencies for case management expenditures under
277.27 this section shall only be made from federal earnings from services provided under this
277.28 section. When this service is paid by the state without a federal share through fee-for-service,
277.29 50 percent of the cost shall be provided by the state. Payments to county-contracted vendors
277.30 shall include the federal earnings, the state share, and the county share.

277.31 (m) Case management services under this subdivision do not include therapy, treatment,
277.32 legal, or outreach services.

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

278.4 (1) the last 180 days of the recipient's residency in that facility and may not exceed more
278.5 than six months in a calendar year; or

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

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

278.9 (p) If the recipient is receiving care in a hospital, nursing facility, or residential setting
278.10 licensed under chapter 245A or 245D that is staffed 24 hours a day, seven days a week,
278.11 mental health targeted case management services must actively support identification of
278.12 community alternatives for the recipient and discharge planning.

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

278.15 Sec. 14. **MENTAL HEALTH COLLABORATION HUB INNOVATION PILOT**
278.16 **PROGRAM.**

278.17 (a) The commissioner of human services must support the Mental Health Collaboration
278.18 Hub's pilot project to develop and implement innovative care pathways and care facility
278.19 decompression strategies by providing funding support and technical assistance and entering
278.20 into a data-sharing agreement with the Mental Health Collaboration Hub. The pilot project
278.21 must fund, track, and evaluate activities that expedite transitions of children from
278.22 inappropriate care settings to appropriate care settings. A steering committee of expert
278.23 Mental Health Collaboration Hub participants that represent the continuum of children's
278.24 behavioral health care must guide funding determinations to support the transition of up to
278.25 200 children per year.

278.26 (b) On January 1, 2027, and January 1, 2028, the Mental Health Collaboration Hub must
278.27 submit a report to the commissioner and chairs and ranking minority members of the
278.28 legislative committees with jurisdiction over children's mental health and juvenile detention.
278.29 The report must describe how the grant money was spent and summarize the impact the
278.30 pilot project had on participating children, families, and providers.

Sec. 15. PSYCHIATRIC RESIDENTIAL TREATMENT FACILITY REPORT.

(a) By January 15, 2026, the commissioner of human services, in consultation with organizations operating psychiatric residential treatment facilities, advocates, health care experts, juvenile detention experts, and county representatives, must submit a report and proposed legislative changes to the chairs and ranking minority members of the legislative committees with jurisdiction over children's mental health and juvenile detention. The submitted report must include recommendations on:

(1) amending the state medical assistance plan to expand access to care provided in psychiatric residential treatment facilities, with consideration being given to enhancing flexibilities to serve a continuum of mental health needs;

(2) developing licensing standards for psychiatric residential treatment facilities that reflect needed flexibilities and the broad inclusion of settings where care can be delivered; and

(3) updating the rate methodology for services provided in psychiatric residential treatment facilities to assure high quality of care with required individualization.

(b) When developing the recommendations required under paragraph (a), the commissioner must:

(1) consider how best to meet the needs of children with high levels of complexity, aggression, and other related barriers to being served by community providers; and

(2) determine what would be required, including needed infrastructure, staffing, and sustainable funding sources, to allow qualified residential treatment programs to transition to a psychiatric residential treatment facility standard of care.

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

ARTICLE 9

BEHAVIORAL HEALTH POLICY

Section 1. Minnesota Statutes 2024, section 144.651, subdivision 2, is amended to read:

Subd. 2. **Definitions.** For the purposes of this section, "patient" means a person who is admitted to an acute care inpatient facility for a continuous period longer than 24 hours, for the purpose of diagnosis or treatment bearing on the physical or mental health of that person. For purposes of subdivisions 4 to 9, 12, 13, 15, 16, and 18 to 20, "patient" also means a person who receives health care services at an outpatient surgical center or at a birth center licensed under section 144.615. "Patient" also means a minor who is admitted to a residential

280.1 program as defined in section 253C.01. For purposes of subdivisions 1, 3 to 16, 18, 20 and
 280.2 30, "patient" also means any person who is receiving mental health treatment on an outpatient
 280.3 basis or in a community support program or other community-based program. "Resident"
 280.4 means a person who is admitted to a nonacute care facility including extended care facilities,
 280.5 nursing homes, and boarding care homes for care required because of prolonged mental or
 280.6 physical illness or disability, recovery from injury or disease, or advancing age. For purposes
 280.7 of all subdivisions except subdivisions 28 and 29, "resident" also means a person who is
 280.8 admitted to a facility licensed as a board and lodging facility under Minnesota Rules, parts
 280.9 4625.0100 to 4625.2355, a boarding care home under sections 144.50 to 144.56, or a
 280.10 supervised living facility under Minnesota Rules, parts 4665.0100 to 4665.9900, and which
 280.11 operates a rehabilitation program licensed under chapter 245G or 245I, or Minnesota Rules,
 280.12 parts 9530.6510 to 9530.6590. For purposes of all subdivisions except subdivisions 20, 28,
 280.13 29, 32, and 33, resident also means a person who is admitted to a facility licensed to provide
 280.14 intensive residential treatment services or residential crisis stabilization under section
 280.15 245I.23.

280.16 Sec. 2. Minnesota Statutes 2024, section 245.462, subdivision 4, is amended to read:

280.17 Subd. 4. **Case management service provider.** (a) "Case management service provider"
 280.18 means a case manager or case manager associate employed by the county or other entity
 280.19 authorized by the county board to provide case management services specified in section
 280.20 245.4711.

280.21 (b) A case manager must:

280.22 (1) be skilled in the process of identifying and assessing a wide range of client needs;

280.23 (2) be knowledgeable about local community resources and how to use those resources
 280.24 for the benefit of the client;

280.25 (3) be a mental health practitioner as defined in section 245I.04, subdivision 4, or have
 280.26 a bachelor's degree in one of the behavioral sciences or related fields including, but not
 280.27 limited to, social work, psychology, or nursing from an accredited college or university. A
 280.28 case manager who is not a mental health practitioner ~~and~~ or who does not have a bachelor's
 280.29 degree in one of the behavioral sciences or related fields must meet the requirements of
 280.30 paragraph (c); and

280.31 (4) meet the supervision and continuing education requirements described in paragraphs
 280.32 (d), (e), and (f), as applicable.

281.1 (c) Case managers without a bachelor's degree or with a bachelor's degree that is not in
281.2 one of the behavioral sciences or related fields must meet one of the requirements in clauses
281.3 (1) to ~~(3)~~ (5):

281.4 (1) have three or four years of experience as a case manager associate as defined in this
281.5 section;

281.6 (2) be a registered nurse without a bachelor's degree and have a combination of
281.7 specialized training in psychiatry and work experience consisting of community interaction
281.8 and involvement or community discharge planning in a mental health setting totaling three
281.9 years; ~~or~~

281.10 (3) be a person who qualified as a case manager under the 1998 Department of Human
281.11 Service waiver provision and meet the continuing education and mentoring requirements
281.12 in this section;

281.13 (4) prior to direct service delivery, complete at least 80 hours of specific training on the
281.14 characteristics and needs of adults with serious and persistent mental illness that is consistent
281.15 with national practice standards; or

281.16 (5) prior to direct service delivery, demonstrate competency in practice and knowledge
281.17 of the characteristics and needs of adults with serious and persistent mental illness, consistent
281.18 with national practice standards.

281.19 (d) A case manager with at least 2,000 hours of supervised experience in the delivery
281.20 of services to adults with mental illness must receive regular ongoing supervision and clinical
281.21 supervision totaling 38 hours per year of which at least one hour per month must be clinical
281.22 supervision regarding individual service delivery with a case management supervisor. The
281.23 remaining 26 hours of supervision may be provided by a case manager with two years of
281.24 experience. Group supervision may not constitute more than one-half of the required
281.25 supervision hours. Clinical supervision must be documented in the client record.

281.26 (e) A case manager without 2,000 hours of supervised experience in the delivery of
281.27 services to adults with mental illness must:

281.28 (1) receive clinical supervision regarding individual service delivery from a mental
281.29 health professional at least one hour per week until the requirement of 2,000 hours of
281.30 experience is met; and

281.31 (2) complete 40 hours of training approved by the commissioner in case management
281.32 skills and the characteristics and needs of adults with serious and persistent mental illness.

282.1 (f) A case manager who is not licensed, registered, or certified by a health-related
282.2 licensing board must receive 30 hours of continuing education and training in mental illness
282.3 and mental health services every two years.

282.4 (g) A case manager associate (CMA) must:

282.5 (1) work under the direction of a case manager or case management supervisor;

282.6 (2) be at least 21 years of age;

282.7 (3) have at least a high school diploma or its equivalent; and

282.8 (4) meet one of the following criteria:

282.9 (i) have an associate of arts degree in one of the behavioral sciences or human services;

282.10 (ii) be a certified peer specialist under section 256B.0615;

282.11 (iii) be a registered nurse without a bachelor's degree;

282.12 (iv) within the previous ten years, have three years of life experience with serious and
282.13 persistent mental illness as defined in subdivision 20; or as a child had severe emotional
282.14 disturbance as defined in section 245.4871, subdivision 6; or have three years life experience
282.15 as a primary caregiver to an adult with serious and persistent mental illness within the
282.16 previous ten years;

282.17 (v) have 6,000 hours work experience as a nondegreed state hospital technician; or

282.18 (vi) have at least 6,000 hours of supervised experience in the delivery of services to
282.19 persons with mental illness.

282.20 Individuals meeting one of the criteria in items (i) to (v) may qualify as a case manager
282.21 after four years of supervised work experience as a case manager associate. Individuals
282.22 meeting the criteria in item (vi) may qualify as a case manager after three years of supervised
282.23 experience as a case manager associate.

282.24 (h) A case management associate must meet the following supervision, mentoring, and
282.25 continuing education requirements:

282.26 (1) have 40 hours of preservice training described under paragraph (e), clause (2);

282.27 (2) receive ~~at least 40 hours of annual~~ continuing education in mental illness and mental
282.28 health services ~~annually; and according to the following schedule, based on years of service~~
282.29 as a case management associate:

282.30 (i) at least 40 hours in the first year;

283.1 (ii) at least 30 hours in the second year;

283.2 (iii) at least 20 hours in the third year; and

283.3 (iv) at least 20 hours in the fourth year; and

283.4 (3) receive at least ~~five~~ four hours of ~~mentoring~~ supervision per ~~week~~ month from a case
283.5 management ~~mentor~~ supervisor.

283.6 ~~A "case management mentor" means a qualified, practicing case manager or case management~~
283.7 ~~supervisor who teaches or advises and provides intensive training and clinical supervision~~
283.8 ~~to one or more case manager associates. Mentoring may occur while providing direct services~~
283.9 ~~to consumers in the office or in the field and may be provided to individuals or groups of~~
283.10 ~~case manager associates. At least two mentoring hours per week must be individual and~~
283.11 ~~face-to-face.~~

283.12 (i) A case management supervisor must meet the criteria for mental health professionals,
283.13 as specified in subdivision 18.

283.14 (j) An immigrant who does not have the qualifications specified in this subdivision may
283.15 provide case management services to adult immigrants with serious and persistent mental
283.16 illness who are members of the same ethnic group as the case manager if the person:

283.17 (1) is currently enrolled in and is actively pursuing credits toward the completion of a
283.18 bachelor's degree in one of the behavioral sciences or a related field including, but not
283.19 limited to, social work, psychology, or nursing from an accredited college or university;

283.20 (2) completes 40 hours of training as specified in this subdivision; and

283.21 (3) receives clinical supervision at least once a week until the requirements of this
283.22 subdivision are met.

283.23 Sec. 3. Minnesota Statutes 2024, section 245.4661, subdivision 9, is amended to read:

283.24 Subd. 9. **Services and programs.** (a) The following three distinct grant programs are
283.25 funded under this section:

283.26 (1) mental health crisis services;

283.27 (2) housing with supports for adults with serious mental illness; and

283.28 (3) projects for assistance in transitioning from homelessness (PATH program).

283.29 (b) In addition, the following are eligible for grant funds:

283.30 (1) community education and prevention;

- 284.1 (2) client outreach;
- 284.2 (3) early identification and intervention;
- 284.3 (4) adult outpatient diagnostic assessment and psychological testing;
- 284.4 (5) peer support services;
- 284.5 (6) community support program services (CSP);
- 284.6 (7) adult residential crisis stabilization;
- 284.7 (8) supported employment;
- 284.8 (9) assertive community treatment (ACT);
- 284.9 (10) housing subsidies;
- 284.10 (11) basic living, social skills, and community intervention;
- 284.11 (12) emergency response services;
- 284.12 (13) adult outpatient psychotherapy;
- 284.13 (14) adult outpatient medication management;
- 284.14 (15) adult mobile crisis services, including the purchase and renovation of vehicles by
- 284.15 mobile crisis teams in order to provide protected transport under section 256B.0625,
- 284.16 subdivision 17, paragraph (l), clause (6);
- 284.17 (16) adult day treatment;
- 284.18 (17) partial hospitalization;
- 284.19 (18) adult residential treatment;
- 284.20 (19) adult mental health targeted case management; and
- 284.21 (20) transportation.

284.22 Sec. 4. Minnesota Statutes 2024, section 245.469, is amended to read:

284.23 **245.469 EMERGENCY SERVICES.**

284.24 Subdivision 1. **Availability of emergency services.** (a) County boards must provide or

284.25 contract for enough emergency services within the county to meet the needs of adults,

284.26 children, and families in the county who are experiencing an emotional crisis or mental

284.27 illness. Clients must not be charged for services provided. Emergency service providers

284.28 must ~~not delay the timely provision of emergency services to a client because of the~~

284.29 ~~unwillingness or inability of the client to pay for services~~ meet the qualifications under

285.1 section 256B.0624, subdivision 4. Emergency services must include assessment, crisis
285.2 intervention, and appropriate case disposition. Emergency services must:

285.3 (1) promote the safety and emotional stability of each client;

285.4 (2) minimize further deterioration of each client;

285.5 (3) help each client to obtain ongoing care and treatment;

285.6 (4) prevent placement in settings that are more intensive, costly, or restrictive than
285.7 necessary and appropriate to meet client needs; and

285.8 (5) provide support, psychoeducation, and referrals to each client's family members,
285.9 service providers, and other third parties on behalf of the client in need of emergency
285.10 services.

285.11 (b) If a county provides engagement services under section 253B.041, the county's
285.12 emergency service providers must refer clients to engagement services when the client
285.13 meets the criteria for engagement services.

285.14 Subd. 2. **Specific requirements.** (a) The county board shall require that all service
285.15 providers of emergency services to adults or children with mental illness provide immediate
285.16 direct access to a mental health professional during regular business hours. For evenings,
285.17 weekends, and holidays, the service may be by direct toll-free telephone access to a mental
285.18 health professional, clinical trainee, or mental health practitioner.

285.19 (b) The commissioner may waive the requirement in paragraph (a) that the evening,
285.20 weekend, and holiday service be provided by a mental health professional, clinical trainee,
285.21 or mental health practitioner if the county documents that:

285.22 (1) mental health professionals, clinical trainees, or mental health practitioners are
285.23 unavailable to provide this service;

285.24 (2) services are provided by a designated person with training in human services who
285.25 receives treatment supervision from a mental health professional; and

285.26 (3) the service provider is not also the provider of fire and public safety emergency
285.27 services.

285.28 (c) The commissioner may waive the requirement in paragraph (b), clause (3), that the
285.29 evening, weekend, and holiday service not be provided by the provider of fire and public
285.30 safety emergency services if:

285.31 (1) every person who will be providing the first telephone contact has received at least
285.32 eight hours of training on emergency mental health services approved by the commissioner;

(2) every person who will be providing the first telephone contact will annually receive at least four hours of continued training on emergency mental health services approved by the commissioner;

(3) the local social service agency has provided public education about available emergency mental health services and can assure potential users of emergency services that their calls will be handled appropriately;

(4) the local social service agency agrees to provide the commissioner with accurate data on the number of emergency mental health service calls received;

(5) the local social service agency agrees to monitor the frequency and quality of emergency services; and

(6) the local social service agency describes how it will comply with paragraph (d).

(d) Whenever emergency service during nonbusiness hours is provided by anyone other than a mental health professional, a mental health professional must be available on call for an emergency assessment and crisis intervention services, and must be available for at least telephone consultation within 30 minutes.

Subd. 3. **Mental health crisis services.** The commissioner of human services shall increase access to mental health crisis services for children and adults. In order to increase access, the commissioner must:

~~(1) develop a central phone number where calls can be routed to the appropriate crisis services~~ promote the 988 Lifeline;

(2) provide telephone consultation 24 hours a day to mobile crisis teams who are serving people with traumatic brain injury or intellectual disabilities who are experiencing a mental health crisis;

(3) expand crisis services across the state, including rural areas of the state and examining access per population;

(4) establish and implement state standards and requirements for crisis services as outlined in section 256B.0624; and

(5) provide grants to adult mental health initiatives, counties, tribes, or community mental health providers to establish new mental health crisis residential service capacity.

Priority will be given to regions that do not have a mental health crisis residential services program, do not have an inpatient psychiatric unit within the region, do not have an inpatient psychiatric unit within 90 miles, or have a demonstrated need based on the number of crisis

287.1 residential or intensive residential treatment beds available to meet the needs of the residents
287.2 in the region. At least 50 percent of the funds must be distributed to programs in rural
287.3 Minnesota. Grant funds may be used for start-up costs, including but not limited to
287.4 renovations, furnishings, and staff training. Grant applications shall provide details on how
287.5 the intended service will address identified needs and shall demonstrate collaboration with
287.6 crisis teams, other mental health providers, hospitals, and police.

287.7 Sec. 5. Minnesota Statutes 2024, section 245.4871, subdivision 4, is amended to read:

287.8 Subd. 4. **Case management service provider.** (a) "Case management service provider"
287.9 means a case manager or case manager associate employed by the county or other entity
287.10 authorized by the county board to provide case management services specified in subdivision
287.11 3 for the child with severe emotional disturbance and the child's family.

287.12 (b) A case manager must:

287.13 (1) have experience and training in working with children;

287.14 (2) be a mental health practitioner under section 245I.04, subdivision 4, or have at least
287.15 a bachelor's degree in one of the behavioral sciences or a related field including, but not
287.16 limited to, social work, psychology, or nursing from an accredited college or university or
287.17 meet the requirements of paragraph (d);

287.18 (3) have experience and training in identifying and assessing a wide range of children's
287.19 needs;

287.20 (4) be knowledgeable about local community resources and how to use those resources
287.21 for the benefit of children and their families; and

287.22 (5) meet the supervision and continuing education requirements of paragraphs (e), (f),
287.23 and (g), as applicable.

287.24 (c) A case manager may be a member of any professional discipline that is part of the
287.25 local system of care for children established by the county board.

287.26 (d) A case manager ~~without a bachelor's degree~~ who is not a mental health practitioner
287.27 and does not have a bachelor's degree or who has a bachelor's degree that is not in one of
287.28 the behavioral sciences or related fields must meet one of the requirements in clauses (1)
287.29 to ~~(3)~~ (5):

287.30 (1) have three or four years of experience as a case manager associate;

287.31 (2) be a registered nurse without a bachelor's degree who has a combination of specialized
287.32 training in psychiatry and work experience consisting of community interaction and

288.1 involvement or community discharge planning in a mental health setting totaling three years;
288.2 ~~or~~

288.3 (3) be a person who qualified as a case manager under the 1998 Department of Human
288.4 Services waiver provision and meets the continuing education, supervision, and mentoring
288.5 requirements in this section;

288.6 (4) prior to direct service delivery, complete at least 80 hours of specific training on the
288.7 characteristics and needs of children with severe emotional disturbance, consistent with
288.8 national practices standards; or

288.9 (5) prior to direct service delivery, demonstrate competency in practice and knowledge
288.10 of the characteristics and needs of children with severe emotional disturbance, consistent
288.11 with national practices standards.

288.12 (e) A case manager with at least 2,000 hours of supervised experience in the delivery
288.13 of mental health services to children must receive regular ongoing supervision and clinical
288.14 supervision totaling 38 hours per year, of which at least one hour per month must be clinical
288.15 supervision regarding individual service delivery with a case management supervisor. The
288.16 other 26 hours of supervision may be provided by a case manager with two years of
288.17 experience. Group supervision may not constitute more than one-half of the required
288.18 supervision hours.

288.19 (f) A case manager without 2,000 hours of supervised experience in the delivery of
288.20 mental health services to children with emotional disturbance must:

288.21 (1) begin 40 hours of training approved by the commissioner of human services in case
288.22 management skills and in the characteristics and needs of children with severe emotional
288.23 disturbance before beginning to provide case management services; and

288.24 (2) receive clinical supervision regarding individual service delivery from a mental
288.25 health professional at least one hour each week until the requirement of 2,000 hours of
288.26 experience is met.

288.27 (g) A case manager who is not licensed, registered, or certified by a health-related
288.28 licensing board must receive 30 hours of continuing education and training in severe
288.29 emotional disturbance and mental health services every two years.

288.30 (h) Clinical supervision must be documented in the child's record. When the case manager
288.31 is not a mental health professional, the county board must provide or contract for needed
288.32 clinical supervision.

289.1 (i) The county board must ensure that the case manager has the freedom to access and
289.2 coordinate the services within the local system of care that are needed by the child.

289.3 (j) A case manager associate (CMA) must:

289.4 (1) work under the direction of a case manager or case management supervisor;

289.5 (2) be at least 21 years of age;

289.6 (3) have at least a high school diploma or its equivalent; and

289.7 (4) meet one of the following criteria:

289.8 (i) have an associate of arts degree in one of the behavioral sciences or human services;

289.9 (ii) be a registered nurse without a bachelor's degree;

289.10 (iii) have three years of life experience as a primary caregiver to a child with serious

289.11 emotional disturbance as defined in subdivision 6 within the previous ten years;

289.12 (iv) have 6,000 hours work experience as a nondegreed state hospital technician; or

289.13 (v) have 6,000 hours of supervised work experience in the delivery of mental health

289.14 services to children with emotional disturbances; hours worked as a mental health behavioral

289.15 aide I or II under section 256B.0943, subdivision 7, may count toward the 6,000 hours of

289.16 supervised work experience.

289.17 Individuals meeting one of the criteria in items (i) to (iv) may qualify as a case manager

289.18 after four years of supervised work experience as a case manager associate. Individuals

289.19 meeting the criteria in item (v) may qualify as a case manager after three years of supervised

289.20 experience as a case manager associate.

289.21 (k) Case manager associates must meet the following supervision, mentoring, and

289.22 continuing education requirements;

289.23 (1) have 40 hours of preservice training described under paragraph (f), clause (1);

289.24 (2) receive at least 40 hours of continuing education in severe emotional disturbance

289.25 and mental health service annually; and

289.26 (3) receive at least five hours of mentoring per week from a case management mentor.

289.27 A "case management mentor" means a qualified, practicing case manager or case management

289.28 supervisor who teaches or advises and provides intensive training and clinical supervision

289.29 to one or more case manager associates. Mentoring may occur while providing direct services

289.30 to consumers in the office or in the field and may be provided to individuals or groups of

290.1 case manager associates. At least two mentoring hours per week must be individual and
290.2 face-to-face.

290.3 (l) A case management supervisor must meet the criteria for a mental health professional
290.4 as specified in subdivision 27.

290.5 (m) An immigrant who does not have the qualifications specified in this subdivision
290.6 may provide case management services to child immigrants with severe emotional
290.7 disturbance of the same ethnic group as the immigrant if the person:

290.8 (1) is currently enrolled in and is actively pursuing credits toward the completion of a
290.9 bachelor's degree in one of the behavioral sciences or related fields at an accredited college
290.10 or university;

290.11 (2) completes 40 hours of training as specified in this subdivision; and

290.12 (3) receives clinical supervision at least once a week until the requirements of obtaining
290.13 a bachelor's degree and 2,000 hours of supervised experience are met.

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

290.15 Sec. 6. Minnesota Statutes 2024, section 245.4871, is amended by adding a subdivision
290.16 to read:

290.17 **Subd. 7a. Clinical supervision.** "Clinical supervision" means the oversight responsibility
290.18 for individual treatment plans and individual mental health service delivery, including
290.19 oversight provided by the case manager. Clinical supervision must be provided by a mental
290.20 health professional. The supervising mental health professional must cosign an individual
290.21 treatment plan, and their name must be documented in the client's record.

290.22 Sec. 7. Minnesota Statutes 2024, section 245.4881, subdivision 3, is amended to read:

290.23 **Subd. 3. Duties of case manager.** (a) Upon a determination of eligibility for case
290.24 management services, the case manager shall develop an individual family community
290.25 support plan for a child as specified in subdivision 4, review the child's progress, ~~and~~ monitor
290.26 the provision of services, and if the child and parent or legal guardian consent, complete a
290.27 written functional assessment as defined by section 245.4871, subdivision 18a. If services
290.28 are to be provided in a host county that is not the county of financial responsibility, the case
290.29 manager shall consult with the host county and obtain a letter demonstrating the concurrence
290.30 of the host county regarding the provision of services.

291.1 (b) The case manager shall note in the child's record the services needed by the child
291.2 and the child's family, the services requested by the family, services that are not available,
291.3 and the unmet needs of the child and child's family. The case manager shall note this
291.4 provision in the child's record.

291.5 Sec. 8. Minnesota Statutes 2024, section 245.4901, subdivision 3, is amended to read:

291.6 Subd. 3. **Allowable grant activities and related expenses.** (a) Allowable grant activities
291.7 and related expenses may include but are not limited to:

291.8 (1) identifying and diagnosing mental health conditions and substance use disorders of
291.9 students;

291.10 (2) delivering mental health and substance use disorder treatment and services to students
291.11 and their families, including via telehealth consistent with section 256B.0625, subdivision
291.12 3b;

291.13 (3) supporting families in meeting their child's needs, including accessing needed mental
291.14 health services to support the parent in caregiving and navigating health care, social service,
291.15 and juvenile justice systems;

291.16 (4) providing transportation for students receiving school-linked behavioral health
291.17 services when school is not in session;

291.18 (5) building the capacity of schools to meet the needs of students with mental health and
291.19 substance use disorder concerns, including school staff development activities for licensed
291.20 and nonlicensed staff; and

291.21 (6) purchasing equipment, connection charges, on-site coordination, set-up fees, and
291.22 site fees in order to deliver school-linked behavioral health services via telehealth.

291.23 (b) Grantees shall obtain all available third-party reimbursement sources as a condition
291.24 of receiving a grant. For purposes of this grant program, a third-party reimbursement source
291.25 excludes a public school as defined in section 120A.20, subdivision 1. Grantees shall serve
291.26 students regardless of health coverage status or ability to pay.

291.27 Sec. 9. **[245.4904] INTERMEDIATE SCHOOL DISTRICT BEHAVIORAL HEALTH**
291.28 **GRANT PROGRAM.**

291.29 Subdivision 1. **Establishment.** The commissioner of human services must establish a
291.30 grant program to improve behavioral health outcomes for youth attending a qualifying
291.31 school unit and to build the capacity of schools to support student and teacher needs in the

292.1 classroom. For purposes of this section, "qualifying school unit" means an intermediate
292.2 school district organized under section 136D.01.

292.3 Subd. 2. **Eligible applicants.** An eligible applicant is an intermediate school district
292.4 organized under section 136D.01, and a partner entity or provider that has demonstrated
292.5 capacity to serve the youth identified in subdivision 1 that is:

292.6 (1) a mental health clinic certified under section 245I.20;

292.7 (2) a community mental health center under section 256B.0625, subdivision 5;

292.8 (3) an Indian health service facility or a facility owned and operated by a Tribe or Tribal
292.9 organization operating under United States Code, title 25, section 5321;

292.10 (4) a provider of children's therapeutic services and supports as defined in section
292.11 256B.0943;

292.12 (5) enrolled in medical assistance as a mental health or substance use disorder provider
292.13 agency and employs at least two full-time equivalent mental health professionals qualified
292.14 according to section 245I.04, subdivision 2, or two alcohol and drug counselors licensed or
292.15 exempt from licensure under chapter 148F who are qualified to provide clinical services to
292.16 children and families;

292.17 (6) licensed under chapter 245G and in compliance with the applicable requirements in
292.18 chapters 245A, 245C, and 260E; section 626.557; and Minnesota Rules, chapter 9544; or

292.19 (7) a licensed professional in private practice as defined in section 245G.01, subdivision
292.20 17, who meets the requirements of section 254B.05, subdivision 1, paragraph (b).

292.21 Subd. 3. **Allowable grant activities and related expenses.** (a) Allowable grant activities
292.22 and related expenses include but are not limited to:

292.23 (1) identifying mental health conditions and substance use disorders of students;

292.24 (2) delivering mental health and substance use disorder treatment and supportive services
292.25 to students and their families within the classroom, including via telehealth consistent with
292.26 section 256B.0625, subdivision 3b;

292.27 (3) delivering therapeutic interventions and customizing an array of supplementary
292.28 learning experiences for students;

292.29 (4) supporting families in meeting their child's needs, including navigating health care,
292.30 social service, and juvenile justice systems;

293.1 (5) providing transportation for students receiving behavioral health services when school
293.2 is not in session;

293.3 (6) building the capacity of schools to meet the needs of students with mental health and
293.4 substance use disorder concerns, including school staff development activities for licensed
293.5 and nonlicensed staff; and

293.6 (7) purchasing equipment, connection charges, on-site coordination, set-up fees, and
293.7 site fees in order to deliver school-linked behavioral health services via telehealth.

293.8 (b) Grantees must obtain all available third-party reimbursement sources as a condition
293.9 of receiving grant funds. For purposes of this grant program, a third-party reimbursement
293.10 source does not include a public school as defined in section 120A.20, subdivision 1. Grantees
293.11 shall serve students regardless of health coverage status or ability to pay.

293.12 Subd. 4. **Calculating the share of the appropriation.** (a) Grants must be awarded to
293.13 qualifying school units proportionately.

293.14 (b) The commissioner must calculate the share of the appropriation to be used in each
293.15 qualifying school unit by multiplying the total appropriation going to the grantees by the
293.16 qualifying school unit's average daily membership in a setting of federal instructional level
293.17 4 or higher and then dividing by the total average daily membership in a setting of federal
293.18 instructional level 4 or higher for the same year for all qualifying school units.

293.19 Subd. 5. **Data collection and outcome measurement.** Grantees must provide data to
293.20 the commissioner for the purpose of evaluating the Intermediate School District Behavioral
293.21 Health Innovation grant program. The commissioner must consult with grantees to develop
293.22 outcome measures for program capacity and performance.

293.23 Sec. 10. Minnesota Statutes 2024, section 245.4907, subdivision 3, is amended to read:

293.24 Subd. 3. **Allowable grant activities.** Grantees must use grant funding to provide training
293.25 for mental health ~~certified~~ family peer ~~specialists~~ specialist candidates and continuing
293.26 education to certified family peer specialists as specified in section 256B.0616, subdivision
293.27 5.

293.28 Sec. 11. Minnesota Statutes 2024, section 245.50, subdivision 3, is amended to read:

293.29 Subd. 3. **Exceptions.** A contract may not be entered into under this section for services
293.30 to persons who:

293.31 (1) are serving a sentence after conviction of a criminal offense;

294.1 ~~(2) are on probation or parole;~~

294.2 ~~(3)~~ (2) are the subject of a presentence investigation; or

294.3 ~~(4)~~ (3) have been committed involuntarily in Minnesota under chapter 253B for treatment
294.4 of mental illness or chemical dependency, except as provided under subdivision 5.

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

294.6 Sec. 12. Minnesota Statutes 2024, section 245.50, is amended by adding a subdivision to
294.7 read:

294.8 **Subd. 6. Contract notice.** A Minnesota mental health, chemical health, or detoxification
294.9 agency or facility entering into a contract with a bordering state under this section must,
294.10 within 30 days of the contract's effective date, provide the commissioner of human services
294.11 with a copy of the contract. If the contract is amended, the agency or facility must provide
294.12 the commissioner with a copy of each amendment within 30 days of the amendment's
294.13 effective date.

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

294.15 Sec. 13. Minnesota Statutes 2024, section 245I.05, subdivision 3, is amended to read:

294.16 **Subd. 3. Initial training.** (a) A staff person must receive training about:

294.17 (1) vulnerable adult maltreatment under section 245A.65, subdivision 3; and

294.18 (2) the maltreatment of minor reporting requirements and definitions in chapter 260E
294.19 within 72 hours of first providing direct contact services to a client.

294.20 (b) Before providing direct contact services to a client, a staff person must receive training
294.21 about:

294.22 (1) client rights and protections under section 245I.12;

294.23 (2) the Minnesota Health Records Act, including client confidentiality, family engagement
294.24 under section 144.294, and client privacy;

294.25 (3) emergency procedures that the staff person must follow when responding to a fire,
294.26 inclement weather, a report of a missing person, and a behavioral or medical emergency;

294.27 (4) specific activities and job functions for which the staff person is responsible, including
294.28 the license holder's program policies and procedures applicable to the staff person's position;

294.29 (5) professional boundaries that the staff person must maintain; and

295.1 (6) specific needs of each client to whom the staff person will be providing direct contact
295.2 services, including each client's developmental status, cognitive functioning, and physical
295.3 and mental abilities.

295.4 (c) Before providing direct contact services to a client, a mental health rehabilitation
295.5 worker, mental health behavioral aide, or mental health practitioner required to receive the
295.6 training according to section 245I.04, subdivision 4, must receive 30 hours of training about:

295.7 (1) mental illnesses;

295.8 (2) client recovery and resiliency;

295.9 (3) mental health de-escalation techniques;

295.10 (4) co-occurring mental illness and substance use disorders; and

295.11 (5) psychotropic medications and medication side effects, including tardive dyskinesia.

295.12 (d) Within 90 days of first providing direct contact services to an adult client, mental
295.13 health practitioner, mental health certified peer specialist, or mental health rehabilitation
295.14 worker must receive training about:

295.15 (1) trauma-informed care and secondary trauma;

295.16 (2) person-centered individual treatment plans, including seeking partnerships with
295.17 family and other natural supports;

295.18 (3) co-occurring substance use disorders; and

295.19 (4) culturally responsive treatment practices.

295.20 (e) Within 90 days of first providing direct contact services to a child client, mental
295.21 health practitioner, mental health certified family peer specialist, mental health certified
295.22 peer specialist, or mental health behavioral aide must receive training about the topics in
295.23 clauses (1) to (5). This training must address the developmental characteristics of each child
295.24 served by the license holder and address the needs of each child in the context of the child's
295.25 family, support system, and culture. Training topics must include:

295.26 (1) trauma-informed care and secondary trauma, including adverse childhood experiences
295.27 (ACEs);

295.28 (2) family-centered treatment plan development, including seeking partnership with a
295.29 child client's family and other natural supports;

295.30 (3) mental illness and co-occurring substance use disorders in family systems;

295.31 (4) culturally responsive treatment practices; and

296.1 (5) child development, including cognitive functioning, and physical and mental abilities.

296.2 (f) For a mental health behavioral aide, the training under paragraph (e) must include
296.3 parent team training using a curriculum approved by the commissioner.

296.4 Sec. 14. Minnesota Statutes 2024, section 245I.05, subdivision 5, is amended to read:

296.5 Subd. 5. **Additional training for medication administration.** (a) Prior to administering
296.6 medications to a client under delegated authority or observing a client self-administer
296.7 medications, a staff person who is not a licensed prescriber, registered nurse, or licensed
296.8 practical nurse qualified under section 148.171, subdivision 8, must receive training about
296.9 psychotropic medications, side effects including tardive dyskinesia, and medication
296.10 management.

296.11 (b) Prior to administering medications to a client under delegated authority, a staff person
296.12 must successfully complete a:

296.13 (1) medication administration training program for unlicensed personnel through an
296.14 accredited Minnesota postsecondary educational institution with completion of the course
296.15 documented in writing and placed in the staff person's personnel file; or

296.16 (2) formalized training program taught by a registered nurse or licensed prescriber that
296.17 is offered by the license holder. A staff person's successful completion of the formalized
296.18 training program must include direct observation of the staff person to determine the staff
296.19 person's areas of competency.

296.20 Sec. 15. Minnesota Statutes 2024, section 245I.06, subdivision 3, is amended to read:

296.21 Subd. 3. **Treatment supervision and direct observation of mental health**
296.22 **rehabilitation workers and mental health behavioral aides.** (a) A mental health behavioral
296.23 aide or a mental health rehabilitation worker must receive direct observation from a mental
296.24 health professional, clinical trainee, certified rehabilitation specialist, or mental health
296.25 practitioner while the mental health behavioral aide or mental health rehabilitation worker
296.26 provides treatment services to clients, no less than twice per month for the first six months
296.27 of employment and once per month thereafter. ~~The staff person performing the direct~~
296.28 ~~observation must approve of the progress note for the observed treatment service.~~

296.29 (b) For a mental health rehabilitation worker qualified under section 245I.04, subdivision
296.30 14, paragraph (a), clause (2), item (i), treatment supervision in the first 2,000 hours of work
296.31 must at a minimum consist of:

296.32 (1) monthly individual supervision; and

297.1 (2) direct observation twice per month.

297.2 Sec. 16. Minnesota Statutes 2024, section 245I.11, subdivision 5, is amended to read:

297.3 Subd. 5. **Medication administration in residential programs.** If a license holder is
297.4 licensed as a residential program, the license holder must:

297.5 (1) assess and document each client's ability to self-administer medication. In the
297.6 assessment, the license holder must evaluate the client's ability to: (i) comply with prescribed
297.7 medication regimens; and (ii) store the client's medications safely and in a manner that
297.8 protects other individuals in the facility. Through the assessment process, the license holder
297.9 must assist the client in developing the skills necessary to safely self-administer medication;

297.10 (2) monitor the effectiveness of medications, side effects of medications, and adverse
297.11 reactions to medications, including symptoms and signs of tardive dyskinesia, for each
297.12 client. The license holder must address and document any concerns about a client's
297.13 medications;

297.14 (3) ensure that no staff person or client gives a legend drug supply for one client to
297.15 another client;

297.16 (4) have policies and procedures for: (i) keeping a record of each client's medication
297.17 orders; (ii) keeping a record of any incident of deferring a client's medications; (iii)
297.18 documenting any incident when a client's medication is omitted; and (iv) documenting when
297.19 a client refuses to take medications as prescribed; and

297.20 (5) document and track medication errors, document whether the license holder notified
297.21 anyone about the medication error, determine if the license holder must take any follow-up
297.22 actions, and identify the staff persons who are responsible for taking follow-up actions.

297.23 Sec. 17. Minnesota Statutes 2024, section 245I.12, subdivision 5, is amended to read:

297.24 Subd. 5. **Client grievances.** (a) The license holder must have a grievance procedure
297.25 that:

297.26 (1) describes to clients how the license holder will meet the requirements in this
297.27 subdivision; and

297.28 (2) contains the current public contact information of the Department of Human Services,
297.29 Licensing Division; the Office of Ombudsman for Mental Health and Developmental
297.30 Disabilities; the Department of Health, Office of Health Facilities Complaints; and all
297.31 applicable health-related licensing boards.

298.1 (b) On the day of each client's admission, the license holder must explain the grievance
298.2 procedure to the client.

298.3 (c) The license holder must:

298.4 (1) post the grievance procedure in a place visible to clients and provide a copy of the
298.5 grievance procedure upon request;

298.6 (2) allow clients, former clients, and their authorized representatives to submit a grievance
298.7 to the license holder;

298.8 (3) within three business days of receiving a client's grievance, acknowledge in writing
298.9 that the license holder received the client's grievance. If applicable, the license holder must
298.10 include a notice of the client's separate appeal rights for a managed care organization's
298.11 reduction, termination, or denial of a covered service;

298.12 (4) within 15 business days of receiving a client's grievance, provide a written final
298.13 response to the client's grievance containing the license holder's official response to the
298.14 grievance; and

298.15 (5) allow the client to bring a grievance to the person with the highest level of authority
298.16 in the program.

298.17 (d) Clients may voice grievances and recommend changes in policies and services to
298.18 staff and others of their choice, free from restraint, interference, coercion, discrimination,
298.19 or reprisal, including threat of discharge.

298.20 Sec. 18. Minnesota Statutes 2024, section 245I.23, subdivision 7, is amended to read:

298.21 Subd. 7. **Intensive residential treatment services assessment and treatment**

298.22 **planning.** (a) Within 12 hours of a client's admission, the license holder must evaluate and
298.23 document the client's immediate needs, including the client's:

298.24 (1) health and safety, including the client's need for crisis assistance;

298.25 (2) responsibilities for children, family and other natural supports, and employers; and

298.26 (3) housing and legal issues.

298.27 (b) Within 24 hours of the client's admission, the license holder must complete an initial
298.28 treatment plan for the client. The license holder must:

298.29 (1) base the client's initial treatment plan on the client's referral information and an
298.30 assessment of the client's immediate needs;

298.31 (2) consider crisis assistance strategies that have been effective for the client in the past;

299.1 (3) identify the client's initial treatment goals, measurable treatment objectives, and
299.2 specific interventions that the license holder will use to help the client engage in treatment;

299.3 (4) identify the participants involved in the client's treatment planning. The client must
299.4 be a participant; and

299.5 (5) ensure that a treatment supervisor approves of the client's initial treatment plan if a
299.6 mental health practitioner or clinical trainee completes the client's treatment plan,
299.7 notwithstanding section 245I.08, subdivision 3.

299.8 (c) According to section 245A.65, subdivision 2, paragraph (b), the license holder must
299.9 complete an individual abuse prevention plan as part of a client's initial treatment plan.

299.10 (d) Within ~~five~~ ten days of the client's admission and again within 60 days after the
299.11 client's admission, the license holder must complete a level of care assessment of the client.
299.12 If the license holder determines that a client does not need a medically monitored level of
299.13 service, a treatment supervisor must document how the client's admission to and continued
299.14 services in intensive residential treatment services are medically necessary for the client.

299.15 (e) Within ten days of a client's admission, the license holder must complete or review
299.16 and update the client's standard diagnostic assessment.

299.17 (f) Within ten days of a client's admission, the license holder must complete the client's
299.18 individual treatment plan, notwithstanding section 245I.10, subdivision 8. Within 40 days
299.19 after the client's admission and again within 70 days after the client's admission, the license
299.20 holder must update the client's individual treatment plan. The license holder must focus the
299.21 client's treatment planning on preparing the client for a successful transition from intensive
299.22 residential treatment services to another setting. In addition to the required elements of an
299.23 individual treatment plan under section 245I.10, subdivision 8, the license holder must
299.24 identify the following information in the client's individual treatment plan: (1) the client's
299.25 referrals and resources for the client's health and safety; and (2) the staff persons who are
299.26 responsible for following up with the client's referrals and resources. If the client does not
299.27 receive a referral or resource that the client needs, the license holder must document the
299.28 reason that the license holder did not make the referral or did not connect the client to a
299.29 particular resource. The license holder is responsible for determining whether additional
299.30 follow-up is required on behalf of the client.

299.31 (g) Within 30 days of the client's admission, the license holder must complete a functional
299.32 assessment of the client. Within 60 days after the client's admission, the license holder must
299.33 update the client's functional assessment to include any changes in the client's functioning
299.34 and symptoms.

(h) For a client with a current substance use disorder diagnosis and for a client whose substance use disorder screening in the client's standard diagnostic assessment indicates the possibility that the client has a substance use disorder, the license holder must complete a written assessment of the client's substance use within 30 days of the client's admission. In the substance use assessment, the license holder must: (1) evaluate the client's history of substance use, relapses, and hospitalizations related to substance use; (2) assess the effects of the client's substance use on the client's relationships including with family member and others; (3) identify financial problems, health issues, housing instability, and unemployment; (4) assess the client's legal problems, past and pending incarceration, violence, and victimization; and (5) evaluate the client's suicide attempts, noncompliance with taking prescribed medications, and noncompliance with psychosocial treatment.

(i) On a weekly basis, a mental health professional or certified rehabilitation specialist must review each client's treatment plan and individual abuse prevention plan. The license holder must document in the client's file each weekly review of the client's treatment plan and individual abuse prevention plan.

Sec. 19. Minnesota Statutes 2024, section 256B.0616, subdivision 4, is amended to read:

Subd. 4. **Family peer support specialist program providers.** The commissioner shall develop a process to certify family peer support ~~specialist~~ programs, in accordance with the federal guidelines, in order for the program to bill for reimbursable services. Family peer support programs must operate within an existing mental health community provider or center.

Sec. 20. Minnesota Statutes 2024, section 256B.0616, subdivision 5, is amended to read:

Subd. 5. **Certified family peer specialist training and certification.** (a) The commissioner shall develop ~~a~~ or approve the use of an existing training and certification process for ~~certified~~ certifying family peer specialists. ~~The~~ Family peer specialist candidates must have raised or be currently raising a child with a mental illness, have ~~had~~ experience navigating the children's mental health system, and ~~must~~ demonstrate leadership and advocacy skills and a strong dedication to family-driven and family-focused services. The training curriculum must teach participating family peer ~~specialists~~ specialist candidates specific skills relevant to providing peer support to other parents and youth.

(b) In addition to initial training and certification, the commissioner shall develop ongoing continuing educational workshops on pertinent issues related to family peer support counseling.

301.1 (c) Initial training leading to certification as a family peer specialist and continuing
301.2 education for certified family peer specialists must be delivered by the commissioner or a
301.3 third-party organization approved by the commissioner. An approved third-party organization
301.4 may also provide continuing education of certified family peer specialists.

301.5 Sec. 21. Minnesota Statutes 2024, section 256B.0622, subdivision 3a, is amended to read:

301.6 Subd. 3a. **Provider certification and contract requirements for assertive community**
301.7 **treatment.** (a) The assertive community treatment provider must have each ACT team be
301.8 certified by the state following the certification process and procedures developed by the
301.9 commissioner. The certification process determines whether the ACT team meets the
301.10 standards for assertive community treatment under this section, the standards in chapter
301.11 245I as required in section 245I.011, subdivision 5, and minimum program fidelity standards
301.12 as measured by a nationally recognized fidelity tool approved by the commissioner.
301.13 Recertification must occur at least every three years.

301.14 (b) An ACT team certified under this subdivision must meet the following standards:

301.15 (1) have capacity to recruit, hire, manage, and train required ACT team members;

301.16 (2) have adequate administrative ability to ensure availability of services;

301.17 (3) ensure flexibility in service delivery to respond to the changing and intermittent care
301.18 needs of a client as identified by the client and the individual treatment plan;

301.19 (4) keep all necessary records required by law;

301.20 (5) be an enrolled Medicaid provider; ~~and~~

301.21 (6) establish and maintain a quality assurance plan to determine specific service outcomes
301.22 and the client's satisfaction with services; and

301.23 (7) ensure that overall treatment supervision to the ACT team is provided by a qualified
301.24 member of the ACT team and is available during and after regular business hours and on
301.25 weekends and holidays.

301.26 (c) The commissioner may intervene at any time and decertify an ACT team with cause.
301.27 The commissioner shall establish a process for decertification of an ACT team and shall
301.28 require corrective action, medical assistance repayment, or decertification of an ACT team
301.29 that no longer meets the requirements in this section or that fails to meet the clinical quality
301.30 standards or administrative standards provided by the commissioner in the application and
301.31 certification process. The decertification is subject to appeal to the state.

302.1 Sec. 22. Minnesota Statutes 2024, section 256B.0622, subdivision 7a, is amended to read:

302.2 Subd. 7a. **Assertive community treatment team staff requirements and roles.** (a)

302.3 The required treatment staff qualifications and roles for an ACT team are:

302.4 (1) the team leader:

302.5 (i) ~~shall~~ must be a mental health professional. ~~Individuals who are not licensed but who~~
302.6 ~~are eligible for licensure and are otherwise qualified may also fulfill this role,~~ clinical trainee,
302.7 or mental health practitioner;

302.8 (ii) must be an active member of the ACT team and provide some direct services to
302.9 clients;

302.10 (iii) must be a single full-time staff member, dedicated to the ACT team, who is
302.11 responsible for overseeing the administrative operations of the team and supervising team
302.12 members to ensure delivery of best and ethical practices; and

302.13 (iv) must be available to ensure that overall treatment supervision to the ACT team is
302.14 available after regular business hours and on weekends and holidays and is provided by a
302.15 qualified member of the ACT team;

302.16 (2) the psychiatric care provider:

302.17 (i) must be a mental health professional permitted to prescribe psychiatric medications
302.18 as part of the mental health professional's scope of practice. The psychiatric care provider
302.19 must have demonstrated clinical experience working with individuals with serious and
302.20 persistent mental illness;

302.21 (ii) shall collaborate with the team leader in sharing overall clinical responsibility for
302.22 screening and admitting clients; monitoring clients' treatment and team member service
302.23 delivery; educating staff on psychiatric and nonpsychiatric medications, their side effects,
302.24 and health-related conditions; actively collaborating with nurses; and helping provide
302.25 treatment supervision to the team;

302.26 (iii) shall fulfill the following functions for assertive community treatment clients:
302.27 provide assessment and treatment of clients' symptoms and response to medications, including
302.28 side effects; provide brief therapy to clients; provide diagnostic and medication education
302.29 to clients, with medication decisions based on shared decision making; monitor clients'
302.30 nonpsychiatric medical conditions and nonpsychiatric medications; and conduct home and
302.31 community visits;

303.1 (iv) shall serve as the point of contact for psychiatric treatment if a client is hospitalized
303.2 for mental health treatment and shall communicate directly with the client's inpatient
303.3 psychiatric care providers to ensure continuity of care;

303.4 (v) shall have a minimum full-time equivalency that is prorated at a rate of 16 hours per
303.5 50 clients. Part-time psychiatric care providers shall have designated hours to work on the
303.6 team, with sufficient blocks of time on consistent days to carry out the provider's clinical,
303.7 supervisory, and administrative responsibilities. No more than two psychiatric care providers
303.8 may share this role; and

303.9 (vi) shall provide psychiatric backup to the program after regular business hours and on
303.10 weekends and holidays. The psychiatric care provider may delegate this duty to another
303.11 qualified psychiatric provider;

303.12 (3) the nursing staff:

303.13 (i) shall consist of one to three registered nurses or advanced practice registered nurses,
303.14 of whom at least one has a minimum of one-year experience working with adults with
303.15 serious mental illness and a working knowledge of psychiatric medications. No more than
303.16 two individuals can share a full-time equivalent position;

303.17 (ii) are responsible for managing medication, administering and documenting medication
303.18 treatment, and managing a secure medication room; and

303.19 (iii) shall develop strategies, in collaboration with clients, to maximize taking medications
303.20 as prescribed; screen and monitor clients' mental and physical health conditions and
303.21 medication side effects; engage in health promotion, prevention, and education activities;
303.22 communicate and coordinate services with other medical providers; facilitate the development
303.23 of the individual treatment plan for clients assigned; and educate the ACT team in monitoring
303.24 psychiatric and physical health symptoms and medication side effects;

303.25 (4) the co-occurring disorder specialist:

303.26 (i) shall be a full-time equivalent co-occurring disorder specialist who has received
303.27 specific training on co-occurring disorders that is consistent with national evidence-based
303.28 practices. The training must include practical knowledge of common substances and how
303.29 they affect mental illnesses, the ability to assess substance use disorders and the client's
303.30 stage of treatment, motivational interviewing, and skills necessary to provide counseling to
303.31 clients at all different stages of change and treatment. The co-occurring disorder specialist
303.32 may also be an individual who is a licensed alcohol and drug counselor as described in
303.33 section 148F.01, subdivision 5, or a counselor who otherwise meets the training, experience,

304.1 and other requirements in section 245G.11, subdivision 5. No more than two co-occurring
304.2 disorder specialists may occupy this role; and

304.3 (ii) shall provide or facilitate the provision of co-occurring disorder treatment to clients.

304.4 The co-occurring disorder specialist shall serve as a consultant and educator to fellow ACT
304.5 team members on co-occurring disorders;

304.6 (5) the vocational specialist:

304.7 (i) shall be a full-time vocational specialist who has at least one-year experience providing
304.8 employment services or advanced education that involved field training in vocational services
304.9 to individuals with mental illness. An individual who does not meet these qualifications
304.10 may also serve as the vocational specialist upon completing a training plan approved by the
304.11 commissioner;

304.12 (ii) shall provide or facilitate the provision of vocational services to clients. The vocational
304.13 specialist serves as a consultant and educator to fellow ACT team members on these services;
304.14 and

304.15 (iii) must not refer individuals to receive any type of vocational services or linkage by
304.16 providers outside of the ACT team;

304.17 (6) the mental health certified peer specialist:

304.18 (i) shall be a full-time equivalent. No more than two individuals can share this position.
304.19 The mental health certified peer specialist is a fully integrated team member who provides
304.20 highly individualized services in the community and promotes the self-determination and
304.21 shared decision-making abilities of clients. This requirement may be waived due to workforce
304.22 shortages upon approval of the commissioner;

304.23 (ii) must provide coaching, mentoring, and consultation to the clients to promote recovery,
304.24 self-advocacy, and self-direction, promote wellness management strategies, and assist clients
304.25 in developing advance directives; and

304.26 (iii) must model recovery values, attitudes, beliefs, and personal action to encourage
304.27 wellness and resilience, provide consultation to team members, promote a culture where
304.28 the clients' points of view and preferences are recognized, understood, respected, and
304.29 integrated into treatment, and serve in a manner equivalent to other team members;

304.30 (7) the program administrative assistant shall be a full-time office-based program
304.31 administrative assistant position assigned to solely work with the ACT team, providing a
304.32 range of supports to the team, clients, and families; and

(8) additional staff:

(i) shall be based on team size. Additional treatment team staff may include mental health professionals; clinical trainees; certified rehabilitation specialists; mental health practitioners; or mental health rehabilitation workers. These individuals shall have the knowledge, skills, and abilities required by the population served to carry out rehabilitation and support functions; and

(ii) shall be selected based on specific program needs or the population served.

(b) Each ACT team must clearly document schedules for all ACT team members.

(c) Each ACT team member must serve as a primary team member for clients assigned by the team leader and are responsible for facilitating the individual treatment plan process for those clients. The primary team member for a client is the responsible team member knowledgeable about the client's life and circumstances and writes the individual treatment plan. The primary team member provides individual supportive therapy or counseling, and provides primary support and education to the client's family and support system.

(d) Members of the ACT team must have strong clinical skills, professional qualifications, experience, and competency to provide a full breadth of rehabilitation services. Each staff member shall be proficient in their respective discipline and be able to work collaboratively as a member of a multidisciplinary team to deliver the majority of the treatment, rehabilitation, and support services clients require to fully benefit from receiving assertive community treatment.

(e) Each ACT team member must fulfill training requirements established by the commissioner.

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. 23. Minnesota Statutes 2024, section 256L.03, subdivision 5, is amended to read:

Subd. 5. **Cost-sharing.** (a) Co-payments, coinsurance, and deductibles do not apply to children under the age of 21 and to American Indians as defined in Code of Federal Regulations, title 42, section 600.5.

(b) The commissioner must adjust co-payments, coinsurance, and deductibles for covered services in a manner sufficient to maintain the actuarial value of the benefit to 94 percent. The cost-sharing changes described in this paragraph do not apply to eligible recipients or

306.1 services exempt from cost-sharing under state law. The cost-sharing changes described in
306.2 this paragraph shall not be implemented prior to January 1, 2016.

306.3 (c) The cost-sharing changes authorized under paragraph (b) must satisfy the requirements
306.4 for cost-sharing under the Basic Health Program as set forth in Code of Federal Regulations,
306.5 title 42, sections 600.510 and 600.520.

306.6 (d) Cost-sharing for prescription drugs and related medical supplies to treat chronic
306.7 disease must comply with the requirements of section 62Q.481.

306.8 (e) Co-payments, coinsurance, and deductibles do not apply to additional diagnostic
306.9 services or testing that a health care provider determines an enrollee requires after a
306.10 mammogram, as specified under section 62A.30, subdivision 5.

306.11 (f) Cost-sharing must not apply to drugs used for tobacco and nicotine cessation or to
306.12 tobacco and nicotine cessation services covered under section 256B.0625, subdivision 68.

306.13 (g) Co-payments, coinsurance, and deductibles do not apply to pre-exposure prophylaxis
306.14 (PrEP) and postexposure prophylaxis (PEP) medications when used for the prevention or
306.15 treatment of the human immunodeficiency virus (HIV).

306.16 (h) Co-payments, coinsurance, and deductibles do not apply to mobile crisis intervention,
306.17 as defined in section 256B.0624, subdivision 2, paragraph (d).

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

ARTICLE 10

CHILDREN'S MENTAL HEALTH TERMINOLOGY

306.23 Section 1. Minnesota Statutes 2024, section 62Q.527, subdivision 1, is amended to read:

306.24 Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have
306.25 the meanings given them.

306.26 ~~(b) "Emotional disturbance" has the meaning given in section 245.4871, subdivision 15.~~

306.27 ~~(e)~~ (b) "Mental illness" has the meaning given in ~~section~~ sections 245.462, subdivision
306.28 20, paragraph (a), and 245.4871, subdivision 15.

306.29 ~~(d)~~ (c) "Health plan" has the meaning given in section 62Q.01, subdivision 3, but includes
306.30 the coverages described in section 62A.011, subdivision 3, clauses (7) and (10).

Sec. 2. Minnesota Statutes 2024, section 62Q.527, subdivision 2, is amended to read:

Subd. 2. **Required coverage for antipsychotic drugs.** (a) A health plan that provides prescription drug coverage must provide coverage for an antipsychotic drug prescribed to treat ~~emotional disturbance or~~ mental illness regardless of whether the drug is in the health plan's drug formulary, if the health care provider prescribing the drug:

(1) indicates to the dispensing pharmacist, orally or in writing according to section 151.21, that the prescription must be dispensed as communicated; and

(2) certifies in writing to the health plan company that the health care provider has considered all equivalent drugs in the health plan's drug formulary and has determined that the drug prescribed will best treat the patient's condition.

(b) The health plan is not required to provide coverage for a drug if the drug was removed from the health plan's drug formulary for safety reasons.

(c) For drugs covered under this section, no health plan company that has received a certification from the health care provider as described in paragraph (a) may:

(1) impose a special deductible, co-payment, coinsurance, or other special payment requirement that the health plan does not apply to drugs that are in the health plan's drug formulary; or

(2) require written certification from the prescribing provider each time a prescription is refilled or renewed that the drug prescribed will best treat the patient's condition.

Sec. 3. Minnesota Statutes 2024, section 62Q.527, subdivision 3, is amended to read:

Subd. 3. **Continuing care.** (a) Enrollees receiving a prescribed drug to treat a diagnosed mental illness ~~or emotional disturbance~~ may continue to receive the prescribed drug for up to one year without the imposition of a special deductible, co-payment, coinsurance, or other special payment requirements, when a health plan's drug formulary changes or an enrollee changes health plans and the medication has been shown to effectively treat the patient's condition. In order to be eligible for this continuing care benefit:

(1) the patient must have been treated with the drug for 90 days prior to a change in a health plan's drug formulary or a change in the enrollee's health plan;

(2) the health care provider prescribing the drug indicates to the dispensing pharmacist, orally or in writing according to section 151.21, that the prescription must be dispensed as communicated; and

308.1 (3) the health care provider prescribing the drug certifies in writing to the health plan
308.2 company that the drug prescribed will best treat the patient's condition.

308.3 (b) The continuing care benefit shall be extended annually when the health care provider
308.4 prescribing the drug:

308.5 (1) indicates to the dispensing pharmacist, orally or in writing according to section
308.6 151.21, that the prescription must be dispensed as communicated; and

308.7 (2) certifies in writing to the health plan company that the drug prescribed will best treat
308.8 the patient's condition.

308.9 (c) The health plan company is not required to provide coverage for a drug if the drug
308.10 was removed from the health plan's drug formulary for safety reasons.

308.11 Sec. 4. Minnesota Statutes 2024, section 121A.61, subdivision 3, is amended to read:

308.12 Subd. 3. **Policy components.** The policy must include at least the following components:

308.13 (a) rules governing student conduct and procedures for informing students of the rules;

308.14 (b) the grounds for removal of a student from a class;

308.15 (c) the authority of the classroom teacher to remove students from the classroom pursuant
308.16 to procedures and rules established in the district's policy;

308.17 (d) the procedures for removal of a student from a class by a teacher, school administrator,
308.18 or other school district employee;

308.19 (e) the period of time for which a student may be removed from a class, which may not
308.20 exceed five class periods for a violation of a rule of conduct;

308.21 (f) provisions relating to the responsibility for and custody of a student removed from
308.22 a class;

308.23 (g) the procedures for return of a student to the specified class from which the student
308.24 has been removed;

308.25 (h) the procedures for notifying a student and the student's parents or guardian of
308.26 violations of the rules of conduct and of resulting disciplinary actions;

308.27 (i) any procedures determined appropriate for encouraging early involvement of parents
308.28 or guardians in attempts to improve a student's behavior;

308.29 (j) any procedures determined appropriate for encouraging early detection of behavioral
308.30 problems;

309.1 (k) any procedures determined appropriate for referring a student in need of special
309.2 education services to those services;

309.3 (l) any procedures determined appropriate for ensuring victims of bullying who respond
309.4 with behavior not allowed under the school's behavior policies have access to a remedial
309.5 response, consistent with section 121A.031;

309.6 (m) the procedures for consideration of whether there is a need for a further assessment
309.7 or of whether there is a need for a review of the adequacy of a current individualized
309.8 education program of a student with a disability who is removed from class;

309.9 (n) procedures for detecting and addressing chemical abuse problems of a student while
309.10 on the school premises;

309.11 (o) the minimum consequences for violations of the code of conduct;

309.12 (p) procedures for immediate and appropriate interventions tied to violations of the code;

309.13 (q) a provision that states that a teacher, school employee, school bus driver, or other
309.14 agent of a district may use reasonable force in compliance with section 121A.582 and other
309.15 laws;

309.16 (r) an agreement regarding procedures to coordinate crisis services to the extent funds
309.17 are available with the county board responsible for implementing sections 245.487 to
309.18 245.4889 for students with a serious ~~emotional disturbance~~ mental illness or other students
309.19 who have an individualized education program whose behavior may be addressed by crisis
309.20 intervention;

309.21 (s) a provision that states a student must be removed from class immediately if the student
309.22 engages in assault or violent behavior. For purposes of this paragraph, "assault" has the
309.23 meaning given it in section 609.02, subdivision 10. The removal shall be for a period of
309.24 time deemed appropriate by the principal, in consultation with the teacher;

309.25 (t) a prohibition on the use of exclusionary practices for early learners as defined in
309.26 section 121A.425; and

309.27 (u) a prohibition on the use of exclusionary practices to address attendance and truancy
309.28 issues.

309.29 Sec. 5. Minnesota Statutes 2024, section 128C.02, subdivision 5, is amended to read:

309.30 Subd. 5. **Rules for open enrollees.** (a) The league shall adopt league rules and regulations
309.31 governing the athletic participation of pupils attending school in a nonresident district under
309.32 section 124D.03.

(b) Notwithstanding other law or league rule or regulation to the contrary, when a student enrolls in or is readmitted to a recovery-focused high school after successfully completing a licensed program for treatment of alcohol or substance abuse, or mental illness, ~~or emotional disturbance~~, the student is immediately eligible to participate on the same basis as other district students in the league-sponsored activities of the student's resident school district. Nothing in this paragraph prohibits the league or school district from enforcing a league or district penalty resulting from the student violating a league or district rule.

(c) The league shall adopt league rules making a student with an individualized education program who transfers from one public school to another public school as a reasonable accommodation to reduce barriers to educational access immediately eligible to participate in league-sponsored varsity competition on the same basis as other students in the school to which the student transfers. The league also must establish guidelines, consistent with this paragraph, for reviewing the 504 plan of a student who transfers between public schools to determine whether the student is immediately eligible to participate in league-sponsored varsity competition on the same basis as other students in the school to which the student transfers.

Sec. 6. Minnesota Statutes 2024, section 142G.02, subdivision 56, is amended to read:

Subd. 56. **Learning disabled.** "Learning disabled," for purposes of an extension to the 60-month time limit under section 142G.42, subdivision 4, clause (3), means the person has a disorder in one or more of the psychological processes involved in perceiving, understanding, or using concepts through verbal language or nonverbal means. Learning disabled does not include learning problems that are primarily the result of visual, hearing, or motor disabilities; developmental disability; ~~emotional disturbance~~; or mental illness or due to environmental, cultural, or economic disadvantage.

Sec. 7. Minnesota Statutes 2024, section 142G.27, subdivision 4, is amended to read:

Subd. 4. **Good cause exemptions for not attending orientation.** (a) The county agency shall not impose the sanction under section 142G.70 if it determines that the participant has good cause for failing to attend orientation. Good cause exists when:

(1) appropriate child care is not available;

(2) the participant is ill or injured;

(3) a family member is ill and needs care by the participant that prevents the participant from attending orientation. For a caregiver with a child or adult in the household who meets

311.1 the disability or medical criteria for home care services under section 256B.0659, or a home
311.2 and community-based waiver services program under chapter 256B, or meets the criteria
311.3 for ~~severe emotional disturbance~~ serious mental illness under section 245.4871, subdivision
311.4 6, or for serious and persistent mental illness under section 245.462, subdivision 20,
311.5 paragraph (c), good cause also exists when an interruption in the provision of those services
311.6 occurs which prevents the participant from attending orientation;

311.7 (4) the caregiver is unable to secure necessary transportation;

311.8 (5) the caregiver is in an emergency situation that prevents orientation attendance;

311.9 (6) the orientation conflicts with the caregiver's work, training, or school schedule; or

311.10 (7) the caregiver documents other verifiable impediments to orientation attendance
311.11 beyond the caregiver's control.

311.12 (b) Counties must work with clients to provide child care and transportation necessary
311.13 to ensure a caregiver has every opportunity to attend orientation.

311.14 Sec. 8. Minnesota Statutes 2024, section 142G.42, subdivision 3, is amended to read:

311.15 Subd. 3. **III or incapacitated.** (a) An assistance unit subject to the time limit in section
311.16 142G.40, subdivision 1, is eligible to receive months of assistance under a hardship extension
311.17 if the participant who reached the time limit belongs to any of the following groups:

311.18 (1) participants who are suffering from an illness, injury, or incapacity which has been
311.19 certified by a qualified professional when the illness, injury, or incapacity is expected to
311.20 continue for more than 30 days and severely limits the person's ability to obtain or maintain
311.21 suitable employment. These participants must follow the treatment recommendations of the
311.22 qualified professional certifying the illness, injury, or incapacity;

311.23 (2) participants whose presence in the home is required as a caregiver because of the
311.24 illness, injury, or incapacity of another member in the assistance unit, a relative in the
311.25 household, or a foster child in the household when the illness or incapacity and the need
311.26 for a person to provide assistance in the home has been certified by a qualified professional
311.27 and is expected to continue for more than 30 days; or

311.28 (3) caregivers with a child or an adult in the household who meets the disability or
311.29 medical criteria for home care services under section 256B.0651, subdivision 1, paragraph
311.30 (c), or a home and community-based waiver services program under chapter 256B, or meets
311.31 the criteria for ~~severe emotional disturbance~~ serious mental illness under section 245.4871,
311.32 subdivision 6, or for serious and persistent mental illness under section 245.462, subdivision

312.1 20, paragraph (c). Caregivers in this category are presumed to be prevented from obtaining
312.2 or maintaining suitable employment.

312.3 (b) An assistance unit receiving assistance under a hardship extension under this
312.4 subdivision may continue to receive assistance as long as the participant meets the criteria
312.5 in paragraph (a), clause (1), (2), or (3).

312.6 Sec. 9. Minnesota Statutes 2024, section 245.462, subdivision 4, is amended to read:

312.7 Subd. 4. **Case management service provider.** (a) "Case management service provider"
312.8 means a case manager or case manager associate employed by the county or other entity
312.9 authorized by the county board to provide case management services specified in section
312.10 245.4711.

312.11 (b) A case manager must:

312.12 (1) be skilled in the process of identifying and assessing a wide range of client needs;

312.13 (2) be knowledgeable about local community resources and how to use those resources
312.14 for the benefit of the client;

312.15 (3) be a mental health practitioner as defined in section 245I.04, subdivision 4, or have
312.16 a bachelor's degree in one of the behavioral sciences or related fields including, but not
312.17 limited to, social work, psychology, or nursing from an accredited college or university. A
312.18 case manager who is not a mental health practitioner and who does not have a bachelor's
312.19 degree in one of the behavioral sciences or related fields must meet the requirements of
312.20 paragraph (c); and

312.21 (4) meet the supervision and continuing education requirements described in paragraphs
312.22 (d), (e), and (f), as applicable.

312.23 (c) Case managers without a bachelor's degree must meet one of the requirements in
312.24 clauses (1) to (3):

312.25 (1) have three or four years of experience as a case manager associate as defined in this
312.26 section;

312.27 (2) be a registered nurse without a bachelor's degree and have a combination of
312.28 specialized training in psychiatry and work experience consisting of community interaction
312.29 and involvement or community discharge planning in a mental health setting totaling three
312.30 years; or

313.1 (3) be a person who qualified as a case manager under the 1998 Department of Human
313.2 Service waiver provision and meet the continuing education and mentoring requirements
313.3 in this section.

313.4 (d) A case manager with at least 2,000 hours of supervised experience in the delivery
313.5 of services to adults with mental illness must receive regular ongoing supervision and clinical
313.6 supervision totaling 38 hours per year of which at least one hour per month must be clinical
313.7 supervision regarding individual service delivery with a case management supervisor. The
313.8 remaining 26 hours of supervision may be provided by a case manager with two years of
313.9 experience. Group supervision may not constitute more than one-half of the required
313.10 supervision hours. Clinical supervision must be documented in the client record.

313.11 (e) A case manager without 2,000 hours of supervised experience in the delivery of
313.12 services to adults with mental illness must:

313.13 (1) receive clinical supervision regarding individual service delivery from a mental
313.14 health professional at least one hour per week until the requirement of 2,000 hours of
313.15 experience is met; and

313.16 (2) complete 40 hours of training approved by the commissioner in case management
313.17 skills and the characteristics and needs of adults with serious and persistent mental illness.

313.18 (f) A case manager who is not licensed, registered, or certified by a health-related
313.19 licensing board must receive 30 hours of continuing education and training in mental illness
313.20 and mental health services every two years.

313.21 (g) A case manager associate (CMA) must:

313.22 (1) work under the direction of a case manager or case management supervisor;

313.23 (2) be at least 21 years of age;

313.24 (3) have at least a high school diploma or its equivalent; and

313.25 (4) meet one of the following criteria:

313.26 (i) have an associate of arts degree in one of the behavioral sciences or human services;

313.27 (ii) be a certified peer specialist under section 256B.0615;

313.28 (iii) be a registered nurse without a bachelor's degree;

313.29 (iv) within the previous ten years, have three years of life experience with serious and
313.30 persistent mental illness as defined in subdivision 20; ~~or as a child had severe emotional~~
313.31 ~~disturbance~~ a serious mental illness as defined in section 245.4871, subdivision 6; or have

314.1 three years life experience as a primary caregiver to an adult with serious and persistent
314.2 mental illness within the previous ten years;

314.3 (v) have 6,000 hours work experience as a nondegreed state hospital technician; or

314.4 (vi) have at least 6,000 hours of supervised experience in the delivery of services to
314.5 persons with mental illness.

314.6 Individuals meeting one of the criteria in items (i) to (v) may qualify as a case manager
314.7 after four years of supervised work experience as a case manager associate. Individuals
314.8 meeting the criteria in item (vi) may qualify as a case manager after three years of supervised
314.9 experience as a case manager associate.

314.10 (h) A case management associate must meet the following supervision, mentoring, and
314.11 continuing education requirements:

314.12 (1) have 40 hours of preservice training described under paragraph (e), clause (2);

314.13 (2) receive at least 40 hours of continuing education in mental illness and mental health
314.14 services annually; and

314.15 (3) receive at least five hours of mentoring per week from a case management mentor.

314.16 A "case management mentor" means a qualified, practicing case manager or case management
314.17 supervisor who teaches or advises and provides intensive training and clinical supervision
314.18 to one or more case manager associates. Mentoring may occur while providing direct services
314.19 to consumers in the office or in the field and may be provided to individuals or groups of
314.20 case manager associates. At least two mentoring hours per week must be individual and
314.21 face-to-face.

314.22 (i) A case management supervisor must meet the criteria for mental health professionals,
314.23 as specified in subdivision 18.

314.24 (j) An immigrant who does not have the qualifications specified in this subdivision may
314.25 provide case management services to adult immigrants with serious and persistent mental
314.26 illness who are members of the same ethnic group as the case manager if the person:

314.27 (1) is currently enrolled in and is actively pursuing credits toward the completion of a
314.28 bachelor's degree in one of the behavioral sciences or a related field including, but not
314.29 limited to, social work, psychology, or nursing from an accredited college or university;

314.30 (2) completes 40 hours of training as specified in this subdivision; and

314.31 (3) receives clinical supervision at least once a week until the requirements of this
314.32 subdivision are met.

315.1 Sec. 10. Minnesota Statutes 2024, section 245.4682, subdivision 3, is amended to read:

315.2 Subd. 3. **Projects for coordination of care.** (a) Consistent with section 256B.69 and
315.3 chapter 256L, the commissioner is authorized to solicit, approve, and implement up to three
315.4 projects to demonstrate the integration of physical and mental health services within prepaid
315.5 health plans and their coordination with social services. The commissioner shall require
315.6 that each project be based on locally defined partnerships that include at least one health
315.7 maintenance organization, community integrated service network, or accountable provider
315.8 network authorized and operating under chapter 62D, 62N, or 62T, or county-based
315.9 purchasing entity under section 256B.692 that is eligible to contract with the commissioner
315.10 as a prepaid health plan, and the county or counties within the service area. Counties shall
315.11 retain responsibility and authority for social services in these locally defined partnerships.

315.12 (b) The commissioner, in consultation with consumers, families, and their representatives,
315.13 shall:

315.14 (1) determine criteria for approving the projects and use those criteria to solicit proposals
315.15 for preferred integrated networks. The commissioner must develop criteria to evaluate the
315.16 partnership proposed by the county and prepaid health plan to coordinate access and delivery
315.17 of services. The proposal must at a minimum address how the partnership will coordinate
315.18 the provision of:

315.19 (i) client outreach and identification of health and social service needs paired with
315.20 expedited access to appropriate resources;

315.21 (ii) activities to maintain continuity of health care coverage;

315.22 (iii) children's residential mental health treatment and treatment foster care;

315.23 (iv) court-ordered assessments and treatments;

315.24 (v) prepetition screening and commitments under chapter 253B;

315.25 (vi) assessment and treatment of children identified through mental health screening of
315.26 child welfare and juvenile corrections cases;

315.27 (vii) home and community-based waiver services;

315.28 (viii) assistance with finding and maintaining employment;

315.29 (ix) housing; and

315.30 (x) transportation;

- 316.1 (2) determine specifications for contracts with prepaid health plans to improve the plan's
316.2 ability to serve persons with mental health conditions, including specifications addressing:
- 316.3 (i) early identification and intervention of physical and behavioral health problems;
- 316.4 (ii) communication between the enrollee and the health plan;
- 316.5 (iii) facilitation of enrollment for persons who are also eligible for a Medicare special
316.6 needs plan offered by the health plan;
- 316.7 (iv) risk screening procedures;
- 316.8 (v) health care coordination;
- 316.9 (vi) member services and access to applicable protections and appeal processes;
- 316.10 (vii) specialty provider networks;
- 316.11 (viii) transportation services;
- 316.12 (ix) treatment planning; and
- 316.13 (x) administrative simplification for providers;
- 316.14 (3) begin implementation of the projects no earlier than January 1, 2009, with not more
316.15 than 40 percent of the statewide population included during calendar year 2009 and additional
316.16 counties included in subsequent years;
- 316.17 (4) waive any administrative rule not consistent with the implementation of the projects;
- 316.18 (5) allow potential bidders at least 90 days to respond to the request for proposals; and
- 316.19 (6) conduct an independent evaluation to determine if mental health outcomes have
316.20 improved in that county or counties according to measurable standards designed in
316.21 consultation with the advisory body established under this subdivision and reviewed by the
316.22 State Advisory Council on Mental Health.
- 316.23 (c) Notwithstanding any statute or administrative rule to the contrary, the commissioner
316.24 may enroll all persons eligible for medical assistance with serious mental illness ~~or emotional~~
316.25 ~~disturbance~~ in the prepaid plan of their choice within the project service area unless:
- 316.26 (1) the individual is eligible for home and community-based services for persons with
316.27 developmental disabilities and related conditions under section 256B.092; or
- 316.28 (2) the individual has a basis for exclusion from the prepaid plan under section 256B.69,
316.29 subdivision 4, other than disability, or mental illness, ~~or emotional disturbance~~.

(d) The commissioner shall involve organizations representing persons with mental illness and their families in the development and distribution of information used to educate potential enrollees regarding their options for health care and mental health service delivery under this subdivision.

(e) If the person described in paragraph (c) does not elect to remain in fee-for-service medical assistance, or declines to choose a plan, the commissioner may preferentially assign that person to the prepaid plan participating in the preferred integrated network. The commissioner shall implement the enrollment changes within a project's service area on the timeline specified in that project's approved application.

(f) A person enrolled in a prepaid health plan under paragraphs (c) and (d) may disenroll from the plan at any time.

(g) The commissioner, in consultation with consumers, families, and their representatives, shall evaluate the projects begun in 2009, and shall refine the design of the service integration projects before expanding the projects. The commissioner shall report to the chairs of the legislative committees with jurisdiction over mental health services by March 1, 2008, on plans for evaluation of preferred integrated networks established under this subdivision.

(h) The commissioner shall apply for any federal waivers necessary to implement these changes.

(i) Payment for Medicaid service providers under this subdivision for the months of May and June will be made no earlier than July 1 of the same calendar year.

Sec. 11. Minnesota Statutes 2024, section 245.4835, subdivision 2, is amended to read:

Subd. 2. Failure to maintain expenditures. (a) If a county does not comply with subdivision 1, the commissioner shall require the county to develop a corrective action plan according to a format and timeline established by the commissioner. If the commissioner determines that a county has not developed an acceptable corrective action plan within the required timeline, or that the county is not in compliance with an approved corrective action plan, the protections provided to that county under section 245.485 do not apply.

(b) The commissioner shall consider the following factors to determine whether to approve a county's corrective action plan:

(1) the degree to which a county is maximizing revenues for mental health services from noncounty sources;

318.1 (2) the degree to which a county is expanding use of alternative services that meet mental
318.2 health needs, but do not count as mental health services within existing reporting systems.
318.3 If approved by the commissioner, the alternative services must be included in the county's
318.4 base as well as subsequent years. The commissioner's approval for alternative services must
318.5 be based on the following criteria:

318.6 (i) the service must be provided to children ~~with emotional disturbance~~ or adults with
318.7 mental illness;

318.8 (ii) the services must be based on an individual treatment plan or individual community
318.9 support plan as defined in the Comprehensive Mental Health Act; and

318.10 (iii) the services must be supervised by a mental health professional and provided by
318.11 staff who meet the staff qualifications defined in sections 256B.0943, subdivision 7, and
318.12 256B.0623, subdivision 5.

318.13 (c) Additional county expenditures to make up for the prior year's underspending may
318.14 be spread out over a two-year period.

318.15 Sec. 12. Minnesota Statutes 2024, section 245.4863, is amended to read:

318.16 **245.4863 INTEGRATED CO-OCCURRING DISORDER TREATMENT.**

318.17 (a) The commissioner shall require individuals who perform substance use disorder
318.18 assessments to screen clients for co-occurring mental health disorders, and staff who perform
318.19 mental health diagnostic assessments to screen for co-occurring substance use disorders.
318.20 Screening tools must be approved by the commissioner. If a client screens positive for a
318.21 co-occurring mental health or substance use disorder, the individual performing the screening
318.22 must document what actions will be taken in response to the results and whether further
318.23 assessments must be performed.

318.24 (b) Notwithstanding paragraph (a), screening is not required when:

318.25 (1) the presence of co-occurring disorders was documented for the client in the past 12
318.26 months;

318.27 (2) the client is currently receiving co-occurring disorders treatment;

318.28 (3) the client is being referred for co-occurring disorders treatment; or

318.29 (4) a mental health professional who is competent to perform diagnostic assessments of
318.30 co-occurring disorders is performing a diagnostic assessment to identify whether the client
318.31 may have co-occurring mental health and substance use disorders. If an individual is
318.32 identified to have co-occurring mental health and substance use disorders, the assessing

319.1 mental health professional must document what actions will be taken to address the client's
319.2 co-occurring disorders.

319.3 (c) The commissioner shall adopt rules as necessary to implement this section. The
319.4 commissioner shall ensure that the rules are effective on July 1, 2013, thereby establishing
319.5 a certification process for integrated dual disorder treatment providers and a system through
319.6 which individuals receive integrated dual diagnosis treatment if assessed as having both a
319.7 substance use disorder and ~~either a serious mental illness or emotional disturbance~~.

319.8 (d) The commissioner shall apply for any federal waivers necessary to secure, to the
319.9 extent allowed by law, federal financial participation for the provision of integrated dual
319.10 diagnosis treatment to persons with co-occurring disorders.

319.11 Sec. 13. Minnesota Statutes 2024, section 245.487, subdivision 2, is amended to read:

319.12 Subd. 2. **Findings.** The legislature finds there is a need for further development of
319.13 existing clinical services for ~~emotionally-disturbed children~~ with mental illness and their
319.14 families and the creation of new services for this population. Although the services specified
319.15 in sections 245.487 to 245.4889 are mental health services, sections 245.487 to 245.4889
319.16 emphasize the need for a child-oriented and family-oriented approach of therapeutic
319.17 programming and the need for continuity of care with other community agencies. At the
319.18 same time, sections 245.487 to 245.4889 emphasize the importance of developing special
319.19 mental health expertise in children's mental health services because of the unique needs of
319.20 this population.

319.21 Nothing in sections 245.487 to 245.4889 shall be construed to abridge the authority of
319.22 the court to make dispositions under chapter 260, but the mental health services due any
319.23 child with serious and persistent mental illness, as defined in section 245.462, subdivision
319.24 20, or with ~~severe emotional disturbance~~ serious mental illness, as defined in section
319.25 245.4871, subdivision 6, shall be made a part of any disposition affecting that child.

319.26 Sec. 14. Minnesota Statutes 2024, section 245.4871, subdivision 3, is amended to read:

319.27 Subd. 3. **Case management services.** "Case management services" means activities
319.28 that are coordinated with the family community support services and are designed to help
319.29 the child with ~~severe emotional disturbance~~ serious mental illness and the child's family
319.30 obtain needed mental health services, social services, educational services, health services,
319.31 vocational services, recreational services, and related services in the areas of volunteer
319.32 services, advocacy, transportation, and legal services. Case management services include
319.33 assisting in obtaining a comprehensive diagnostic assessment, developing an individual

320.1 family community support plan, and assisting the child and the child's family in obtaining
320.2 needed services by coordination with other agencies and assuring continuity of care. Case
320.3 managers must assess and reassess the delivery, appropriateness, and effectiveness of services
320.4 over time.

320.5 Sec. 15. Minnesota Statutes 2024, section 245.4871, subdivision 4, is amended to read:

320.6 Subd. 4. **Case management service provider.** (a) "Case management service provider"
320.7 means a case manager or case manager associate employed by the county or other entity
320.8 authorized by the county board to provide case management services specified in subdivision
320.9 3 for the child with ~~severe emotional disturbance~~ serious mental illness and the child's
320.10 family.

320.11 (b) A case manager must:

320.12 (1) have experience and training in working with children;

320.13 (2) have at least a bachelor's degree in one of the behavioral sciences or a related field
320.14 including, but not limited to, social work, psychology, or nursing from an accredited college
320.15 or university or meet the requirements of paragraph (d);

320.16 (3) have experience and training in identifying and assessing a wide range of children's
320.17 needs;

320.18 (4) be knowledgeable about local community resources and how to use those resources
320.19 for the benefit of children and their families; and

320.20 (5) meet the supervision and continuing education requirements of paragraphs (e), (f),
320.21 and (g), as applicable.

320.22 (c) A case manager may be a member of any professional discipline that is part of the
320.23 local system of care for children established by the county board.

320.24 (d) A case manager without a bachelor's degree must meet one of the requirements in
320.25 clauses (1) to (3):

320.26 (1) have three or four years of experience as a case manager associate;

320.27 (2) be a registered nurse without a bachelor's degree who has a combination of specialized
320.28 training in psychiatry and work experience consisting of community interaction and
320.29 involvement or community discharge planning in a mental health setting totaling three years;
320.30 or

321.1 (3) be a person who qualified as a case manager under the 1998 Department of Human
321.2 Services waiver provision and meets the continuing education, supervision, and mentoring
321.3 requirements in this section.

321.4 (e) A case manager with at least 2,000 hours of supervised experience in the delivery
321.5 of mental health services to children must receive regular ongoing supervision and clinical
321.6 supervision totaling 38 hours per year, of which at least one hour per month must be clinical
321.7 supervision regarding individual service delivery with a case management supervisor. The
321.8 other 26 hours of supervision may be provided by a case manager with two years of
321.9 experience. Group supervision may not constitute more than one-half of the required
321.10 supervision hours.

321.11 (f) A case manager without 2,000 hours of supervised experience in the delivery of
321.12 mental health services to children with ~~emotional disturbance~~ mental illness must:

321.13 (1) begin 40 hours of training approved by the commissioner of human services in case
321.14 management skills and in the characteristics and needs of children with ~~severe emotional~~
321.15 ~~disturbance~~ serious mental illness before beginning to provide case management services;
321.16 and

321.17 (2) receive clinical supervision regarding individual service delivery from a mental
321.18 health professional at least one hour each week until the requirement of 2,000 hours of
321.19 experience is met.

321.20 (g) A case manager who is not licensed, registered, or certified by a health-related
321.21 licensing board must receive 30 hours of continuing education and training in ~~severe~~
321.22 ~~emotional disturbance~~ serious mental illness and mental health services every two years.

321.23 (h) Clinical supervision must be documented in the child's record. When the case manager
321.24 is not a mental health professional, the county board must provide or contract for needed
321.25 clinical supervision.

321.26 (i) The county board must ensure that the case manager has the freedom to access and
321.27 coordinate the services within the local system of care that are needed by the child.

321.28 (j) A case manager associate (CMA) must:

321.29 (1) work under the direction of a case manager or case management supervisor;

321.30 (2) be at least 21 years of age;

321.31 (3) have at least a high school diploma or its equivalent; and

321.32 (4) meet one of the following criteria:

- 322.1 (i) have an associate of arts degree in one of the behavioral sciences or human services;
- 322.2 (ii) be a registered nurse without a bachelor's degree;
- 322.3 (iii) have three years of life experience as a primary caregiver to a child with serious
- 322.4 ~~emotional disturbance~~ mental illness as defined in subdivision 6 within the previous ten
- 322.5 years;
- 322.6 (iv) have 6,000 hours work experience as a nondegreed state hospital technician; or
- 322.7 (v) have 6,000 hours of supervised work experience in the delivery of mental health
- 322.8 services to children with ~~emotional disturbances~~ mental illness; hours worked as a mental
- 322.9 health behavioral aide I or II under section 256B.0943, subdivision 7, may count toward
- 322.10 the 6,000 hours of supervised work experience.
- 322.11 Individuals meeting one of the criteria in items (i) to (iv) may qualify as a case manager
- 322.12 after four years of supervised work experience as a case manager associate. Individuals
- 322.13 meeting the criteria in item (v) may qualify as a case manager after three years of supervised
- 322.14 experience as a case manager associate.
- 322.15 (k) Case manager associates must meet the following supervision, mentoring, and
- 322.16 continuing education requirements;
- 322.17 (1) have 40 hours of preservice training described under paragraph (f), clause (1);
- 322.18 (2) receive at least 40 hours of continuing education in ~~severe emotional disturbance~~
- 322.19 serious mental illness and mental health service annually; and
- 322.20 (3) receive at least five hours of mentoring per week from a case management mentor.
- 322.21 A "case management mentor" means a qualified, practicing case manager or case management
- 322.22 supervisor who teaches or advises and provides intensive training and clinical supervision
- 322.23 to one or more case manager associates. Mentoring may occur while providing direct services
- 322.24 to consumers in the office or in the field and may be provided to individuals or groups of
- 322.25 case manager associates. At least two mentoring hours per week must be individual and
- 322.26 face-to-face.
- 322.27 (l) A case management supervisor must meet the criteria for a mental health professional
- 322.28 as specified in subdivision 27.
- 322.29 (m) An immigrant who does not have the qualifications specified in this subdivision
- 322.30 may provide case management services to child immigrants with ~~severe emotional~~
- 322.31 ~~disturbance~~ serious mental illness of the same ethnic group as the immigrant if the person:

323.1 (1) is currently enrolled in and is actively pursuing credits toward the completion of a
323.2 bachelor's degree in one of the behavioral sciences or related fields at an accredited college
323.3 or university;

323.4 (2) completes 40 hours of training as specified in this subdivision; and

323.5 (3) receives clinical supervision at least once a week until the requirements of obtaining
323.6 a bachelor's degree and 2,000 hours of supervised experience are met.

323.7 Sec. 16. Minnesota Statutes 2024, section 245.4871, subdivision 6, is amended to read:

323.8 Subd. 6. **Child with ~~severe emotional disturbance~~ serious mental illness.** For purposes
323.9 of eligibility for case management and family community support services, "child with
323.10 ~~severe emotional disturbance~~ serious mental illness" means a child who has ~~an emotional~~
323.11 ~~disturbance~~ mental illness and who meets one of the following criteria:

323.12 (1) the child has been admitted within the last three years or is at risk of being admitted
323.13 to inpatient treatment or residential treatment for ~~an emotional disturbance~~ mental illness;
323.14 or

323.15 (2) the child is a Minnesota resident and is receiving inpatient treatment or residential
323.16 treatment for ~~an emotional disturbance~~ mental illness through the interstate compact; or

323.17 (3) the child has one of the following as determined by a mental health professional:

323.18 (i) psychosis or a clinical depression; or

323.19 (ii) risk of harming self or others as a result of ~~an emotional disturbance~~ mental illness;
323.20 or

323.21 (iii) psychopathological symptoms as a result of being a victim of physical or sexual
323.22 abuse or of psychic trauma within the past year; or

323.23 (4) the child, as a result of ~~an emotional disturbance~~ mental illness, has significantly
323.24 impaired home, school, or community functioning that has lasted at least one year or that,
323.25 in the written opinion of a mental health professional, presents substantial risk of lasting at
323.26 least one year.

323.27 Sec. 17. Minnesota Statutes 2024, section 245.4871, subdivision 13, is amended to read:

323.28 Subd. 13. **Education and prevention services.** (a) "Education and prevention services"
323.29 means services designed to:

323.30 (1) educate the general public;

324.1 (2) increase the understanding and acceptance of problems associated with ~~emotional~~
324.2 ~~disturbances~~ children's mental illnesses;

324.3 (3) improve people's skills in dealing with high-risk situations known to affect children's
324.4 mental health and functioning; and

324.5 (4) refer specific children or their families with mental health needs to mental health
324.6 services.

324.7 (b) The services include distribution to individuals and agencies identified by the county
324.8 board and the local children's mental health advisory council of information on predictors
324.9 and symptoms of ~~emotional disturbances~~ mental illnesses, where mental health services are
324.10 available in the county, and how to access the services.

324.11 Sec. 18. Minnesota Statutes 2024, section 245.4871, subdivision 15, is amended to read:

324.12 Subd. 15. ~~Emotional disturbance~~ **Mental illness.** ~~"Emotional disturbance"~~ "Mental
324.13 illness" means an organic disorder of the brain or a clinically significant disorder of thought,
324.14 mood, perception, orientation, memory, or behavior that:

324.15 (1) is detailed in a diagnostic codes list published by the commissioner; and

324.16 (2) seriously limits a child's capacity to function in primary aspects of daily living such
324.17 as personal relations, living arrangements, work, school, and recreation.

324.18 ~~"Emotional disturbance"~~ Mental illness is a generic term and is intended to reflect all
324.19 categories of disorder described in the clinical code list published by the commissioner as
324.20 "usually first evident in childhood or adolescence."

324.21 Sec. 19. Minnesota Statutes 2024, section 245.4871, subdivision 17, is amended to read:

324.22 Subd. 17. **Family community support services.** "Family community support services"
324.23 means services provided under the treatment supervision of a mental health professional
324.24 and designed to help each child with ~~severe emotional disturbance~~ serious mental illness to
324.25 function and remain with the child's family in the community. Family community support
324.26 services do not include acute care hospital inpatient treatment, residential treatment services,
324.27 or regional treatment center services. Family community support services include:

324.28 (1) client outreach to each child with ~~severe emotional disturbance~~ serious mental illness
324.29 and the child's family;

324.30 (2) medication monitoring where necessary;

324.31 (3) assistance in developing independent living skills;

- 325.1 (4) assistance in developing parenting skills necessary to address the needs of the child
325.2 with ~~severe emotional disturbance~~ serious mental illness;
- 325.3 (5) assistance with leisure and recreational activities;
- 325.4 (6) crisis planning, including crisis placement and respite care;
- 325.5 (7) professional home-based family treatment;
- 325.6 (8) foster care with therapeutic supports;
- 325.7 (9) day treatment;
- 325.8 (10) assistance in locating respite care and special needs day care; and
- 325.9 (11) assistance in obtaining potential financial resources, including those benefits listed
325.10 in section 245.4884, subdivision 5.

325.11 Sec. 20. Minnesota Statutes 2024, section 245.4871, subdivision 19, is amended to read:

325.12 Subd. 19. **Individual family community support plan.** "Individual family community
325.13 support plan" means a written plan developed by a case manager in conjunction with the
325.14 family and the child with ~~severe emotional disturbance~~ serious mental illness on the basis
325.15 of a diagnostic assessment and a functional assessment. The plan identifies specific services
325.16 needed by a child and the child's family to:

- 325.17 (1) treat the symptoms and dysfunctions determined in the diagnostic assessment;
- 325.18 (2) relieve conditions leading to ~~emotional disturbance~~ mental illness and improve the
325.19 personal well-being of the child;
- 325.20 (3) improve family functioning;
- 325.21 (4) enhance daily living skills;
- 325.22 (5) improve functioning in education and recreation settings;
- 325.23 (6) improve interpersonal and family relationships;
- 325.24 (7) enhance vocational development; and
- 325.25 (8) assist in obtaining transportation, housing, health services, and employment.

325.26 Sec. 21. Minnesota Statutes 2024, section 245.4871, subdivision 21, is amended to read:

325.27 Subd. 21. **Individual treatment plan.** (a) "Individual treatment plan" means the
325.28 formulation of planned services that are responsive to the needs and goals of a client. An

326.1 individual treatment plan must be completed according to section 245I.10, subdivisions 7
326.2 and 8.

326.3 (b) A children's residential facility licensed under Minnesota Rules, chapter 2960, is
326.4 exempt from the requirements of section 245I.10, subdivisions 7 and 8. Instead, the individual
326.5 treatment plan must:

326.6 (1) include a written plan of intervention, treatment, and services for a child with ~~an~~
326.7 ~~emotional disturbance~~ mental illness that the service provider develops under the clinical
326.8 supervision of a mental health professional on the basis of a diagnostic assessment;

326.9 (2) be developed in conjunction with the family unless clinically inappropriate; and

326.10 (3) identify goals and objectives of treatment, treatment strategy, a schedule for
326.11 accomplishing treatment goals and objectives, and the individuals responsible for providing
326.12 treatment to the child with ~~an emotional disturbance~~ mental illness.

326.13 Sec. 22. Minnesota Statutes 2024, section 245.4871, subdivision 22, is amended to read:

326.14 Subd. 22. **Legal representative.** "Legal representative" means a guardian, conservator,
326.15 or guardian ad litem of a child with ~~an emotional disturbance~~ mental illness authorized by
326.16 the court to make decisions about mental health services for the child.

326.17 Sec. 23. Minnesota Statutes 2024, section 245.4871, subdivision 28, is amended to read:

326.18 Subd. 28. **Mental health services.** "Mental health services" means at least all of the
326.19 treatment services and case management activities that are provided to children with
326.20 ~~emotional disturbances~~ mental illnesses and are described in sections 245.487 to 245.4889.

326.21 Sec. 24. Minnesota Statutes 2024, section 245.4871, subdivision 29, is amended to read:

326.22 Subd. 29. **Outpatient services.** "Outpatient services" means mental health services,
326.23 excluding day treatment and community support services programs, provided by or under
326.24 the treatment supervision of a mental health professional to children with ~~emotional~~
326.25 ~~disturbances~~ mental illnesses who live outside a hospital. Outpatient services include clinical
326.26 activities such as individual, group, and family therapy; individual treatment planning;
326.27 diagnostic assessments; medication management; and psychological testing.

326.28 Sec. 25. Minnesota Statutes 2024, section 245.4871, subdivision 31, is amended to read:

326.29 Subd. 31. **Professional home-based family treatment.** (a) "Professional home-based
326.30 family treatment" means intensive mental health services provided to children because of

327.1 ~~an emotional disturbance~~ mental illness: (1) who are at risk of ~~out-of-home placement~~
327.2 residential treatment or therapeutic foster care; (2) who are in ~~out-of-home placement~~
327.3 residential treatment or therapeutic foster care; or (3) who are returning from ~~out-of-home~~
327.4 ~~placement~~ residential treatment or therapeutic foster care.

327.5 (b) Services are provided to the child and the child's family primarily in the child's home
327.6 environment. Services may also be provided in the child's school, child care setting, or other
327.7 community setting appropriate to the child. Services must be provided on an individual
327.8 family basis, must be child-oriented and family-oriented, and must be designed using
327.9 information from diagnostic and functional assessments to meet the specific mental health
327.10 needs of the child and the child's family. Services must be coordinated with other services
327.11 provided to the child and the child's family.

327.12 (c) Examples of services are: (1) individual therapy; (2) family therapy; (3) client
327.13 outreach; (4) assistance in developing individual living skills; (5) assistance in developing
327.14 parenting skills necessary to address the needs of the child; (6) assistance with leisure and
327.15 recreational services; (7) crisis planning, including crisis respite care and arranging for crisis
327.16 placement; and (8) assistance in locating respite and child care. Services must be coordinated
327.17 with other services provided to the child and family.

327.18 Sec. 26. Minnesota Statutes 2024, section 245.4871, subdivision 32, is amended to read:

327.19 Subd. 32. **Residential treatment.** "Residential treatment" means a 24-hour-a-day program
327.20 under the treatment supervision of a mental health professional, in a community residential
327.21 setting other than an acute care hospital or regional treatment center inpatient unit, that must
327.22 be licensed as a residential treatment program for children with ~~emotional disturbances~~
327.23 mental illnesses under Minnesota Rules, parts 2960.0580 to 2960.0700, or other rules adopted
327.24 by the commissioner.

327.25 Sec. 27. Minnesota Statutes 2024, section 245.4871, subdivision 34, is amended to read:

327.26 Subd. 34. **Therapeutic support of foster care.** "Therapeutic support of foster care"
327.27 means the mental health training and mental health support services and treatment supervision
327.28 provided by a mental health professional to foster families caring for children with ~~severe~~
327.29 ~~emotional disturbance~~ serious mental illnesses to provide a therapeutic family environment
327.30 and support for the child's improved functioning. Therapeutic support of foster care includes
327.31 services provided under section 256B.0946.

328.1 Sec. 28. Minnesota Statutes 2024, section 245.4873, subdivision 2, is amended to read:

328.2 Subd. 2. **State level; coordination.** The Children's Cabinet, under section 4.045, in
328.3 consultation with a representative of the Minnesota District Judges Association Juvenile
328.4 Committee, shall:

328.5 (1) educate each agency about the policies, procedures, funding, and services for children
328.6 with ~~emotional disturbances~~ mental illnesses of all agencies represented;

328.7 (2) develop mechanisms for interagency coordination on behalf of children with ~~emotional~~
328.8 ~~disturbances~~ mental illnesses;

328.9 (3) identify barriers including policies and procedures within all agencies represented
328.10 that interfere with delivery of mental health services for children;

328.11 (4) recommend policy and procedural changes needed to improve development and
328.12 delivery of mental health services for children in the agency or agencies they represent; and

328.13 (5) identify mechanisms for better use of federal and state funding in the delivery of
328.14 mental health services for children.

328.15 Sec. 29. Minnesota Statutes 2024, section 245.4874, subdivision 1, is amended to read:

328.16 Subdivision 1. **Duties of county board.** (a) The county board must:

328.17 (1) develop a system of affordable and locally available children's mental health services
328.18 according to sections 245.487 to 245.4889;

328.19 (2) consider the assessment of unmet needs in the county as reported by the local
328.20 children's mental health advisory council under section 245.4875, subdivision 5, paragraph
328.21 (b), clause (3). The county shall provide, upon request of the local children's mental health
328.22 advisory council, readily available data to assist in the determination of unmet needs;

328.23 (3) assure that parents and providers in the county receive information about how to
328.24 gain access to services provided according to sections 245.487 to 245.4889;

328.25 (4) coordinate the delivery of children's mental health services with services provided
328.26 by social services, education, corrections, health, and vocational agencies to improve the
328.27 availability of mental health services to children and the cost-effectiveness of their delivery;

328.28 (5) assure that mental health services delivered according to sections 245.487 to 245.4889
328.29 are delivered expeditiously and are appropriate to the child's diagnostic assessment and
328.30 individual treatment plan;

329.1 (6) provide for case management services to each child with ~~severe emotional disturbance~~
329.2 serious mental illness according to sections 245.486; 245.4871, subdivisions 3 and 4; and
329.3 245.4881, subdivisions 1, 3, and 5;

329.4 (7) provide for screening of each child under section 245.4885 upon admission to a
329.5 residential treatment facility, ~~acute care hospital inpatient treatment, or informal admission~~
329.6 ~~to a regional treatment center;~~

329.7 (8) prudently administer grants and purchase-of-service contracts that the county board
329.8 determines are necessary to fulfill its responsibilities under sections 245.487 to 245.4889;

329.9 (9) assure that mental health professionals, mental health practitioners, and case managers
329.10 employed by or under contract to the county to provide mental health services are qualified
329.11 under section 245.4871;

329.12 (10) assure that children's mental health services are coordinated with adult mental health
329.13 services specified in sections 245.461 to 245.486 so that a continuum of mental health
329.14 services is available to serve persons with mental illness, regardless of the person's age;

329.15 (11) assure that culturally competent mental health consultants are used as necessary to
329.16 assist the county board in assessing and providing appropriate treatment for children of
329.17 cultural or racial minority heritage; and

329.18 (12) consistent with section 245.486, arrange for or provide a children's mental health
329.19 screening for:

329.20 (i) a child receiving child protective services;

329.21 (ii) a child in ~~out-of-home placement~~ residential treatment or therapeutic foster care;

329.22 (iii) a child for whom parental rights have been terminated;

329.23 (iv) a child found to be delinquent; or

329.24 (v) a child found to have committed a juvenile petty offense for the third or subsequent
329.25 time.

329.26 A children's mental health screening is not required when a screening or diagnostic
329.27 assessment has been performed within the previous 180 days, or the child is currently under
329.28 the care of a mental health professional.

329.29 (b) When a child is receiving protective services or is in ~~out-of-home placement~~
329.30 residential treatment or foster care, the court or county agency must notify a parent or
329.31 guardian whose parental rights have not been terminated of the potential mental health

330.1 screening and the option to prevent the screening by notifying the court or county agency
330.2 in writing.

330.3 (c) When a child is found to be delinquent or a child is found to have committed a
330.4 juvenile petty offense for the third or subsequent time, the court or county agency must
330.5 obtain written informed consent from the parent or legal guardian before a screening is
330.6 conducted unless the court, notwithstanding the parent's failure to consent, determines that
330.7 the screening is in the child's best interest.

330.8 (d) The screening shall be conducted with a screening instrument approved by the
330.9 commissioner of human services according to criteria that are updated and issued annually
330.10 to ensure that approved screening instruments are valid and useful for child welfare and
330.11 juvenile justice populations. Screenings shall be conducted by a mental health practitioner
330.12 as defined in section 245.4871, subdivision 26, or a probation officer or local social services
330.13 agency staff person who is trained in the use of the screening instrument. Training in the
330.14 use of the instrument shall include:

- 330.15 (1) training in the administration of the instrument;
- 330.16 (2) the interpretation of its validity given the child's current circumstances;
- 330.17 (3) the state and federal data practices laws and confidentiality standards;
- 330.18 (4) the parental consent requirement; and
- 330.19 (5) providing respect for families and cultural values.

330.20 If the screen indicates a need for assessment, the child's family, or if the family lacks
330.21 mental health insurance, the local social services agency, in consultation with the child's
330.22 family, shall have conducted a diagnostic assessment, including a functional assessment.
330.23 The administration of the screening shall safeguard the privacy of children receiving the
330.24 screening and their families and shall comply with the Minnesota Government Data Practices
330.25 Act, chapter 13, and the federal Health Insurance Portability and Accountability Act of
330.26 1996, Public Law 104-191. Screening results are classified as private data on individuals,
330.27 as defined by section 13.02, subdivision 12. The county board or Tribal nation may provide
330.28 the commissioner with access to the screening results for the purposes of program evaluation
330.29 and improvement.

330.30 (e) When the county board refers clients to providers of children's therapeutic services
330.31 and supports under section 256B.0943, the county board must clearly identify the desired
330.32 services components not covered under section 256B.0943 and identify the reimbursement

331.1 source for those requested services, the method of payment, and the payment rate to the
331.2 provider.

331.3 Sec. 30. Minnesota Statutes 2024, section 245.4875, subdivision 5, is amended to read:

331.4 Subd. 5. **Local children's advisory council.** (a) By October 1, 1989, the county board,
331.5 individually or in conjunction with other county boards, shall establish a local children's
331.6 mental health advisory council or children's mental health subcommittee of the existing
331.7 local mental health advisory council or shall include persons on its existing mental health
331.8 advisory council who are representatives of children's mental health interests. The following
331.9 individuals must serve on the local children's mental health advisory council, the children's
331.10 mental health subcommittee of an existing local mental health advisory council, or be
331.11 included on an existing mental health advisory council: (1) at least one person who was in
331.12 a mental health program as a child or adolescent; (2) at least one parent of a child or
331.13 adolescent with ~~severe emotional disturbance~~ serious mental illness; (3) one children's
331.14 mental health professional; (4) representatives of minority populations of significant size
331.15 residing in the county; (5) a representative of the children's mental health local coordinating
331.16 council; and (6) one family community support services program representative.

331.17 (b) The local children's mental health advisory council or children's mental health
331.18 subcommittee of an existing advisory council shall seek input from parents, former
331.19 consumers, providers, and others about the needs of children with ~~emotional disturbance~~
331.20 mental illness in the local area and services needed by families of these children, and shall
331.21 meet monthly, unless otherwise determined by the council or subcommittee, but not less
331.22 than quarterly, to review, evaluate, and make recommendations regarding the local children's
331.23 mental health system. Annually, the local children's mental health advisory council or
331.24 children's mental health subcommittee of the existing local mental health advisory council
331.25 shall:

331.26 (1) arrange for input from the local system of care providers regarding coordination of
331.27 care between the services;

331.28 (2) identify for the county board the individuals, providers, agencies, and associations
331.29 as specified in section 245.4877, clause (2); and

331.30 (3) provide to the county board a report of unmet mental health needs of children residing
331.31 in the county.

332.1 (c) The county board shall consider the advice of its local children's mental health
332.2 advisory council or children's mental health subcommittee of the existing local mental health
332.3 advisory council in carrying out its authorities and responsibilities.

332.4 Sec. 31. Minnesota Statutes 2024, section 245.4876, subdivision 4, is amended to read:

332.5 Subd. 4. **Referral for case management.** Each provider of emergency services, outpatient
332.6 treatment, community support services, family community support services, day treatment
332.7 services, screening under section 245.4885, professional home-based family treatment
332.8 services, residential treatment facilities, acute care hospital inpatient treatment facilities, or
332.9 regional treatment center services must inform each child with ~~severe emotional disturbance~~
332.10 serious mental illness, and the child's parent or legal representative, of the availability and
332.11 potential benefits to the child of case management. The information shall be provided as
332.12 specified in subdivision 5. If consent is obtained according to subdivision 5, the provider
332.13 must refer the child by notifying the county employee designated by the county board to
332.14 coordinate case management activities of the child's name and address and by informing
332.15 the child's family of whom to contact to request case management. The provider must
332.16 document compliance with this subdivision in the child's record. The parent or child may
332.17 directly request case management even if there has been no referral.

332.18 Sec. 32. Minnesota Statutes 2024, section 245.4876, subdivision 5, is amended to read:

332.19 Subd. 5. **Consent for services or for release of information.** (a) Although sections
332.20 245.487 to 245.4889 require each county board, within the limits of available resources, to
332.21 make the mental health services listed in those sections available to each child residing in
332.22 the county who needs them, the county board shall not provide any services, either directly
332.23 or by contract, unless consent to the services is obtained under this subdivision. The case
332.24 manager assigned to a child with a ~~severe emotional disturbance~~ serious mental illness shall
332.25 not disclose to any person other than the case manager's immediate supervisor and the mental
332.26 health professional providing clinical supervision of the case manager information on the
332.27 child, the child's family, or services provided to the child or the child's family without
332.28 informed written consent unless required to do so by statute or under the Minnesota
332.29 Government Data Practices Act. Informed written consent must comply with section 13.05,
332.30 subdivision 4, paragraph (d), and specify the purpose and use for which the case manager
332.31 may disclose the information.

332.32 (b) The consent or authorization must be obtained from the child's parent unless: (1) the
332.33 parental rights are terminated; or (2) consent is otherwise provided under sections 144.341

333.1 to 144.347; 253B.04, subdivision 1; 260C.148; 260C.151; and 260C.201, subdivision 1,
333.2 the terms of appointment of a court-appointed guardian or conservator, or federal regulations
333.3 governing substance use disorder services.

333.4 Sec. 33. Minnesota Statutes 2024, section 245.4877, is amended to read:

333.5 **245.4877 EDUCATION AND PREVENTION SERVICES.**

333.6 Education and prevention services must be available to all children residing in the county.

333.7 Education and prevention services must be designed to:

333.8 (1) convey information regarding ~~emotional disturbances~~ mental illness, mental health
333.9 needs, and treatment resources to the general public;

333.10 (2) at least annually, distribute to individuals and agencies identified by the county board
333.11 and the local children's mental health advisory council information on predictors and
333.12 symptoms of ~~emotional disturbances~~ mental illness, where mental health services are
333.13 available in the county, and how to access the services;

333.14 (3) increase understanding and acceptance of problems associated with ~~emotional~~
333.15 ~~disturbances~~ mental illness;

333.16 (4) improve people's skills in dealing with high-risk situations known to affect children's
333.17 mental health and functioning;

333.18 (5) prevent development or deepening of ~~emotional disturbances~~ mental illness; and

333.19 (6) refer each child with ~~emotional disturbance~~ mental illness or the child's family with
333.20 additional mental health needs to appropriate mental health services.

333.21 Sec. 34. Minnesota Statutes 2024, section 245.488, subdivision 1, is amended to read:

333.22 Subdivision 1. **Availability of outpatient services.** (a) County boards must provide or
333.23 contract for enough outpatient services within the county to meet the needs of each child
333.24 with ~~emotional disturbance~~ mental illness residing in the county and the child's family.

333.25 Services may be provided directly by the county through county-operated mental health
333.26 clinics meeting the standards of chapter 245I; by contract with privately operated mental
333.27 health clinics meeting the standards of chapter 245I; by contract with hospital mental health
333.28 outpatient programs certified by the Joint Commission on Accreditation of Hospital
333.29 Organizations; or by contract with a mental health professional. A child or a child's parent
333.30 may be required to pay a fee based in accordance with section 245.481. Outpatient services
333.31 include:

- 334.1 (1) conducting diagnostic assessments;
- 334.2 (2) conducting psychological testing;
- 334.3 (3) developing or modifying individual treatment plans;
- 334.4 (4) making referrals and recommending placements as appropriate;
- 334.5 (5) treating the child's mental health needs through therapy; and
- 334.6 (6) prescribing and managing medication and evaluating the effectiveness of prescribed
- 334.7 medication.

334.8 (b) County boards may request a waiver allowing outpatient services to be provided in
 334.9 a nearby trade area if it is determined that the child requires necessary and appropriate
 334.10 services that are only available outside the county.

334.11 (c) Outpatient services offered by the county board to prevent placement must be at the
 334.12 level of treatment appropriate to the child's diagnostic assessment.

334.13 Sec. 35. Minnesota Statutes 2024, section 245.488, subdivision 3, is amended to read:

334.14 Subd. 3. **Mental health crisis services.** County boards must provide or contract for
 334.15 mental health crisis services within the county to meet the needs of children with ~~emotional~~
 334.16 ~~disturbance~~ mental illness residing in the county who are determined, through an assessment
 334.17 by a mental health professional, to be experiencing a mental health crisis or mental health
 334.18 emergency. The mental health crisis services provided must be medically necessary, as
 334.19 defined in section 62Q.53, subdivision 2, and necessary for the safety of the child or others
 334.20 regardless of the setting.

334.21 Sec. 36. Minnesota Statutes 2024, section 245.4881, subdivision 1, is amended to read:

334.22 Subdivision 1. **Availability of case management services.** (a) The county board shall
 334.23 provide case management services for each child with ~~severe emotional disturbance~~ serious
 334.24 mental illness who is a resident of the county and the child's family who request or consent
 334.25 to the services. Case management services must be offered to a child with a serious ~~emotional~~
 334.26 ~~disturbance~~ mental illness who is over the age of 18 consistent with section 245.4875,
 334.27 subdivision 8, or the child's legal representative, provided the child's service needs can be
 334.28 met within the children's service system. Before discontinuing case management services
 334.29 under this subdivision for children between the ages of 17 and 21, a transition plan must be
 334.30 developed. The transition plan must be developed with the child and, with the consent of a
 334.31 child age 18 or over, the child's parent, guardian, or legal representative. The transition plan

335.1 should include plans for health insurance, housing, education, employment, and treatment.
335.2 Staffing ratios must be sufficient to serve the needs of the clients. The case manager must
335.3 meet the requirements in section 245.4871, subdivision 4.

335.4 (b) Except as permitted by law and the commissioner under demonstration projects, case
335.5 management services provided to children with ~~severe emotional disturbance~~ serious mental
335.6 illness eligible for medical assistance must be billed to the medical assistance program under
335.7 sections 256B.02, subdivision 8, and 256B.0625.

335.8 (c) Case management services are eligible for reimbursement under the medical assistance
335.9 program. Costs of mentoring, supervision, and continuing education may be included in the
335.10 reimbursement rate methodology used for case management services under the medical
335.11 assistance program.

335.12 Sec. 37. Minnesota Statutes 2024, section 245.4881, subdivision 4, is amended to read:

335.13 Subd. 4. **Individual family community support plan.** (a) For each child, the case
335.14 manager must develop an individual family community support plan that incorporates the
335.15 child's individual treatment plan. The individual treatment plan may not be a substitute for
335.16 the development of an individual family community support plan. The case manager is
335.17 responsible for developing the individual family community support plan within 30 days
335.18 of intake based on a diagnostic assessment and for implementing and monitoring the delivery
335.19 of services according to the individual family community support plan. The case manager
335.20 must review the plan at least every 180 calendar days after it is developed, unless the case
335.21 manager has received a written request from the child's family or an advocate for the child
335.22 for a review of the plan every 90 days after it is developed. To the extent appropriate, the
335.23 child with ~~severe emotional disturbance~~ serious mental illness, the child's family, advocates,
335.24 service providers, and significant others must be involved in all phases of development and
335.25 implementation of the individual family community support plan. Notwithstanding the lack
335.26 of an individual family community support plan, the case manager shall assist the child and
335.27 child's family in accessing the needed services listed in section 245.4884, subdivision 1.

335.28 (b) The child's individual family community support plan must state:

335.29 (1) the goals and expected outcomes of each service and criteria for evaluating the
335.30 effectiveness and appropriateness of the service;

335.31 (2) the activities for accomplishing each goal;

335.32 (3) a schedule for each activity; and

(4) the frequency of face-to-face contacts by the case manager, as appropriate to client need and the implementation of the individual family community support plan.

Sec. 38. Minnesota Statutes 2024, section 245.4882, subdivision 1, is amended to read:

Subdivision 1. **Availability of residential treatment services.** County boards must provide or contract for enough residential treatment services to meet the needs of each child with ~~severe emotional disturbance~~ serious mental illness residing in the county and needing this level of care. Length of stay is based on the child's residential treatment need and shall be reviewed every 90 days. Services must be appropriate to the child's age and treatment needs and must be made available as close to the county as possible. Residential treatment must be designed to:

(1) help the child improve family living and social interaction skills;

(2) help the child gain the necessary skills to return to the community;

(3) stabilize crisis admissions; and

(4) work with families throughout the placement to improve the ability of the families to care for children with ~~severe emotional disturbance~~ serious mental illness in the home.

Sec. 39. Minnesota Statutes 2024, section 245.4882, subdivision 5, is amended to read:

Subd. 5. **Specialized residential treatment services.** The commissioner of human services shall continue efforts to further interagency collaboration to develop a comprehensive system of services, including family community support and specialized residential treatment services for children. The services shall be designed for children with ~~emotional disturbance~~ mental illness who exhibit violent or destructive behavior and for whom local treatment services are not feasible due to the small number of children statewide who need the services and the specialized nature of the services required. The services shall be located in community settings.

Sec. 40. Minnesota Statutes 2024, section 245.4884, is amended to read:

245.4884 FAMILY COMMUNITY SUPPORT SERVICES.

Subdivision 1. **Availability of family community support services.** By July 1, 1991, county boards must provide or contract for sufficient family community support services within the county to meet the needs of each child with ~~severe emotional disturbance~~ serious mental illness who resides in the county and the child's family. Children or their parents may be required to pay a fee in accordance with section 245.481.

337.1 Family community support services must be designed to improve the ability of children
337.2 with ~~severe emotional disturbance~~ serious mental illness to:

337.3 (1) manage basic activities of daily living;

337.4 (2) function appropriately in home, school, and community settings;

337.5 (3) participate in leisure time or community youth activities;

337.6 (4) set goals and plans;

337.7 (5) reside with the family in the community;

337.8 (6) participate in after-school and summer activities;

337.9 (7) make a smooth transition among mental health and education services provided to
337.10 children; and

337.11 (8) make a smooth transition into the adult mental health system as appropriate.

337.12 In addition, family community support services must be designed to improve overall
337.13 family functioning if clinically appropriate to the child's needs, and to reduce the need for
337.14 and use of placements more intensive, costly, or restrictive both in the number of admissions
337.15 and lengths of stay than indicated by the child's diagnostic assessment.

337.16 The commissioner of human services shall work with mental health professionals to
337.17 develop standards for clinical supervision of family community support services. These
337.18 standards shall be incorporated in rule and in guidelines for grants for family community
337.19 support services.

337.20 Subd. 2. **Day treatment services provided.** (a) Day treatment services must be part of
337.21 the family community support services available to each child with ~~severe emotional~~
337.22 ~~disturbance~~ serious mental illness residing in the county. A child or the child's parent may
337.23 be required to pay a fee according to section 245.481. Day treatment services must be
337.24 designed to:

337.25 (1) provide a structured environment for treatment;

337.26 (2) provide support for residing in the community;

337.27 (3) prevent placements that are more intensive, costly, or restrictive than necessary to
337.28 meet the child's need;

337.29 (4) coordinate with or be offered in conjunction with the child's education program;

337.30 (5) provide therapy and family intervention for children that are coordinated with
337.31 education services provided and funded by schools; and

(6) operate during all 12 months of the year.

(b) County boards may request a waiver from including day treatment services if they can document that:

(1) alternative services exist through the county's family community support services for each child who would otherwise need day treatment services; and

(2) county demographics and geography make the provision of day treatment services cost ineffective and unfeasible.

Subd. 3. Professional home-based family treatment provided. (a) By January 1, 1991, county boards must provide or contract for sufficient professional home-based family treatment within the county to meet the needs of each child with ~~severe emotional disturbance~~ serious mental illness who is at risk of ~~out-of-home placement~~ residential treatment or therapeutic foster care due to the child's ~~emotional disturbance~~ mental illness or who is returning to the home from ~~out-of-home placement~~ residential treatment or therapeutic foster care. The child or the child's parent may be required to pay a fee according to section 245.481. The county board shall require that all service providers of professional home-based family treatment set fee schedules approved by the county board that are based on the child's or family's ability to pay. The professional home-based family treatment must be designed to assist each child with ~~severe emotional disturbance~~ serious mental illness who is at risk of or who is returning from ~~out-of-home placement~~ residential treatment or therapeutic foster care and the child's family to:

(1) improve overall family functioning in all areas of life;

(2) treat the child's symptoms of ~~emotional disturbance~~ mental illness that contribute to a risk of ~~out-of-home placement~~ residential treatment or therapeutic foster care;

(3) provide a positive change in the emotional, behavioral, and mental well-being of children and their families; and

(4) reduce risk of ~~out-of-home placement~~ residential treatment or therapeutic foster care for the identified child with ~~severe emotional disturbance~~ serious mental illness and other siblings or successfully reunify and reintegrate into the family a child returning from ~~out-of-home placement~~ residential treatment or therapeutic foster care due to ~~emotional disturbance~~ mental illness.

(b) Professional home-based family treatment must be provided by a team consisting of a mental health professional and others who are skilled in the delivery of mental health services to children and families in conjunction with other human service providers. The

339.1 professional home-based family treatment team must maintain flexible hours of service
339.2 availability and must provide or arrange for crisis services for each family, 24 hours a day,
339.3 seven days a week. Case loads for each professional home-based family treatment team
339.4 must be small enough to permit the delivery of intensive services and to meet the needs of
339.5 the family. Professional home-based family treatment providers shall coordinate services
339.6 and service needs with case managers assigned to children and their families. The treatment
339.7 team must develop an individual treatment plan that identifies the specific treatment
339.8 objectives for both the child and the family.

339.9 Subd. 4. **Therapeutic support of foster care.** By January 1, 1992, county boards must
339.10 provide or contract for foster care with therapeutic support as defined in section 245.4871,
339.11 subdivision 34. Foster families caring for children with ~~severe emotional disturbance~~ serious
339.12 mental illness must receive training and supportive services, as necessary, at no cost to the
339.13 foster families within the limits of available resources.

339.14 Subd. 5. **Benefits assistance.** The county board must offer help to a child with ~~severe~~
339.15 ~~emotional disturbance~~ serious mental illness and the child's family in applying for federal
339.16 benefits, including Supplemental Security Income, medical assistance, and Medicare.

339.17 Sec. 41. Minnesota Statutes 2024, section 245.4885, subdivision 1, is amended to read:

339.18 Subdivision 1. **Admission criteria.** (a) Prior to admission or placement, except in the
339.19 case of an emergency, all children referred for treatment of ~~severe emotional disturbance~~
339.20 serious mental illness in a treatment foster care setting, residential treatment facility, or
339.21 informally admitted to a regional treatment center shall undergo an assessment to determine
339.22 the appropriate level of care if county funds are used to pay for the child's services. An
339.23 emergency includes when a child is in need of and has been referred for crisis stabilization
339.24 services under section 245.4882, subdivision 6. A child who has been referred to residential
339.25 treatment for crisis stabilization services in a residential treatment center is not required to
339.26 undergo an assessment under this section.

339.27 (b) The county board shall determine the appropriate level of care for a child when
339.28 county-controlled funds are used to pay for the child's residential treatment under this
339.29 chapter, including residential treatment provided in a qualified residential treatment program
339.30 as defined in section 260C.007, subdivision 26d. When a county board does not have
339.31 responsibility for a child's placement and the child is enrolled in a prepaid health program
339.32 under section 256B.69, the enrolled child's contracted health plan must determine the
339.33 appropriate level of care for the child. When Indian Health Services funds or funds of a
339.34 tribally owned facility funded under the Indian Self-Determination and Education Assistance

340.1 Act, Public Law 93-638, are used for the child, the Indian Health Services or 638 tribal
340.2 health facility must determine the appropriate level of care for the child. When more than
340.3 one entity bears responsibility for a child's coverage, the entities shall coordinate level of
340.4 care determination activities for the child to the extent possible.

340.5 (c) The child's level of care determination shall determine whether the proposed treatment:

340.6 (1) is necessary;

340.7 (2) is appropriate to the child's individual treatment needs;

340.8 (3) cannot be effectively provided in the child's home; and

340.9 (4) provides a length of stay as short as possible consistent with the individual child's
340.10 needs.

340.11 (d) When a level of care determination is conducted, the county board or other entity
340.12 may not determine that a screening of a child, referral, or admission to a residential treatment
340.13 facility is not appropriate solely because services were not first provided to the child in a
340.14 less restrictive setting and the child failed to make progress toward or meet treatment goals
340.15 in the less restrictive setting. The level of care determination must be based on a diagnostic
340.16 assessment of a child that evaluates the child's family, school, and community living
340.17 situations; and an assessment of the child's need for care out of the home using a validated
340.18 tool which assesses a child's functional status and assigns an appropriate level of care to the
340.19 child. The validated tool must be approved by the commissioner of human services and
340.20 may be the validated tool approved for the child's assessment under section 260C.704 if the
340.21 juvenile treatment screening team recommended placement of the child in a qualified
340.22 residential treatment program. If a diagnostic assessment has been completed by a mental
340.23 health professional within the past 180 days, a new diagnostic assessment need not be
340.24 completed unless in the opinion of the current treating mental health professional the child's
340.25 mental health status has changed markedly since the assessment was completed. The child's
340.26 parent shall be notified if an assessment will not be completed and of the reasons. A copy
340.27 of the notice shall be placed in the child's file. Recommendations developed as part of the
340.28 level of care determination process shall include specific community services needed by
340.29 the child and, if appropriate, the child's family, and shall indicate whether these services
340.30 are available and accessible to the child and the child's family. The child and the child's
340.31 family must be invited to any meeting where the level of care determination is discussed
340.32 and decisions regarding residential treatment are made. The child and the child's family
340.33 may invite other relatives, friends, or advocates to attend these meetings.

(e) During the level of care determination process, the child, child's family, or child's legal representative, as appropriate, must be informed of the child's eligibility for case management services and family community support services and that an individual family community support plan is being developed by the case manager, if assigned.

(f) The level of care determination, placement decision, and recommendations for mental health services must be documented in the child's record and made available to the child's family, as appropriate.

Sec. 42. Minnesota Statutes 2024, section 245.4889, subdivision 1, is amended to read:

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

(1) counties;

(2) Indian tribes;

(3) children's collaboratives under section 142D.15 or 245.493; or

(4) mental health service providers.

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

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

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

(3) respite care services for children with ~~emotional disturbances~~ mental illness or ~~severe emotional disturbances~~ serious mental illness who are at risk of residential treatment or hospitalization; who are already in ~~out-of-home placement~~ residential treatment, therapeutic foster care, or in family foster settings as defined in chapter 142B and at risk of change in ~~out-of-home placement~~ foster care or placement in a residential facility or other higher level of care; who have utilized crisis services or emergency room services; or who have experienced a loss of in-home staffing support. Allowable activities and expenses for respite care services are defined under subdivision 4. A child is not required to have case management services to receive respite care services. Counties must work to provide access to regularly scheduled respite care;

(4) children's mental health crisis services;

(5) child-, youth-, and family-specific mobile response and stabilization services models;

- 342.1 (6) mental health services for people from cultural and ethnic minorities, including
- 342.2 supervision of clinical trainees who are Black, indigenous, or people of color;
- 342.3 (7) children's mental health screening and follow-up diagnostic assessment and treatment;
- 342.4 (8) services to promote and develop the capacity of providers to use evidence-based
- 342.5 practices in providing children's mental health services;
- 342.6 (9) school-linked mental health services under section 245.4901;
- 342.7 (10) building evidence-based mental health intervention capacity for children birth to
- 342.8 age five;
- 342.9 (11) suicide prevention and counseling services that use text messaging statewide;
- 342.10 (12) mental health first aid training;
- 342.11 (13) training for parents, collaborative partners, and mental health providers on the
- 342.12 impact of adverse childhood experiences and trauma and development of an interactive
- 342.13 website to share information and strategies to promote resilience and prevent trauma;
- 342.14 (14) transition age services to develop or expand mental health treatment and supports
- 342.15 for adolescents and young adults 26 years of age or younger;
- 342.16 (15) early childhood mental health consultation;
- 342.17 (16) evidence-based interventions for youth at risk of developing or experiencing a first
- 342.18 episode of psychosis, and a public awareness campaign on the signs and symptoms of
- 342.19 psychosis;
- 342.20 (17) psychiatric consultation for primary care practitioners; and
- 342.21 (18) providers to begin operations and meet program requirements when establishing a
- 342.22 new children's mental health program. These may be start-up grants.
- 342.23 (c) Services under paragraph (b) must be designed to help each child to function and
- 342.24 remain with the child's family in the community and delivered consistent with the child's
- 342.25 treatment plan. Transition services to eligible young adults under this paragraph must be
- 342.26 designed to foster independent living in the community.
- 342.27 (d) As a condition of receiving grant funds, a grantee shall obtain all available third-party
- 342.28 reimbursement sources, if applicable.
- 342.29 (e) The commissioner may establish and design a pilot program to expand the mobile
- 342.30 response and stabilization services model for children, youth, and families. The commissioner
- 342.31 may use grant funding to consult with a qualified expert entity to assist in the formulation

343.1 of measurable outcomes and explore and position the state to submit a Medicaid state plan
343.2 amendment to scale the model statewide.

343.3 Sec. 43. Minnesota Statutes 2024, section 245.4907, subdivision 2, is amended to read:

343.4 Subd. 2. **Eligible applicants.** An eligible applicant is a licensed entity or provider that
343.5 employs a mental health certified peer family specialist qualified under section 245I.04,
343.6 subdivision 12, and that provides services to families who have a child:

343.7 (1) with ~~an emotional disturbance~~ mental illness or ~~severe emotional disturbance~~ serious
343.8 mental illness under chapter 245;

343.9 (2) receiving inpatient hospitalization under section 256B.0625, subdivision 1;

343.10 (3) admitted to a residential treatment facility under section 245.4882;

343.11 (4) receiving children's intensive behavioral health services under section 256B.0946;

343.12 (5) receiving day treatment or children's therapeutic services and supports under section
343.13 256B.0943; or

343.14 (6) receiving crisis response services under section 256B.0624.

343.15 Sec. 44. Minnesota Statutes 2024, section 245.491, subdivision 2, is amended to read:

343.16 Subd. 2. **Purpose.** The legislature finds that children with mental illnesses or emotional
343.17 or behavioral disturbances or who are at risk of suffering such disturbances often require
343.18 services from multiple service systems including mental health, social services, education,
343.19 corrections, juvenile court, health, and employment and economic development. In order
343.20 to better meet the needs of these children, it is the intent of the legislature to establish an
343.21 integrated children's mental health service system that:

343.22 (1) allows local service decision makers to draw funding from a single local source so
343.23 that funds follow clients and eliminates the need to match clients, funds, services, and
343.24 provider eligibilities;

343.25 (2) creates a local pool of state, local, and private funds to procure a greater medical
343.26 assistance federal financial participation;

343.27 (3) improves the efficiency of use of existing resources;

343.28 (4) minimizes or eliminates the incentives for cost and risk shifting; and

343.29 (5) increases the incentives for earlier identification and intervention.

344.1 The children's mental health integrated fund established under sections 245.491 to 245.495
344.2 must be used to develop and support this integrated mental health service system. In
344.3 developing this integrated service system, it is not the intent of the legislature to limit any
344.4 rights available to children and their families through existing federal and state laws.

344.5 Sec. 45. Minnesota Statutes 2024, section 245.492, subdivision 3, is amended to read:

344.6 Subd. 3. **Children with emotional or behavioral disturbances.** "Children with
344.7 emotional or behavioral disturbances" includes children with ~~emotional disturbances~~ mental
344.8 illnesses as defined in section 245.4871, subdivision 15, and children with emotional or
344.9 behavioral disorders as defined in Minnesota Rules, part 3525.1329, subpart 1.

344.10 Sec. 46. Minnesota Statutes 2024, section 245.697, subdivision 2a, is amended to read:

344.11 Subd. 2a. **Subcommittee on Children's Mental Health.** The State Advisory Council
344.12 on Mental Health (the "advisory council") must have a Subcommittee on Children's Mental
344.13 Health. The subcommittee must make recommendations to the advisory council on policies,
344.14 laws, regulations, and services relating to children's mental health. Members of the
344.15 subcommittee must include:

344.16 (1) the commissioners or designees of the commissioners of the Departments of Human
344.17 Services, Health, Education, State Planning, and Corrections;

344.18 (2) a designee of the Direct Care and Treatment executive board;

344.19 (3) the commissioner of commerce or a designee of the commissioner who is
344.20 knowledgeable about medical insurance issues;

344.21 (4) at least one representative of an advocacy group for children with ~~emotional~~
344.22 ~~disturbances~~ mental illnesses;

344.23 (5) providers of children's mental health services, including at least one provider of
344.24 services to preadolescent children, one provider of services to adolescents, and one
344.25 hospital-based provider;

344.26 (6) parents of children who have ~~emotionally disturbed~~ mental illnesses;

344.27 (7) a present or former consumer of adolescent mental health services;

344.28 (8) educators currently working with ~~emotionally disturbed~~ children with mental illnesses;

344.29 (9) people knowledgeable about the needs of ~~emotionally disturbed~~ children with mental
344.30 illnesses of minority races and cultures;

345.1 (10) people experienced in working with ~~emotionally-disturbed~~ children with mental
345.2 illnesses who have committed status offenses;

345.3 (11) members of the advisory council;

345.4 (12) one person from the local corrections department and one representative of the
345.5 Minnesota District Judges Association Juvenile Committee; and

345.6 (13) county commissioners and social services agency representatives.

345.7 The chair of the advisory council shall appoint subcommittee members described in
345.8 clauses (4) to (12) through the process established in section 15.0597. The chair shall appoint
345.9 members to ensure a geographical balance on the subcommittee. Terms, compensation,
345.10 removal, and filling of vacancies are governed by subdivision 1, except that terms of
345.11 subcommittee members who are also members of the advisory council are coterminous with
345.12 their terms on the advisory council. The subcommittee shall meet at the call of the
345.13 subcommittee chair who is elected by the subcommittee from among its members. The
345.14 subcommittee expires with the expiration of the advisory council.

345.15 Sec. 47. Minnesota Statutes 2024, section 245.814, subdivision 3, is amended to read:

345.16 Subd. 3. **Compensation provisions.** (a) If the commissioner of human services is unable
345.17 to obtain insurance through ordinary methods for coverage of foster home providers, the
345.18 appropriation shall be returned to the general fund and the state shall pay claims subject to
345.19 the following limitations.

345.20 ~~(a)~~ (b) Compensation shall be provided only for injuries, damage, or actions set forth in
345.21 subdivision 1.

345.22 ~~(b)~~ (c) Compensation shall be subject to the conditions and exclusions set forth in
345.23 subdivision 2.

345.24 ~~(c)~~ (d) The state shall provide compensation for bodily injury, property damage, or
345.25 personal injury resulting from the foster home providers activities as a foster home provider
345.26 while the foster child or adult is in the care, custody, and control of the foster home provider
345.27 in an amount not to exceed \$250,000 for each occurrence.

345.28 ~~(d)~~ (e) The state shall provide compensation for damage or destruction of property caused
345.29 or sustained by a foster child or adult in an amount not to exceed \$250 for each occurrence.

345.30 ~~(e)~~ (f) The compensation in paragraphs ~~(e)~~ and (d) and (e) is the total obligation for all
345.31 damages because of each occurrence regardless of the number of claims made in connection
345.32 with the same occurrence, but compensation applies separately to each foster home. The

346.1 state shall have no other responsibility to provide compensation for any injury or loss caused
346.2 or sustained by any foster home provider or foster child or foster adult.

346.3 (g) This coverage is extended as a benefit to foster home providers to encourage care
346.4 of persons who need ~~out-of-home~~ the providers' care. Nothing in this section shall be
346.5 construed to mean that foster home providers are agents or employees of the state nor does
346.6 the state accept any responsibility for the selection, monitoring, supervision, or control of
346.7 foster home providers which is exclusively the responsibility of the counties which shall
346.8 regulate foster home providers in the manner set forth in the rules of the commissioner of
346.9 human services.

346.10 Sec. 48. Minnesota Statutes 2024, section 245.826, is amended to read:

346.11 **245.826 USE OF RESTRICTIVE TECHNIQUES AND PROCEDURES IN**
346.12 **FACILITIES SERVING ~~EMOTIONALLY DISTURBED~~ CHILDREN WITH**
346.13 **MENTAL ILLNESSES.**

346.14 When amending rules governing facilities serving ~~emotionally disturbed~~ children with
346.15 mental illnesses that are licensed under section 245A.09 and Minnesota Rules, parts
346.16 2960.0510 to 2960.0530 and 2960.0580 to 2960.0700, the commissioner of human services
346.17 shall include provisions governing the use of restrictive techniques and procedures. No
346.18 provision of these rules may encourage or require the use of restrictive techniques and
346.19 procedures. The rules must prohibit: (1) the application of certain restrictive techniques or
346.20 procedures in facilities, except as authorized in the child's case plan and monitored by the
346.21 county caseworker responsible for the child; (2) the use of restrictive techniques or procedures
346.22 that restrict the clients' normal access to nutritious diet, drinking water, adequate ventilation,
346.23 necessary medical care, ordinary hygiene facilities, normal sleeping conditions, and necessary
346.24 clothing; and (3) the use of corporal punishment. The rule may specify other restrictive
346.25 techniques and procedures and the specific conditions under which permitted techniques
346.26 and procedures are to be carried out.

346.27 Sec. 49. Minnesota Statutes 2024, section 245.91, subdivision 2, is amended to read:

346.28 Subd. 2. **Agency.** "Agency" means the divisions, officials, or employees of the state
346.29 Departments of Human Services, Direct Care and Treatment, Health, and Education, and
346.30 of local school districts and designated county social service agencies as defined in section
346.31 256G.02, subdivision 7, that are engaged in monitoring, providing, or regulating services
346.32 or treatment for mental illness, developmental disability, or substance use disorder, ~~or~~
346.33 ~~emotional disturbance.~~

Sec. 50. Minnesota Statutes 2024, section 245.91, subdivision 4, is amended to read:

Subd. 4. **Facility or program.** "Facility" or "program" means a nonresidential or residential program as defined in section 245A.02, subdivisions 10 and 14, and any agency, facility, or program that provides services or treatment for mental illness, developmental disability, or substance use disorder, ~~or emotional disturbance~~ that is required to be licensed, certified, or registered by the commissioner of human services, health, or education; a sober home as defined in section 254B.01, subdivision 11; peer recovery support services provided by a recovery community organization as defined in section 254B.01, subdivision 8; and an acute care inpatient facility that provides services or treatment for mental illness, developmental disability, or substance use disorder, ~~or emotional disturbance~~.

Sec. 51. Minnesota Statutes 2024, section 245.92, is amended to read:

245.92 OFFICE OF OMBUDSMAN; CREATION; QUALIFICATIONS; FUNCTION.

The ombudsman for persons receiving services or treatment for mental illness, developmental disability, or substance use disorder, ~~or emotional disturbance~~ shall promote the highest attainable standards of treatment, competence, efficiency, and justice. The ombudsman may gather information and data about decisions, acts, and other matters of an agency, facility, or program, and shall monitor the treatment of individuals participating in a University of Minnesota Department of Psychiatry clinical drug trial. The ombudsman is appointed by the governor, serves in the unclassified service, and may be removed only for just cause. The ombudsman must be selected without regard to political affiliation and must be a person who has knowledge and experience concerning the treatment, needs, and rights of clients, and who is highly competent and qualified. No person may serve as ombudsman while holding another public office.

Sec. 52. Minnesota Statutes 2024, section 245.94, subdivision 1, is amended to read:

Subdivision 1. **Powers.** (a) The ombudsman may prescribe the methods by which complaints to the office are to be made, reviewed, and acted upon. The ombudsman may not levy a complaint fee.

(b) The ombudsman is a health oversight agency as defined in Code of Federal Regulations, title 45, section 164.501. The ombudsman may access patient records according to Code of Federal Regulations, title 42, section 2.53. For purposes of this paragraph, "records" has the meaning given in Code of Federal Regulations, title 42, section 2.53(a)(1)(i).

348.1 (c) The ombudsman may mediate or advocate on behalf of a client.

348.2 (d) The ombudsman may investigate the quality of services provided to clients and
348.3 determine the extent to which quality assurance mechanisms within state and county
348.4 government work to promote the health, safety, and welfare of clients.

348.5 (e) At the request of a client, or upon receiving a complaint or other information affording
348.6 reasonable grounds to believe that the rights of one or more clients who may not be capable
348.7 of requesting assistance have been adversely affected, the ombudsman may gather
348.8 information and data about and analyze, on behalf of the client, the actions of an agency,
348.9 facility, or program.

348.10 (f) The ombudsman may gather, on behalf of one or more clients, records of an agency,
348.11 facility, or program, or records related to clinical drug trials from the University of Minnesota
348.12 Department of Psychiatry, if the records relate to a matter that is within the scope of the
348.13 ombudsman's authority. If the records are private and the client is capable of providing
348.14 consent, the ombudsman shall first obtain the client's consent. The ombudsman is not
348.15 required to obtain consent for access to private data on clients with developmental disabilities
348.16 and individuals served by the Minnesota Sex Offender Program. The ombudsman may also
348.17 take photographic or videographic evidence while reviewing the actions of an agency,
348.18 facility, or program, with the consent of the client. The ombudsman is not required to obtain
348.19 consent for access to private data on decedents who were receiving services for mental
348.20 illness, developmental disability, or substance use disorder, ~~or emotional disturbance~~. All
348.21 data collected, created, received, or maintained by the ombudsman are governed by chapter
348.22 13 and other applicable law.

348.23 (g) Notwithstanding any law to the contrary, the ombudsman may subpoena a person
348.24 to appear, give testimony, or produce documents or other evidence that the ombudsman
348.25 considers relevant to a matter under inquiry. The ombudsman may petition the appropriate
348.26 court in Ramsey County to enforce the subpoena. A witness who is at a hearing or is part
348.27 of an investigation possesses the same privileges that a witness possesses in the courts or
348.28 under the law of this state. Data obtained from a person under this paragraph are private
348.29 data as defined in section 13.02, subdivision 12.

348.30 (h) The ombudsman may, at reasonable times in the course of conducting a review, enter
348.31 and view premises within the control of an agency, facility, or program.

348.32 (i) The ombudsman may attend Direct Care and Treatment Review Board and Special
348.33 Review Board proceedings; proceedings regarding the transfer of clients, as defined in
348.34 section 246.50, subdivision 4, between institutions operated by the Direct Care and Treatment

349.1 executive board; and, subject to the consent of the affected client, other proceedings affecting
349.2 the rights of clients. The ombudsman is not required to obtain consent to attend meetings
349.3 or proceedings and have access to private data on clients with developmental disabilities
349.4 and individuals served by the Minnesota Sex Offender Program.

349.5 (j) The ombudsman shall gather data of agencies, facilities, or programs classified as
349.6 private or confidential as defined in section 13.02, subdivisions 3 and 12, regarding services
349.7 provided to clients with developmental disabilities and individuals served by the Minnesota
349.8 Sex Offender Program.

349.9 (k) To avoid duplication and preserve evidence, the ombudsman shall inform relevant
349.10 licensing or regulatory officials before undertaking a review of an action of the facility or
349.11 program.

349.12 (l) The Office of Ombudsman shall provide the services of the Civil Commitment
349.13 Training and Resource Center.

349.14 (m) The ombudsman shall monitor the treatment of individuals participating in a
349.15 University of Minnesota Department of Psychiatry clinical drug trial and ensure that all
349.16 protections for human subjects required by federal law and the Institutional Review Board
349.17 are provided.

349.18 (n) Sections 245.91 to 245.97 are in addition to other provisions of law under which any
349.19 other remedy or right is provided.

349.20 Sec. 53. Minnesota Statutes 2024, section 245A.03, subdivision 2, is amended to read:

349.21 Subd. 2. **Exclusion from licensure.** (a) This chapter does not apply to:

349.22 (1) residential or nonresidential programs that are provided to a person by an individual
349.23 who is related;

349.24 (2) nonresidential programs that are provided by an unrelated individual to persons from
349.25 a single related family;

349.26 (3) residential or nonresidential programs that are provided to adults who do not misuse
349.27 substances or have a substance use disorder, a mental illness, a developmental disability, a
349.28 functional impairment, or a physical disability;

349.29 (4) sheltered workshops or work activity programs that are certified by the commissioner
349.30 of employment and economic development;

349.31 (5) programs operated by a public school for children 33 months or older;

- 350.1 (6) nonresidential programs primarily for children that provide care or supervision for
- 350.2 periods of less than three hours a day while the child's parent or legal guardian is in the
- 350.3 same building as the nonresidential program or present within another building that is
- 350.4 directly contiguous to the building in which the nonresidential program is located;
- 350.5 (7) nursing homes or hospitals licensed by the commissioner of health except as specified
- 350.6 under section 245A.02;
- 350.7 (8) board and lodge facilities licensed by the commissioner of health that do not provide
- 350.8 children's residential services under Minnesota Rules, chapter 2960, mental health or
- 350.9 substance use disorder treatment;
- 350.10 (9) programs licensed by the commissioner of corrections;
- 350.11 (10) recreation programs for children or adults that are operated or approved by a park
- 350.12 and recreation board whose primary purpose is to provide social and recreational activities;
- 350.13 (11) noncertified boarding care homes unless they provide services for five or more
- 350.14 persons whose primary diagnosis is mental illness or a developmental disability;
- 350.15 (12) programs for children such as scouting, boys clubs, girls clubs, and sports and art
- 350.16 programs, and nonresidential programs for children provided for a cumulative total of less
- 350.17 than 30 days in any 12-month period;
- 350.18 (13) residential programs for persons with mental illness, that are located in hospitals;
- 350.19 (14) camps licensed by the commissioner of health under Minnesota Rules, chapter
- 350.20 4630;
- 350.21 (15) mental health outpatient services for adults with mental illness or children with
- 350.22 ~~emotional disturbance~~ mental illness;
- 350.23 (16) residential programs serving school-age children whose sole purpose is cultural or
- 350.24 educational exchange, until the commissioner adopts appropriate rules;
- 350.25 (17) community support services programs as defined in section 245.462, subdivision
- 350.26 6, and family community support services as defined in section 245.4871, subdivision 17;
- 350.27 (18) assisted living facilities licensed by the commissioner of health under chapter 144G;
- 350.28 (19) substance use disorder treatment activities of licensed professionals in private
- 350.29 practice as defined in section 245G.01, subdivision 17;

351.1 (20) consumer-directed community support service funded under the Medicaid waiver
351.2 for persons with developmental disabilities when the individual who provided the service
351.3 is:

351.4 (i) the same individual who is the direct payee of these specific waiver funds or paid by
351.5 a fiscal agent, fiscal intermediary, or employer of record; and

351.6 (ii) not otherwise under the control of a residential or nonresidential program that is
351.7 required to be licensed under this chapter when providing the service;

351.8 (21) a county that is an eligible vendor under section 254B.05 to provide care coordination
351.9 and comprehensive assessment services;

351.10 (22) a recovery community organization that is an eligible vendor under section 254B.05
351.11 to provide peer recovery support services; or

351.12 (23) programs licensed by the commissioner of children, youth, and families in chapter
351.13 142B.

351.14 (b) For purposes of paragraph (a), clause (6), a building is directly contiguous to a
351.15 building in which a nonresidential program is located if it shares a common wall with the
351.16 building in which the nonresidential program is located or is attached to that building by
351.17 skyway, tunnel, atrium, or common roof.

351.18 (c) Except for the home and community-based services identified in section 245D.03,
351.19 subdivision 1, nothing in this chapter shall be construed to require licensure for any services
351.20 provided and funded according to an approved federal waiver plan where licensure is
351.21 specifically identified as not being a condition for the services and funding.

351.22 Sec. 54. Minnesota Statutes 2024, section 245A.26, subdivision 1, is amended to read:

351.23 Subdivision 1. **Definitions.** (a) For the purposes of this section, the terms defined in this
351.24 subdivision have the meanings given.

351.25 (b) "Clinical trainee" means a staff person who is qualified under section 245I.04,
351.26 subdivision 6.

351.27 (c) "License holder" means an individual, organization, or government entity that was
351.28 issued a license by the commissioner of human services under this chapter for residential
351.29 mental health treatment for children with ~~emotional disturbance~~ mental illness according
351.30 to Minnesota Rules, parts 2960.0010 to 2960.0220 and 2960.0580 to 2960.0700, or shelter
351.31 care services according to Minnesota Rules, parts 2960.0010 to 2960.0120 and 2960.0510
351.32 to 2960.0530.

352.1 (d) "Mental health professional" means an individual who is qualified under section
352.2 245I.04, subdivision 2.

352.3 Sec. 55. Minnesota Statutes 2024, section 245A.26, subdivision 2, is amended to read:

352.4 Subd. 2. **Scope and applicability.** (a) This section establishes additional licensing
352.5 requirements for a children's residential facility to provide children's residential crisis
352.6 stabilization services to a client who is experiencing a mental health crisis and is in need of
352.7 residential treatment services.

352.8 (b) A children's residential facility may provide residential crisis stabilization services
352.9 only if the facility is licensed to provide:

352.10 (1) residential mental health treatment for children with ~~emotional disturbance~~ mental
352.11 illness according to Minnesota Rules, parts 2960.0010 to 2960.0220 and 2960.0580 to
352.12 2960.0700; or

352.13 (2) shelter care services according to Minnesota Rules, parts 2960.0010 to 2960.0120
352.14 and 2960.0510 to 2960.0530.

352.15 (c) If a client receives residential crisis stabilization services for 35 days or fewer in a
352.16 facility licensed according to paragraph (b), clause (1), the facility is not required to complete
352.17 a diagnostic assessment or treatment plan under Minnesota Rules, part 2960.0180, subpart
352.18 2, and part 2960.0600.

352.19 (d) If a client receives residential crisis stabilization services for 35 days or fewer in a
352.20 facility licensed according to paragraph (b), clause (2), the facility is not required to develop
352.21 a plan for meeting the client's immediate needs under Minnesota Rules, part 2960.0520,
352.22 subpart 3.

352.23 Sec. 56. Minnesota Statutes 2024, section 246C.12, subdivision 4, is amended to read:

352.24 Subd. 4. **Staff safety training.** The executive board shall require all staff in mental
352.25 health and support units at regional treatment centers who have contact with ~~persons~~ children
352.26 or adults with mental illness ~~or severe emotional disturbance~~ to be appropriately trained in
352.27 violence reduction and violence prevention and shall establish criteria for such training.
352.28 Training programs shall be developed with input from consumer advocacy organizations
352.29 and shall employ violence prevention techniques as preferable to physical interaction.

353.1 Sec. 57. Minnesota Statutes 2024, section 252.27, subdivision 1, is amended to read:

353.2 Subdivision 1. **County of financial responsibility.** Whenever any child who has a
353.3 developmental disability, or a physical disability or ~~emotional disturbance~~ mental illness is
353.4 in 24-hour care outside the home including respite care, in a facility licensed by the
353.5 commissioner of human services, the cost of services shall be paid by the county of financial
353.6 responsibility determined pursuant to chapter 256G. If the child's parents or guardians do
353.7 not reside in this state, the cost shall be paid by the responsible governmental agency in the
353.8 state from which the child came, by the parents or guardians of the child if they are financially
353.9 able, or, if no other payment source is available, by the commissioner of human services.

353.10 Sec. 58. Minnesota Statutes 2024, section 256B.02, subdivision 11, is amended to read:

353.11 Subd. 11. **Related condition.** "Related condition" means a condition:

353.12 (1) that is found to be closely related to a developmental disability, including but not
353.13 limited to cerebral palsy, epilepsy, autism, fetal alcohol spectrum disorder, and Prader-Willi
353.14 syndrome; and

353.15 (2) that meets all of the following criteria:

353.16 (i) is severe and chronic;

353.17 (ii) results in impairment of general intellectual functioning or adaptive behavior similar
353.18 to that of persons with developmental disabilities;

353.19 (iii) requires treatment or services similar to those required for persons with
353.20 developmental disabilities;

353.21 (iv) is manifested before the person reaches 22 years of age;

353.22 (v) is likely to continue indefinitely;

353.23 (vi) results in substantial functional limitations in three or more of the following areas
353.24 of major life activity:

353.25 (A) self-care;

353.26 (B) understanding and use of language;

353.27 (C) learning;

353.28 (D) mobility;

353.29 (E) self-direction; or

353.30 (F) capacity for independent living; and

(vii) is not attributable to mental illness as defined in section 245.462, subdivision 20, or ~~an emotional disturbance as defined in section 245.4871~~, subdivision 15. For purposes of this item, notwithstanding section 245.462, subdivision 20, or 245.4871, subdivision 15, "mental illness" does not include autism or other pervasive developmental disorders.

Sec. 59. Minnesota Statutes 2024, section 256B.055, subdivision 12, is amended to read:

Subd. 12. Children with disabilities. (a) A person is eligible for medical assistance if the person is under age 19 and qualifies as a disabled individual under United States Code, title 42, section 1382c(a), and would be eligible for medical assistance under the state plan if residing in a medical institution, and the child requires a level of care provided in a hospital, nursing facility, or intermediate care facility for persons with developmental disabilities, for whom home care is appropriate, provided that the cost to medical assistance under this section is not more than the amount that medical assistance would pay for if the child resides in an institution. After the child is determined to be eligible under this section, the commissioner shall review the child's disability under United States Code, title 42, section 1382c(a) and level of care defined under this section no more often than annually and may elect, based on the recommendation of health care professionals under contract with the state medical review team, to extend the review of disability and level of care up to a maximum of four years. The commissioner's decision on the frequency of continuing review of disability and level of care is not subject to administrative appeal under section 256.045. The county agency shall send a notice of disability review to the enrollee six months prior to the date the recertification of disability is due. Nothing in this subdivision shall be construed as affecting other redeterminations of medical assistance eligibility under this chapter and annual cost-effective reviews under this section.

(b) For purposes of this subdivision, "hospital" means an institution as defined in section 144.696, subdivision 3, 144.55, subdivision 3, or Minnesota Rules, part 4640.3600, and licensed pursuant to sections 144.50 to 144.58. For purposes of this subdivision, a child requires a level of care provided in a hospital if the child is determined by the commissioner to need an extensive array of health services, including mental health services, for an undetermined period of time, whose health condition requires frequent monitoring and treatment by a health care professional or by a person supervised by a health care professional, who would reside in a hospital or require frequent hospitalization if these services were not provided, and the daily care needs are more complex than a nursing facility level of care.

355.1 A child with serious ~~emotional disturbance~~ mental illness requires a level of care provided
355.2 in a hospital if the commissioner determines that the individual requires 24-hour supervision
355.3 because the person exhibits recurrent or frequent suicidal or homicidal ideation or behavior,
355.4 recurrent or frequent psychosomatic disorders or somatopsychic disorders that may become
355.5 life threatening, recurrent or frequent severe socially unacceptable behavior associated with
355.6 psychiatric disorder, ongoing and chronic psychosis or severe, ongoing and chronic
355.7 developmental problems requiring continuous skilled observation, or severe disabling
355.8 symptoms for which office-centered outpatient treatment is not adequate, and which overall
355.9 severely impact the individual's ability to function.

355.10 (c) For purposes of this subdivision, "nursing facility" means a facility which provides
355.11 nursing care as defined in section 144A.01, subdivision 5, licensed pursuant to sections
355.12 144A.02 to 144A.10, which is appropriate if a person is in active restorative treatment; is
355.13 in need of special treatments provided or supervised by a licensed nurse; or has unpredictable
355.14 episodes of active disease processes requiring immediate judgment by a licensed nurse. For
355.15 purposes of this subdivision, a child requires the level of care provided in a nursing facility
355.16 if the child is determined by the commissioner to meet the requirements of the preadmission
355.17 screening assessment document under section 256B.0911, adjusted to address age-appropriate
355.18 standards for children age 18 and under.

355.19 (d) For purposes of this subdivision, "intermediate care facility for persons with
355.20 developmental disabilities" or "ICF/DD" means a program licensed to provide services to
355.21 persons with developmental disabilities under section 252.28, and chapter 245A, and a
355.22 physical plant licensed as a supervised living facility under chapter 144, which together are
355.23 certified by the Minnesota Department of Health as meeting the standards in Code of Federal
355.24 Regulations, title 42, part 483, for an intermediate care facility which provides services for
355.25 persons with developmental disabilities who require 24-hour supervision and active treatment
355.26 for medical, behavioral, or habilitation needs. For purposes of this subdivision, a child
355.27 requires a level of care provided in an ICF/DD if the commissioner finds that the child has
355.28 a developmental disability in accordance with section 256B.092, is in need of a 24-hour
355.29 plan of care and active treatment similar to persons with developmental disabilities, and
355.30 there is a reasonable indication that the child will need ICF/DD services.

355.31 (e) For purposes of this subdivision, a person requires the level of care provided in a
355.32 nursing facility if the person requires 24-hour monitoring or supervision and a plan of mental
355.33 health treatment because of specific symptoms or functional impairments associated with
355.34 a serious mental illness or disorder diagnosis, which meet severity criteria for mental health

established by the commissioner and published in March 1997 as the Minnesota Mental Health Level of Care for Children and Adolescents with Severe Emotional Disorders.

(f) The determination of the level of care needed by the child shall be made by the commissioner based on information supplied to the commissioner by (1) the parent or guardian, (2) the child's physician or physicians, advanced practice registered nurse or advanced practice registered nurses, or physician assistant or physician assistants, and (3) other professionals as requested by the commissioner. The commissioner shall establish a screening team to conduct the level of care determinations according to this subdivision.

(g) If a child meets the conditions in paragraph (b), (c), (d), or (e), the commissioner must assess the case to determine whether:

(1) the child qualifies as a disabled individual under United States Code, title 42, section 1382c(a), and would be eligible for medical assistance if residing in a medical institution; and

(2) the cost of medical assistance services for the child, if eligible under this subdivision, would not be more than the cost to medical assistance if the child resides in a medical institution to be determined as follows:

(i) for a child who requires a level of care provided in an ICF/DD, the cost of care for the child in an institution shall be determined using the average payment rate established for the regional treatment centers that are certified as ICF's/DD;

(ii) for a child who requires a level of care provided in an inpatient hospital setting according to paragraph (b), cost-effectiveness shall be determined according to Minnesota Rules, part 9505.3520, items F and G; and

(iii) for a child who requires a level of care provided in a nursing facility according to paragraph (c) or (e), cost-effectiveness shall be determined according to Minnesota Rules, part 9505.3040, except that the nursing facility average rate shall be adjusted to reflect rates which would be paid for children under age 16. The commissioner may authorize an amount up to the amount medical assistance would pay for a child referred to the commissioner by the preadmission screening team under section 256B.0911.

Sec. 60. Minnesota Statutes 2024, section 256B.0616, subdivision 1, is amended to read:

Subdivision 1. **Scope.** Medical assistance covers mental health certified family peer specialists services, as established in subdivision 2, subject to federal approval, if provided to recipients who have ~~an emotional disturbance~~ mental illness or ~~severe emotional disturbance~~ serious mental illness under chapter 245, and are provided by a mental health

certified family peer specialist who has completed the training under subdivision 5 and is qualified according to section 245I.04, subdivision 12. A family peer specialist cannot provide services to the peer specialist's family.

Sec. 61. Minnesota Statutes 2024, section 256B.0757, subdivision 2, is amended to read:

Subd. 2. **Eligible individual.** (a) The commissioner may elect to develop health home models in accordance with United States Code, title 42, section 1396w-4.

(b) An individual is eligible for health home services under this section if the individual is eligible for medical assistance under this chapter and has a condition that meets the definition of mental illness as described in section 245.462, subdivision 20, paragraph (a), or ~~emotional disturbance as defined in section 245.4871~~, subdivision 15, clause (2). The commissioner shall establish criteria for determining continued eligibility.

Sec. 62. Minnesota Statutes 2024, section 256B.0943, subdivision 1, is amended to read:

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

(b) "Children's therapeutic services and supports" means the flexible package of mental health services for children who require varying therapeutic and rehabilitative levels of intervention to treat a diagnosed ~~emotional disturbance, as defined in section 245.4871, subdivision 15, or a diagnosed~~ mental illness, as defined in section 245.462, subdivision 20, or 245.4871, subdivision 15. The services are time-limited interventions that are delivered using various treatment modalities and combinations of services designed to reach treatment outcomes identified in the individual treatment plan.

(c) "Clinical trainee" means a staff person who is qualified according to section 245I.04, subdivision 6.

(d) "Crisis planning" has the meaning given in section 245.4871, subdivision 9a.

(e) "Culturally competent provider" means a provider who understands and can utilize to a client's benefit the client's culture when providing services to the client. A provider may be culturally competent because the provider is of the same cultural or ethnic group as the client or the provider has developed the knowledge and skills through training and experience to provide services to culturally diverse clients.

(f) "Day treatment program" for children means a site-based structured mental health program consisting of psychotherapy for three or more individuals and individual or group

358.1 skills training provided by a team, under the treatment supervision of a mental health
358.2 professional.

358.3 (g) "Direct service time" means the time that a mental health professional, clinical trainee,
358.4 mental health practitioner, or mental health behavioral aide spends face-to-face with a client
358.5 and the client's family or providing covered services through telehealth as defined under
358.6 section 256B.0625, subdivision 3b. Direct service time includes time in which the provider
358.7 obtains a client's history, develops a client's treatment plan, records individual treatment
358.8 outcomes, or provides service components of children's therapeutic services and supports.
358.9 Direct service time does not include time doing work before and after providing direct
358.10 services, including scheduling or maintaining clinical records.

358.11 (h) "Direction of mental health behavioral aide" means the activities of a mental health
358.12 professional, clinical trainee, or mental health practitioner in guiding the mental health
358.13 behavioral aide in providing services to a client. The direction of a mental health behavioral
358.14 aide must be based on the client's individual treatment plan and meet the requirements in
358.15 subdivision 6, paragraph (b), clause (7).

358.16 ~~(i) "Emotional disturbance" has the meaning given in section 245.4871, subdivision 15.~~

358.17 ~~(j)~~ (i) "Individual treatment plan" means the plan described in section 245I.10,
358.18 subdivisions 7 and 8.

358.19 ~~(k)~~ (j) "Mental health behavioral aide services" means medically necessary one-on-one
358.20 activities performed by a mental health behavioral aide qualified according to section
358.21 245I.04, subdivision 16, to assist a child retain or generalize psychosocial skills as previously
358.22 trained by a mental health professional, clinical trainee, or mental health practitioner and
358.23 as described in the child's individual treatment plan and individual behavior plan. Activities
358.24 involve working directly with the child or child's family as provided in subdivision 9,
358.25 paragraph (b), clause (4).

358.26 ~~(l)~~ (k) "Mental health certified family peer specialist" means a staff person who is
358.27 qualified according to section 245I.04, subdivision 12.

358.28 ~~(m)~~ (l) "Mental health practitioner" means a staff person who is qualified according to
358.29 section 245I.04, subdivision 4.

358.30 ~~(n)~~ (m) "Mental health professional" means a staff person who is qualified according to
358.31 section 245I.04, subdivision 2.

358.32 ~~(o)~~ (n) "Mental health service plan development" includes:

358.33 (1) development and revision of a child's individual treatment plan; and

(2) administering and reporting standardized outcome measurements approved by the commissioner, as periodically needed to evaluate the effectiveness of treatment.

~~(p)~~ (o) "Mental illness," ~~for persons at least age 18 but under age 21,~~ has the meaning given in section 245.462, subdivision 20, paragraph (a), for persons at least 18 years of age but under 21 years of age, and has the meaning given in section 245.4871, subdivision 15, for children under 18 years of age.

~~(q)~~ (p) "Psychotherapy" means the treatment described in section 256B.0671, subdivision 11.

~~(+)~~ (q) "Rehabilitative services" or "psychiatric rehabilitation services" means interventions to: (1) restore a child or adolescent to an age-appropriate developmental trajectory that had been disrupted by a psychiatric illness; or (2) enable the child to self-monitor, compensate for, cope with, counteract, or replace psychosocial skills deficits or maladaptive skills acquired over the course of a psychiatric illness. Psychiatric rehabilitation services for children combine coordinated psychotherapy to address internal psychological, emotional, and intellectual processing deficits, and skills training to restore personal and social functioning. Psychiatric rehabilitation services establish a progressive series of goals with each achievement building upon a prior achievement.

~~(s)~~ (r) "Skills training" means individual, family, or group training, delivered by or under the supervision of a mental health professional, designed to facilitate the acquisition of psychosocial skills that are medically necessary to rehabilitate the child to an age-appropriate developmental trajectory heretofore disrupted by a psychiatric illness or to enable the child to self-monitor, compensate for, cope with, counteract, or replace skills deficits or maladaptive skills acquired over the course of a psychiatric illness. Skills training is subject to the service delivery requirements under subdivision 9, paragraph (b), clause (2).

~~(+)~~ (s) "Standard diagnostic assessment" means the assessment described in section 245I.10, subdivision 6.

~~(+)~~ (t) "Treatment supervision" means the supervision described in section 245I.06.

Sec. 63. Minnesota Statutes 2024, section 256B.0943, subdivision 3, is amended to read:

Subd. 3. **Determination of client eligibility.** (a) A client's eligibility to receive children's therapeutic services and supports under this section shall be determined based on a standard diagnostic assessment by a mental health professional or a clinical trainee that is performed within one year before the initial start of service and updated as required under section 245I.10, subdivision 2. The standard diagnostic assessment must:

(1) determine whether a child under age 18 has a diagnosis of ~~emotional disturbance~~
mental illness or, if the person is between the ages of 18 and 21, whether the person has a
mental illness;

(2) document children's therapeutic services and supports as medically necessary to
address an identified disability, functional impairment, and the individual client's needs and
goals; and

(3) be used in the development of the individual treatment plan.

(b) Notwithstanding paragraph (a), a client may be determined to be eligible for up to
five days of day treatment under this section based on a hospital's medical history and
presentation examination of the client.

(c) Children's therapeutic services and supports include development and rehabilitative
services that support a child's developmental treatment needs.

Sec. 64. Minnesota Statutes 2024, section 256B.0943, subdivision 9, is amended to read:

Subd. 9. **Service delivery criteria.** (a) In delivering services under this section, a certified
provider entity must ensure that:

(1) the provider's caseload size should reasonably enable the provider to play an active
role in service planning, monitoring, and delivering services to meet the client's and client's
family's needs, as specified in each client's individual treatment plan;

(2) site-based programs, including day treatment programs, provide staffing and facilities
to ensure the client's health, safety, and protection of rights, and that the programs are able
to implement each client's individual treatment plan; and

(3) a day treatment program is provided to a group of clients by a team under the treatment
supervision of a mental health professional. The day treatment program must be provided
in and by: (i) an outpatient hospital accredited by the Joint Commission on Accreditation
of Health Organizations and licensed under sections 144.50 to 144.55; (ii) a community
mental health center under section 245.62; or (iii) an entity that is certified under subdivision
4 to operate a program that meets the requirements of section 245.4884, subdivision 2, and
Minnesota Rules, parts 9505.0170 to 9505.0475. The day treatment program must stabilize
the client's mental health status while developing and improving the client's independent
living and socialization skills. The goal of the day treatment program must be to reduce or
relieve the effects of mental illness and provide training to enable the client to live in the
community. The remainder of the structured treatment program may include patient and/or
family or group psychotherapy, and individual or group skills training, if included in the

361.1 client's individual treatment plan. Day treatment programs are not part of inpatient or
361.2 residential treatment services. When a day treatment group that meets the minimum group
361.3 size requirement temporarily falls below the minimum group size because of a member's
361.4 temporary absence, medical assistance covers a group session conducted for the group
361.5 members in attendance. A day treatment program may provide fewer than the minimally
361.6 required hours for a particular child during a billing period in which the child is transitioning
361.7 into, or out of, the program.

361.8 (b) To be eligible for medical assistance payment, a provider entity must deliver the
361.9 service components of children's therapeutic services and supports in compliance with the
361.10 following requirements:

361.11 (1) psychotherapy to address the child's underlying mental health disorder must be
361.12 documented as part of the child's ongoing treatment. A provider must deliver or arrange for
361.13 medically necessary psychotherapy unless the child's parent or caregiver chooses not to
361.14 receive it or the provider determines that psychotherapy is no longer medically necessary.
361.15 When a provider determines that psychotherapy is no longer medically necessary, the
361.16 provider must update required documentation, including but not limited to the individual
361.17 treatment plan, the child's medical record, or other authorizations, to include the
361.18 determination. When a provider determines that a child needs psychotherapy but
361.19 psychotherapy cannot be delivered due to a shortage of licensed mental health professionals
361.20 in the child's community, the provider must document the lack of access in the child's
361.21 medical record;

361.22 (2) individual, family, or group skills training is subject to the following requirements:

361.23 (i) a mental health professional, clinical trainee, or mental health practitioner shall provide
361.24 skills training;

361.25 (ii) skills training delivered to a child or the child's family must be targeted to the specific
361.26 deficits or maladaptations of the child's mental health disorder and must be prescribed in
361.27 the child's individual treatment plan;

361.28 (iii) group skills training may be provided to multiple recipients who, because of the
361.29 nature of their emotional, behavioral, or social dysfunction, can derive mutual benefit from
361.30 interaction in a group setting, which must be staffed as follows:

361.31 (A) one mental health professional, clinical trainee, or mental health practitioner must
361.32 work with a group of three to eight clients; or

362.1 (B) any combination of two mental health professionals, clinical trainees, or mental
362.2 health practitioners must work with a group of nine to 12 clients;

362.3 (iv) a mental health professional, clinical trainee, or mental health practitioner must have
362.4 taught the psychosocial skill before a mental health behavioral aide may practice that skill
362.5 with the client; and

362.6 (v) for group skills training, when a skills group that meets the minimum group size
362.7 requirement temporarily falls below the minimum group size because of a group member's
362.8 temporary absence, the provider may conduct the session for the group members in
362.9 attendance;

362.10 (3) crisis planning to a child and family must include development of a written plan that
362.11 anticipates the particular factors specific to the child that may precipitate a psychiatric crisis
362.12 for the child in the near future. The written plan must document actions that the family
362.13 should be prepared to take to resolve or stabilize a crisis, such as advance arrangements for
362.14 direct intervention and support services to the child and the child's family. Crisis planning
362.15 must include preparing resources designed to address abrupt or substantial changes in the
362.16 functioning of the child or the child's family when sudden change in behavior or a loss of
362.17 usual coping mechanisms is observed, or the child begins to present a danger to self or
362.18 others;

362.19 (4) mental health behavioral aide services must be medically necessary treatment services,
362.20 identified in the child's individual treatment plan.

362.21 To be eligible for medical assistance payment, mental health behavioral aide services must
362.22 be delivered to a child who has been diagnosed with ~~an emotional disturbance or a mental~~
362.23 ~~illness~~, as provided in subdivision 1, paragraph (a). The mental health behavioral aide must
362.24 document the delivery of services in written progress notes. Progress notes must reflect
362.25 implementation of the treatment strategies, as performed by the mental health behavioral
362.26 aide and the child's responses to the treatment strategies; and

362.27 (5) mental health service plan development must be performed in consultation with the
362.28 child's family and, when appropriate, with other key participants in the child's life by the
362.29 child's treating mental health professional or clinical trainee or by a mental health practitioner
362.30 and approved by the treating mental health professional. Treatment plan drafting consists
362.31 of development, review, and revision by face-to-face or electronic communication. The
362.32 provider must document events, including the time spent with the family and other key
362.33 participants in the child's life to approve the individual treatment plan. Medical assistance
362.34 covers service plan development before completion of the child's individual treatment plan.

363.1 Service plan development is covered only if a treatment plan is completed for the child. If
363.2 upon review it is determined that a treatment plan was not completed for the child, the
363.3 commissioner shall recover the payment for the service plan development.

363.4 Sec. 65. Minnesota Statutes 2024, section 256B.0943, subdivision 12, is amended to read:

363.5 Subd. 12. **Excluded services.** The following services are not eligible for medical
363.6 assistance payment as children's therapeutic services and supports:

363.7 (1) service components of children's therapeutic services and supports simultaneously
363.8 provided by more than one provider entity unless prior authorization is obtained;

363.9 (2) treatment by multiple providers within the same agency at the same clock time,
363.10 unless one service is delivered to the child and the other service is delivered to the child's
363.11 family or treatment team without the child present;

363.12 (3) children's therapeutic services and supports provided in violation of medical assistance
363.13 policy in Minnesota Rules, part 9505.0220;

363.14 (4) mental health behavioral aide services provided by a personal care assistant who is
363.15 not qualified as a mental health behavioral aide and employed by a certified children's
363.16 therapeutic services and supports provider entity;

363.17 (5) service components of CTSS that are the responsibility of a residential or program
363.18 license holder, including foster care providers under the terms of a service agreement or
363.19 administrative rules governing licensure; and

363.20 (6) adjunctive activities that may be offered by a provider entity but are not otherwise
363.21 covered by medical assistance, including:

363.22 (i) a service that is primarily recreation oriented or that is provided in a setting that is
363.23 not medically supervised. This includes sports activities, exercise groups, activities such as
363.24 craft hours, leisure time, social hours, meal or snack time, trips to community activities,
363.25 and tours;

363.26 (ii) a social or educational service that does not have or cannot reasonably be expected
363.27 to have a therapeutic outcome related to the client's ~~emotional disturbance~~ mental illness;

363.28 (iii) prevention or education programs provided to the community; and

363.29 (iv) treatment for clients with primary diagnoses of alcohol or other drug abuse.

364.1 Sec. 66. Minnesota Statutes 2024, section 256B.0943, subdivision 13, is amended to read:

364.2 Subd. 13. **Exception to excluded services.** Notwithstanding subdivision 12, up to 15
364.3 hours of children's therapeutic services and supports provided within a six-month period to
364.4 a child with ~~severe emotional disturbance~~ serious mental illness who is residing in a hospital;
364.5 a residential treatment facility licensed under Minnesota Rules, parts 2960.0580 to 2960.0690;
364.6 a psychiatric residential treatment facility under section 256B.0625, subdivision 45a; a
364.7 regional treatment center; or other institutional group setting or who is participating in a
364.8 program of partial hospitalization are eligible for medical assistance payment if part of the
364.9 discharge plan.

364.10 Sec. 67. Minnesota Statutes 2024, section 256B.0945, subdivision 1, is amended to read:

364.11 Subdivision 1. **Residential services; provider qualifications.** (a) Counties must arrange
364.12 to provide residential services for children with ~~severe emotional disturbance~~ serious mental
364.13 illness according to sections 245.4882, 245.4885, and this section.

364.14 (b) Services must be provided by a facility that is licensed according to section 245.4882
364.15 and administrative rules promulgated thereunder, and under contract with the county.

364.16 (c) Eligible service costs may be claimed for a facility that is located in a state that
364.17 borders Minnesota if:

364.18 (1) the facility is the closest facility to the child's home, providing the appropriate level
364.19 of care; and

364.20 (2) the commissioner of human services has completed an inspection of the out-of-state
364.21 program according to the interagency agreement with the commissioner of corrections under
364.22 section 260B.198, subdivision 11, paragraph (b), and the program has been certified by the
364.23 commissioner of corrections under section 260B.198, subdivision 11, paragraph (a), to
364.24 substantially meet the standards applicable to children's residential mental health treatment
364.25 programs under Minnesota Rules, chapter 2960. Nothing in this section requires the
364.26 commissioner of human services to enforce the background study requirements under chapter
364.27 245C or the requirements related to prevention and investigation of alleged maltreatment
364.28 under section 626.557 or chapter 260E. Complaints received by the commissioner of human
364.29 services must be referred to the out-of-state licensing authority for possible follow-up.

364.30 (d) Notwithstanding paragraph (b), eligible service costs may be claimed for an
364.31 out-of-state inpatient treatment facility if:

364.32 (1) the facility specializes in providing mental health services to children who are deaf,
364.33 deafblind, or hard-of-hearing and who use American Sign Language as their first language;

365.1 (2) the facility is licensed by the state in which it is located; and

365.2 (3) the state in which the facility is located is a member state of the Interstate Compact
365.3 on Mental Health.

365.4 Sec. 68. Minnesota Statutes 2024, section 256B.0946, subdivision 6, is amended to read:

365.5 Subd. 6. **Excluded services.** (a) Services in clauses (1) to (7) are not covered under this
365.6 section and are not eligible for medical assistance payment as components of children's
365.7 intensive behavioral health services, but may be billed separately:

365.8 (1) inpatient psychiatric hospital treatment;

365.9 (2) mental health targeted case management;

365.10 (3) partial hospitalization;

365.11 (4) medication management;

365.12 (5) children's mental health day treatment services;

365.13 (6) crisis response services under section 256B.0624;

365.14 (7) transportation; and

365.15 (8) mental health certified family peer specialist services under section 256B.0616.

365.16 (b) Children receiving intensive behavioral health services are not eligible for medical
365.17 assistance reimbursement for the following services while receiving children's intensive
365.18 behavioral health services:

365.19 (1) psychotherapy and skills training components of children's therapeutic services and
365.20 supports under section 256B.0943;

365.21 (2) mental health behavioral aide services as defined in section 256B.0943, subdivision
365.22 1, paragraph ~~(h)~~ (j);

365.23 (3) home and community-based waiver services;

365.24 (4) mental health residential treatment; and

365.25 (5) medical assistance room and board rate, as defined in section 256B.056, subdivision
365.26 5d.

366.1 Sec. 69. Minnesota Statutes 2024, section 256B.0947, subdivision 3a, is amended to read:

366.2 Subd. 3a. **Required service components.** (a) Intensive nonresidential rehabilitative
366.3 mental health services, supports, and ancillary activities that are covered by a single daily
366.4 rate per client must include the following, as needed by the individual client:

366.5 (1) individual, family, and group psychotherapy;

366.6 (2) individual, family, and group skills training, as defined in section 256B.0943,
366.7 subdivision 1, paragraph ~~(u)~~ (r);

366.8 (3) crisis planning as defined in section 245.4871, subdivision 9a;

366.9 (4) medication management provided by a physician, an advanced practice registered
366.10 nurse with certification in psychiatric and mental health care, or a physician assistant;

366.11 (5) mental health case management as provided in section 256B.0625, subdivision 20;

366.12 (6) medication education services as defined in this section;

366.13 (7) care coordination by a client-specific lead worker assigned by and responsible to the
366.14 treatment team;

366.15 (8) psychoeducation of and consultation and coordination with the client's biological,
366.16 adoptive, or foster family and, in the case of a youth living independently, the client's
366.17 immediate nonfamilial support network;

366.18 (9) clinical consultation to a client's employer or school or to other service agencies or
366.19 to the courts to assist in managing the mental illness or co-occurring disorder and to develop
366.20 client support systems;

366.21 (10) coordination with, or performance of, crisis intervention and stabilization services
366.22 as defined in section 256B.0624;

366.23 (11) transition services;

366.24 (12) co-occurring substance use disorder treatment as defined in section 245I.02,
366.25 subdivision 11; and

366.26 (13) housing access support that assists clients to find, obtain, retain, and move to safe
366.27 and adequate housing. Housing access support does not provide monetary assistance for
366.28 rent, damage deposits, or application fees.

366.29 (b) The provider shall ensure and document the following by means of performing the
366.30 required function or by contracting with a qualified person or entity: client access to crisis

367.1 intervention services, as defined in section 256B.0624, and available 24 hours per day and
367.2 seven days per week.

367.3 Sec. 70. Minnesota Statutes 2024, section 256B.69, subdivision 23, is amended to read:

367.4 Subd. 23. **Alternative services; elderly persons and persons with a disability.** (a) The
367.5 commissioner may implement demonstration projects to create alternative integrated delivery
367.6 systems for acute and long-term care services to elderly persons and persons with disabilities
367.7 as defined in section 256B.77, subdivision 7a, that provide increased coordination, improve
367.8 access to quality services, and mitigate future cost increases. The commissioner may seek
367.9 federal authority to combine Medicare and Medicaid capitation payments for the purpose
367.10 of such demonstrations and may contract with Medicare-approved special needs plans that
367.11 are offered by a demonstration provider or by an entity that is directly or indirectly wholly
367.12 owned or controlled by a demonstration provider to provide Medicaid services. Medicare
367.13 funds and services shall be administered according to the terms and conditions of the federal
367.14 contract and demonstration provisions. For the purpose of administering medical assistance
367.15 funds, demonstrations under this subdivision are subject to subdivisions 1 to 22. The
367.16 provisions of Minnesota Rules, parts 9500.1450 to 9500.1464, apply to these demonstrations,
367.17 with the exceptions of parts 9500.1452, subpart 2, item B; and 9500.1457, subpart 1, items
367.18 B and C, which do not apply to persons enrolling in demonstrations under this section. All
367.19 enforcement and rulemaking powers available under chapters 62D, 62M, and 62Q are hereby
367.20 granted to the commissioner of health with respect to Medicare-approved special needs
367.21 plans with which the commissioner contracts to provide Medicaid services under this section.
367.22 An initial open enrollment period may be provided. Persons who disenroll from
367.23 demonstrations under this subdivision remain subject to Minnesota Rules, parts 9500.1450
367.24 to 9500.1464. When a person is enrolled in a health plan under these demonstrations and
367.25 the health plan's participation is subsequently terminated for any reason, the person shall
367.26 be provided an opportunity to select a new health plan and shall have the right to change
367.27 health plans within the first 60 days of enrollment in the second health plan. Persons required
367.28 to participate in health plans under this section who fail to make a choice of health plan
367.29 shall not be randomly assigned to health plans under these demonstrations. Notwithstanding
367.30 section 256L.12, subdivision 5, and Minnesota Rules, part 9505.5220, subpart 1, item A,
367.31 if adopted, for the purpose of demonstrations under this subdivision, the commissioner may
367.32 contract with managed care organizations, including counties, to serve only elderly persons
367.33 eligible for medical assistance, elderly persons with a disability, or persons with a disability
367.34 only. For persons with a primary diagnosis of developmental disability, serious and persistent
367.35 mental illness, or serious ~~emotional disturbance~~ mental illness in children, the commissioner

must ensure that the county authority has approved the demonstration and contracting design. Enrollment in these projects for persons with disabilities shall be voluntary. The commissioner shall not implement any demonstration project under this subdivision for persons with a primary diagnosis of developmental disabilities, serious and persistent mental illness, or serious ~~emotional disturbance~~, mental illness in children without approval of the county board of the county in which the demonstration is being implemented.

(b) MS 2009 Supplement [Expired, 2003 c 47 s 4; 2007 c 147 art 7 s 60]

(c) Before implementation of a demonstration project for persons with a disability, the commissioner must provide information to appropriate committees of the house of representatives and senate and must involve representatives of affected disability groups in the design of the demonstration projects.

(d) A nursing facility reimbursed under the alternative reimbursement methodology in section 256B.434 may, in collaboration with a hospital, clinic, or other health care entity provide services under paragraph (a). The commissioner shall amend the state plan and seek any federal waivers necessary to implement this paragraph.

(e) The commissioner, in consultation with the commissioners of commerce and health, may approve and implement programs for all-inclusive care for the elderly (PACE) according to federal laws and regulations governing that program and state laws or rules applicable to participating providers. A PACE provider is not required to be licensed or certified as a health plan company as defined in section 62Q.01, subdivision 4. Persons age 55 and older who have been screened by the county and found to be eligible for services under the elderly waiver or community access for disability inclusion or who are already eligible for Medicaid but meet level of care criteria for receipt of waiver services may choose to enroll in the PACE program. Medicare and Medicaid services will be provided according to this subdivision and federal Medicare and Medicaid requirements governing PACE providers and programs. PACE enrollees will receive Medicaid home and community-based services through the PACE provider as an alternative to services for which they would otherwise be eligible through home and community-based waiver programs and Medicaid State Plan Services. The commissioner shall establish Medicaid rates for PACE providers that do not exceed costs that would have been incurred under fee-for-service or other relevant managed care programs operated by the state.

(f) The commissioner shall seek federal approval to expand the Minnesota disability health options (MnDHO) program established under this subdivision in stages, first to regional population centers outside the seven-county metro area and then to all areas of the

state. Until July 1, 2009, expansion for MnDHO projects that include home and community-based services is limited to the two projects and service areas in effect on March 1, 2006. Enrollment in integrated MnDHO programs that include home and community-based services shall remain voluntary. Costs for home and community-based services included under MnDHO must not exceed costs that would have been incurred under the fee-for-service program. Notwithstanding whether expansion occurs under this paragraph, in determining MnDHO payment rates and risk adjustment methods, the commissioner must consider the methods used to determine county allocations for home and community-based program participants. If necessary to reduce MnDHO rates to comply with the provision regarding MnDHO costs for home and community-based services, the commissioner shall achieve the reduction by maintaining the base rate for contract year 2010 for services provided under the community access for disability inclusion waiver at the same level as for contract year 2009. The commissioner may apply other reductions to MnDHO rates to implement decreases in provider payment rates required by state law. Effective January 1, 2011, enrollment and operation of the MnDHO program in effect during 2010 shall cease. The commissioner may reopen the program provided all applicable conditions of this section are met. In developing program specifications for expansion of integrated programs, the commissioner shall involve and consult the state-level stakeholder group established in subdivision 28, paragraph (d), including consultation on whether and how to include home and community-based waiver programs. Plans to reopen MnDHO projects shall be presented to the chairs of the house of representatives and senate committees with jurisdiction over health and human services policy and finance prior to implementation.

(g) Notwithstanding section 256B.0621, health plans providing services under this section are responsible for home care targeted case management and relocation targeted case management. Services must be provided according to the terms of the waivers and contracts approved by the federal government.

Sec. 71. Minnesota Statutes 2024, section 256B.77, subdivision 7a, is amended to read:

Subd. 7a. **Eligible individuals.** (a) Persons are eligible for the demonstration project as provided in this subdivision.

(b) "Eligible individuals" means those persons living in the demonstration site who are eligible for medical assistance and are disabled based on a disability determination under section 256B.055, subdivisions 7 and 12, or who are eligible for medical assistance and have been diagnosed as having:

(1) serious and persistent mental illness as defined in section 245.462, subdivision 20;

(2) ~~severe emotional disturbance~~ serious mental illness as defined in section 245.4871, subdivision 6; or

(3) developmental disability, or being a person with a developmental disability as defined in section 252A.02, or a related condition as defined in section 256B.02, subdivision 11.

Other individuals may be included at the option of the county authority based on agreement with the commissioner.

(c) Eligible individuals include individuals in excluded time status, as defined in chapter 256G. Enrollees in excluded time at the time of enrollment shall remain in excluded time status as long as they live in the demonstration site and shall be eligible for 90 days after placement outside the demonstration site if they move to excluded time status in a county within Minnesota other than their county of financial responsibility.

(d) A person who is a sexual psychopathic personality as defined in section 253D.02, subdivision 15, or a sexually dangerous person as defined in section 253D.02, subdivision 16, is excluded from enrollment in the demonstration project.

Sec. 72. Minnesota Statutes 2024, section 260B.157, subdivision 3, is amended to read:

Subd. 3. Juvenile treatment screening team. (a) The local social services agency shall establish a juvenile treatment screening team to conduct screenings and prepare case plans under this subdivision. The team, which may be the team constituted under section 245.4885 or 256B.092 or chapter 254B, shall consist of social workers, juvenile justice professionals, and persons with expertise in the treatment of juveniles who are emotionally disabled, chemically dependent, or have a developmental disability. The team shall involve parents or guardians in the screening process as appropriate. The team may be the same team as defined in section 260C.157, subdivision 3.

(b) If the court, prior to, or as part of, a final disposition, proposes to place a child:

(1) for the primary purpose of treatment for ~~an emotional disturbance~~ mental illness, and residential placement is consistent with section 260.012, a developmental disability, or chemical dependency in a residential treatment facility out of state or in one which is within the state and licensed by the commissioner of human services under chapter 245A; or

(2) in any out-of-home setting potentially exceeding 30 days in duration, including a post-dispositional placement in a facility licensed by the commissioner of corrections or human services, the court shall notify the county welfare agency. The county's juvenile treatment screening team must either:

371.1 (i) screen and evaluate the child and file its recommendations with the court within 14
371.2 days of receipt of the notice; or

371.3 (ii) elect not to screen a given case, and notify the court of that decision within three
371.4 working days.

371.5 (c) If the screening team has elected to screen and evaluate the child, the child may not
371.6 be placed for the primary purpose of treatment for ~~an emotional disturbance~~ mental illness,
371.7 a developmental disability, or chemical dependency, in a residential treatment facility out
371.8 of state nor in a residential treatment facility within the state that is licensed under chapter
371.9 245A, unless one of the following conditions applies:

371.10 (1) a treatment professional certifies that an emergency requires the placement of the
371.11 child in a facility within the state;

371.12 (2) the screening team has evaluated the child and recommended that a residential
371.13 placement is necessary to meet the child's treatment needs and the safety needs of the
371.14 community, that it is a cost-effective means of meeting the treatment needs, and that it will
371.15 be of therapeutic value to the child; or

371.16 (3) the court, having reviewed a screening team recommendation against placement,
371.17 determines to the contrary that a residential placement is necessary. The court shall state
371.18 the reasons for its determination in writing, on the record, and shall respond specifically to
371.19 the findings and recommendation of the screening team in explaining why the
371.20 recommendation was rejected. The attorney representing the child and the prosecuting
371.21 attorney shall be afforded an opportunity to be heard on the matter.

371.22 Sec. 73. Minnesota Statutes 2024, section 260C.007, subdivision 16, is amended to read:

371.23 Subd. 16. ~~Emotionally disturbed~~ **Mental illness.** "~~Emotionally disturbed~~ Mental illness"
371.24 ~~means emotional disturbance as described~~ has the meaning given in section 245.4871,
371.25 subdivision 15.

371.26 Sec. 74. Minnesota Statutes 2024, section 260C.007, subdivision 26d, is amended to read:

371.27 Subd. 26d. **Qualified residential treatment program.** "Qualified residential treatment
371.28 program" means a children's residential treatment program licensed under chapter 245A or
371.29 licensed or approved by a tribe that is approved to receive foster care maintenance payments
371.30 under section 142A.418 that:

371.31 (1) has a trauma-informed treatment model designed to address the needs of children
371.32 with serious emotional or behavioral disorders or disturbances or mental illnesses;

- 372.1 (2) has registered or licensed nursing staff and other licensed clinical staff who:
- 372.2 (i) provide care within the scope of their practice; and
- 372.3 (ii) are available 24 hours per day and seven days per week;
- 372.4 (3) is accredited by any of the following independent, nonprofit organizations: the
- 372.5 Commission on Accreditation of Rehabilitation Facilities (CARF), the Joint Commission
- 372.6 on Accreditation of Healthcare Organizations (JCAHO), and the Council on Accreditation
- 372.7 (COA), or any other nonprofit accrediting organization approved by the United States
- 372.8 Department of Health and Human Services;
- 372.9 (4) if it is in the child's best interests, facilitates participation of the child's family members
- 372.10 in the child's treatment programming consistent with the child's out-of-home placement
- 372.11 plan under sections 260C.212, subdivision 1, and 260C.708;
- 372.12 (5) facilitates outreach to family members of the child, including siblings;
- 372.13 (6) documents how the facility facilitates outreach to the child's parents and relatives,
- 372.14 as well as documents the child's parents' and other relatives' contact information;
- 372.15 (7) documents how the facility includes family members in the child's treatment process,
- 372.16 including after the child's discharge, and how the facility maintains the child's sibling
- 372.17 connections; and
- 372.18 (8) provides the child and child's family with discharge planning and family-based
- 372.19 aftercare support for at least six months after the child's discharge. Aftercare support may
- 372.20 include clinical care consultation under section 256B.0671, subdivision 7, and mental health
- 372.21 certified family peer specialist services under section 256B.0616.
- 372.22 Sec. 75. Minnesota Statutes 2024, section 260C.007, subdivision 27b, is amended to read:
- 372.23 Subd. 27b. **Residential treatment facility.** "Residential treatment facility" means a
- 372.24 24-hour-a-day program that provides treatment for children with ~~emotional disturbance~~
- 372.25 mental illness, consistent with section 245.4871, subdivision 32, and includes a licensed
- 372.26 residential program specializing in caring 24 hours a day for children with a developmental
- 372.27 delay or related condition. A residential treatment facility does not include a psychiatric
- 372.28 residential treatment facility under section 256B.0941 or a family foster home as defined
- 372.29 in section 260C.007, subdivision 16b.

373.1 Sec. 76. Minnesota Statutes 2024, section 260C.157, subdivision 3, is amended to read:

373.2 Subd. 3. **Juvenile treatment screening team.** (a) The responsible social services agency
373.3 shall establish a juvenile treatment screening team to conduct screenings under this chapter
373.4 and chapter 260D, for a child to receive treatment for ~~an emotional disturbance~~ a mental
373.5 illness, a developmental disability, or related condition in a residential treatment facility
373.6 licensed by the commissioner of human services under chapter 245A, or licensed or approved
373.7 by a tribe. A screening team is not required for a child to be in: (1) a residential facility
373.8 specializing in prenatal, postpartum, or parenting support; (2) a facility specializing in
373.9 high-quality residential care and supportive services to children and youth who have been
373.10 or are at risk of becoming victims of sex trafficking or commercial sexual exploitation; (3)
373.11 supervised settings for youth who are 18 years of age or older and living independently; or
373.12 (4) a licensed residential family-based treatment facility for substance abuse consistent with
373.13 section 260C.190. Screenings are also not required when a child must be placed in a facility
373.14 due to an emotional crisis or other mental health emergency.

373.15 (b) The responsible social services agency shall conduct screenings within 15 days of a
373.16 request for a screening, unless the screening is for the purpose of residential treatment and
373.17 the child is enrolled in a prepaid health program under section 256B.69, in which case the
373.18 agency shall conduct the screening within ten working days of a request. The responsible
373.19 social services agency shall convene the juvenile treatment screening team, which may be
373.20 constituted under section 245.4885, 254B.05, or 256B.092. The team shall consist of social
373.21 workers; persons with expertise in the treatment of juveniles who are emotionally disturbed,
373.22 chemically dependent, or have a developmental disability; and the child's parent, guardian,
373.23 or permanent legal custodian. The team may include the child's relatives as defined in section
373.24 260C.007, subdivisions 26b and 27, the child's foster care provider, and professionals who
373.25 are a resource to the child's family such as teachers, medical or mental health providers,
373.26 and clergy, as appropriate, consistent with the family and permanency team as defined in
373.27 section 260C.007, subdivision 16a. Prior to forming the team, the responsible social services
373.28 agency must consult with the child's parents, the child if the child is age 14 or older, and,
373.29 if applicable, the child's tribe to obtain recommendations regarding which individuals to
373.30 include on the team and to ensure that the team is family-centered and will act in the child's
373.31 best interests. If the child, child's parents, or legal guardians raise concerns about specific
373.32 relatives or professionals, the team should not include those individuals. This provision
373.33 does not apply to paragraph (c).

373.34 (c) If the agency provides notice to tribes under section 260.761, and the child screened
373.35 is an Indian child, the responsible social services agency must make a rigorous and concerted

374.1 effort to include a designated representative of the Indian child's tribe on the juvenile
374.2 treatment screening team, unless the child's tribal authority declines to appoint a
374.3 representative. The Indian child's tribe may delegate its authority to represent the child to
374.4 any other federally recognized Indian tribe, as defined in section 260.755, subdivision 12.
374.5 The provisions of the Indian Child Welfare Act of 1978, United States Code, title 25, sections
374.6 1901 to 1963, and the Minnesota Indian Family Preservation Act, sections 260.751 to
374.7 260.835, apply to this section.

374.8 (d) If the court, prior to, or as part of, a final disposition or other court order, proposes
374.9 to place a child with ~~an emotional disturbance or~~ a mental illness, developmental disability,
374.10 or related condition in residential treatment, the responsible social services agency must
374.11 conduct a screening. If the team recommends treating the child in a qualified residential
374.12 treatment program, the agency must follow the requirements of sections 260C.70 to
374.13 260C.714.

374.14 The court shall ascertain whether the child is an Indian child and shall notify the
374.15 responsible social services agency and, if the child is an Indian child, shall notify the Indian
374.16 child's tribe as paragraph (c) requires.

374.17 (e) When the responsible social services agency is responsible for placing and caring
374.18 for the child and the screening team recommends placing a child in a qualified residential
374.19 treatment program as defined in section 260C.007, subdivision 26d, the agency must: (1)
374.20 begin the assessment and processes required in section 260C.704 without delay; and (2)
374.21 conduct a relative search according to section 260C.221 to assemble the child's family and
374.22 permanency team under section 260C.706. Prior to notifying relatives regarding the family
374.23 and permanency team, the responsible social services agency must consult with the child's
374.24 parent or legal guardian, the child if the child is age 14 or older, and, if applicable, the child's
374.25 tribe to ensure that the agency is providing notice to individuals who will act in the child's
374.26 best interests. The child and the child's parents may identify a culturally competent qualified
374.27 individual to complete the child's assessment. The agency shall make efforts to refer the
374.28 assessment to the identified qualified individual. The assessment may not be delayed for
374.29 the purpose of having the assessment completed by a specific qualified individual.

374.30 (f) When a screening team determines that a child does not need treatment in a qualified
374.31 residential treatment program, the screening team must:

374.32 (1) document the services and supports that will prevent the child's foster care placement
374.33 and will support the child remaining at home;

375.1 (2) document the services and supports that the agency will arrange to place the child
375.2 in a family foster home; or

375.3 (3) document the services and supports that the agency has provided in any other setting.

375.4 (g) When the Indian child's tribe or tribal health care services provider or Indian Health
375.5 Services provider proposes to place a child for the primary purpose of treatment for an
375.6 ~~emotional disturbance~~ mental illness, a developmental disability, or co-occurring ~~emotional~~
375.7 ~~disturbance~~ mental illness and chemical dependency, the Indian child's tribe or the tribe
375.8 delegated by the child's tribe shall submit necessary documentation to the county juvenile
375.9 treatment screening team, which must invite the Indian child's tribe to designate a
375.10 representative to the screening team.

375.11 (h) The responsible social services agency must conduct and document the screening in
375.12 a format approved by the commissioner of human services.

375.13 Sec. 77. Minnesota Statutes 2024, section 260C.201, subdivision 1, is amended to read:

375.14 Subdivision 1. **Dispositions.** (a) If the court finds that the child is in need of protection
375.15 or services or neglected and in foster care, the court shall enter an order making any of the
375.16 following dispositions of the case:

375.17 (1) place the child under the protective supervision of the responsible social services
375.18 agency or child-placing agency in the home of a parent of the child under conditions
375.19 prescribed by the court directed to the correction of the child's need for protection or services:

375.20 (i) the court may order the child into the home of a parent who does not otherwise have
375.21 legal custody of the child, however, an order under this section does not confer legal custody
375.22 on that parent;

375.23 (ii) if the court orders the child into the home of a father who is not adjudicated, the
375.24 father must cooperate with paternity establishment proceedings regarding the child in the
375.25 appropriate jurisdiction as one of the conditions prescribed by the court for the child to
375.26 continue in the father's home; and

375.27 (iii) the court may order the child into the home of a noncustodial parent with conditions
375.28 and may also order both the noncustodial and the custodial parent to comply with the
375.29 requirements of a case plan under subdivision 2; or

375.30 (2) transfer legal custody to one of the following:

375.31 (i) a child-placing agency; or

376.1 (ii) the responsible social services agency. In making a foster care placement of a child
376.2 whose custody has been transferred under this subdivision, the agency shall make an
376.3 individualized determination of how the placement is in the child's best interests using the
376.4 placement consideration order for relatives and the best interest factors in section 260C.212,
376.5 subdivision 2, and may include a child colocated with a parent in a licensed residential
376.6 family-based substance use disorder treatment program under section 260C.190; or

376.7 (3) order a trial home visit without modifying the transfer of legal custody to the
376.8 responsible social services agency under clause (2). Trial home visit means the child is
376.9 returned to the care of the parent or guardian from whom the child was removed for a period
376.10 not to exceed six months. During the period of the trial home visit, the responsible social
376.11 services agency:

376.12 (i) shall continue to have legal custody of the child, which means that the agency may
376.13 see the child in the parent's home, at school, in a child care facility, or other setting as the
376.14 agency deems necessary and appropriate;

376.15 (ii) shall continue to have the ability to access information under section 260C.208;

376.16 (iii) shall continue to provide appropriate services to both the parent and the child during
376.17 the period of the trial home visit;

376.18 (iv) without previous court order or authorization, may terminate the trial home visit in
376.19 order to protect the child's health, safety, or welfare and may remove the child to foster care;

376.20 (v) shall advise the court and parties within three days of the termination of the trial
376.21 home visit when a visit is terminated by the responsible social services agency without a
376.22 court order; and

376.23 (vi) shall prepare a report for the court when the trial home visit is terminated whether
376.24 by the agency or court order that describes the child's circumstances during the trial home
376.25 visit and recommends appropriate orders, if any, for the court to enter to provide for the
376.26 child's safety and stability. In the event a trial home visit is terminated by the agency by
376.27 removing the child to foster care without prior court order or authorization, the court shall
376.28 conduct a hearing within ten days of receiving notice of the termination of the trial home
376.29 visit by the agency and shall order disposition under this subdivision or commence
376.30 permanency proceedings under sections 260C.503 to 260C.515. The time period for the
376.31 hearing may be extended by the court for good cause shown and if it is in the best interests
376.32 of the child as long as the total time the child spends in foster care without a permanency
376.33 hearing does not exceed 12 months;

(4) if the child has been adjudicated as a child in need of protection or services because the child is in need of special services or care to treat or ameliorate a physical or mental disability or ~~emotional disturbance~~ mental illness as defined in section 245.4871, subdivision 15, the court may order the child's parent, guardian, or custodian to provide it. The court may order the child's health plan company to provide mental health services to the child. Section 62Q.535 applies to an order for mental health services directed to the child's health plan company. If the health plan, parent, guardian, or custodian fails or is unable to provide this treatment or care, the court may order it provided. Absent specific written findings by the court that the child's disability is the result of abuse or neglect by the child's parent or guardian, the court shall not transfer legal custody of the child for the purpose of obtaining special treatment or care solely because the parent is unable to provide the treatment or care. If the court's order for mental health treatment is based on a diagnosis made by a treatment professional, the court may order that the diagnosing professional not provide the treatment to the child if it finds that such an order is in the child's best interests; or

(5) if the court believes that the child has sufficient maturity and judgment and that it is in the best interests of the child, the court may order a child 16 years old or older to be allowed to live independently, either alone or with others as approved by the court under supervision the court considers appropriate, if the county board, after consultation with the court, has specifically authorized this dispositional alternative for a child.

(b) If the child was adjudicated in need of protection or services because the child is a runaway or habitual truant, the court may order any of the following dispositions in addition to or as alternatives to the dispositions authorized under paragraph (a):

(1) counsel the child or the child's parents, guardian, or custodian;

(2) place the child under the supervision of a probation officer or other suitable person in the child's own home under conditions prescribed by the court, including reasonable rules for the child's conduct and the conduct of the parents, guardian, or custodian, designed for the physical, mental, and moral well-being and behavior of the child;

(3) subject to the court's supervision, transfer legal custody of the child to one of the following:

(i) a reputable person of good moral character. No person may receive custody of two or more unrelated children unless licensed to operate a residential program under sections 245A.01 to 245A.16; or

(ii) a county probation officer for placement in a group foster home established under the direction of the juvenile court and licensed pursuant to section 241.021;

(4) require the child to pay a fine of up to \$100. The court shall order payment of the fine in a manner that will not impose undue financial hardship upon the child;

(5) require the child to participate in a community service project;

(6) order the child to undergo a chemical dependency evaluation and, if warranted by the evaluation, order participation by the child in a drug awareness program or an inpatient or outpatient chemical dependency treatment program;

(7) if the court believes that it is in the best interests of the child or of public safety that the child's driver's license or instruction permit be canceled, the court may order the commissioner of public safety to cancel the child's license or permit for any period up to the child's 18th birthday. If the child does not have a driver's license or permit, the court may order a denial of driving privileges for any period up to the child's 18th birthday. The court shall forward an order issued under this clause to the commissioner, who shall cancel the license or permit or deny driving privileges without a hearing for the period specified by the court. At any time before the expiration of the period of cancellation or denial, the court may, for good cause, order the commissioner of public safety to allow the child to apply for a license or permit, and the commissioner shall so authorize;

(8) order that the child's parent or legal guardian deliver the child to school at the beginning of each school day for a period of time specified by the court; or

(9) require the child to perform any other activities or participate in any other treatment programs deemed appropriate by the court.

To the extent practicable, the court shall enter a disposition order the same day it makes a finding that a child is in need of protection or services or neglected and in foster care, but in no event more than 15 days after the finding unless the court finds that the best interests of the child will be served by granting a delay. If the child was under eight years of age at the time the petition was filed, the disposition order must be entered within ten days of the finding and the court may not grant a delay unless good cause is shown and the court finds the best interests of the child will be served by the delay.

(c) If a child who is 14 years of age or older is adjudicated in need of protection or services because the child is a habitual truant and truancy procedures involving the child were previously dealt with by a school attendance review board or county attorney mediation program under section 260A.06 or 260A.07, the court shall order a cancellation or denial of driving privileges under paragraph (b), clause (7), for any period up to the child's 18th birthday.

(d) In the case of a child adjudicated in need of protection or services because the child has committed domestic abuse and been ordered excluded from the child's parent's home, the court shall dismiss jurisdiction if the court, at any time, finds the parent is able or willing to provide an alternative safe living arrangement for the child as defined in paragraph (f).

(e) When a parent has complied with a case plan ordered under subdivision 6 and the child is in the care of the parent, the court may order the responsible social services agency to monitor the parent's continued ability to maintain the child safely in the home under such terms and conditions as the court determines appropriate under the circumstances.

(f) For the purposes of this subdivision, "alternative safe living arrangement" means a living arrangement for a child proposed by a petitioning parent or guardian if a court excludes the minor from the parent's or guardian's home that is separate from the victim of domestic abuse and safe for the child respondent. A living arrangement proposed by a petitioning parent or guardian is presumed to be an alternative safe living arrangement absent information to the contrary presented to the court. In evaluating any proposed living arrangement, the court shall consider whether the arrangement provides the child with necessary food, clothing, shelter, and education in a safe environment. Any proposed living arrangement that would place the child in the care of an adult who has been physically or sexually violent is presumed unsafe.

Sec. 78. Minnesota Statutes 2024, section 260C.201, subdivision 2, is amended to read:

Subd. 2. **Written findings.** (a) Any order for a disposition authorized under this section shall contain written findings of fact to support the disposition and case plan ordered and shall also set forth in writing the following information:

(1) why the best interests and safety of the child are served by the disposition and case plan ordered;

(2) what alternative dispositions or services under the case plan were considered by the court and why such dispositions or services were not appropriate in the instant case;

(3) when legal custody of the child is transferred, the appropriateness of the particular placement made or to be made by the placing agency using the relative and sibling placement considerations and best interest factors in section 260C.212, subdivision 2, or the appropriateness of a child colocated with a parent in a licensed residential family-based substance use disorder treatment program under section 260C.190;

(4) whether reasonable efforts to finalize the permanent plan for the child consistent with section 260.012 were made including reasonable efforts:

380.1 (i) to prevent the child's placement and to reunify the child with the parent or guardian
380.2 from whom the child was removed at the earliest time consistent with the child's safety.

380.3 The court's findings must include a brief description of what preventive and reunification
380.4 efforts were made and why further efforts could not have prevented or eliminated the
380.5 necessity of removal or that reasonable efforts were not required under section 260.012 or
380.6 260C.178, subdivision 1;

380.7 (ii) to identify and locate any noncustodial or nonresident parent of the child and to
380.8 assess such parent's ability to provide day-to-day care of the child, and, where appropriate,
380.9 provide services necessary to enable the noncustodial or nonresident parent to safely provide
380.10 day-to-day care of the child as required under section 260C.219, unless such services are
380.11 not required under section 260.012 or 260C.178, subdivision 1. The court's findings must
380.12 include a description of the agency's efforts to:

380.13 (A) identify and locate the child's noncustodial or nonresident parent;

380.14 (B) assess the noncustodial or nonresident parent's ability to provide day-to-day care of
380.15 the child; and

380.16 (C) if appropriate, provide services necessary to enable the noncustodial or nonresident
380.17 parent to safely provide the child's day-to-day care, including efforts to engage the
380.18 noncustodial or nonresident parent in assuming care and responsibility of the child;

380.19 (iii) to make the diligent search for relatives and provide the notices required under
380.20 section 260C.221; a finding made pursuant to a hearing under section 260C.202 that the
380.21 agency has made diligent efforts to conduct a relative search and has appropriately engaged
380.22 relatives who responded to the notice under section 260C.221 and other relatives, who came
380.23 to the attention of the agency after notice under section 260C.221 was sent, in placement
380.24 and case planning decisions fulfills the requirement of this item;

380.25 (iv) to identify and make a foster care placement of the child, considering the order in
380.26 section 260C.212, subdivision 2, paragraph (a), in the home of an unlicensed relative,
380.27 according to the requirements of section 142B.06, a licensed relative, or other licensed foster
380.28 care provider, who will commit to being the permanent legal parent or custodian for the
380.29 child in the event reunification cannot occur, but who will actively support the reunification
380.30 plan for the child. If the court finds that the agency has not appropriately considered relatives
380.31 for placement of the child, the court shall order the agency to comply with section 260C.212,
380.32 subdivision 2, paragraph (a). The court may order the agency to continue considering
380.33 relatives for placement of the child regardless of the child's current placement setting; and

(v) to place siblings together in the same home or to ensure visitation is occurring when siblings are separated in foster care placement and visitation is in the siblings' best interests under section 260C.212, subdivision 2, paragraph (d); and

(5) if the child has been adjudicated as a child in need of protection or services because the child is in need of special services or care to treat or ameliorate a mental disability or ~~emotional disturbance~~ mental illness as defined in section 245.4871, subdivision 15, the written findings shall also set forth:

(i) whether the child has mental health needs that must be addressed by the case plan;

(ii) what consideration was given to the diagnostic and functional assessments performed by the child's mental health professional and to health and mental health care professionals' treatment recommendations;

(iii) what consideration was given to the requests or preferences of the child's parent or guardian with regard to the child's interventions, services, or treatment; and

(iv) what consideration was given to the cultural appropriateness of the child's treatment or services.

(b) If the court finds that the social services agency's preventive or reunification efforts have not been reasonable but that further preventive or reunification efforts could not permit the child to safely remain at home, the court may nevertheless authorize or continue the removal of the child.

(c) If the child has been identified by the responsible social services agency as the subject of concurrent permanency planning, the court shall review the reasonable efforts of the agency to develop a permanency plan for the child that includes a primary plan that is for reunification with the child's parent or guardian and a secondary plan that is for an alternative, legally permanent home for the child in the event reunification cannot be achieved in a timely manner.

Sec. 79. Minnesota Statutes 2024, section 260C.301, subdivision 4, is amended to read:

Subd. 4. **Current foster care children.** Except for cases where the child is in placement due solely to the child's developmental disability or ~~emotional disturbance~~ mental illness, where custody has not been transferred to the responsible social services agency, and where the court finds compelling reasons to continue placement, the county attorney shall file a termination of parental rights petition or a petition to transfer permanent legal and physical custody to a relative under section 260C.515, subdivision 4, for all children who have been in out-of-home care for 15 of the most recent 22 months. This requirement does not apply

if there is a compelling reason approved by the court for determining that filing a termination of parental rights petition or other permanency petition would not be in the best interests of the child or if the responsible social services agency has not provided reasonable efforts necessary for the safe return of the child, if reasonable efforts are required.

Sec. 80. Minnesota Statutes 2024, section 260D.01, is amended to read:

260D.01 CHILD IN VOLUNTARY FOSTER CARE FOR TREATMENT.

(a) Sections 260D.01 to 260D.10, may be cited as the "child in voluntary foster care for treatment" provisions of the Juvenile Court Act.

(b) The juvenile court has original and exclusive jurisdiction over a child in voluntary foster care for treatment upon the filing of a report or petition required under this chapter. All obligations of the responsible social services agency to a child and family in foster care contained in chapter 260C not inconsistent with this chapter are also obligations of the agency with regard to a child in foster care for treatment under this chapter.

(c) This chapter shall be construed consistently with the mission of the children's mental health service system as set out in section 245.487, subdivision 3, and the duties of an agency under sections 256B.092 and 260C.157 and Minnesota Rules, parts 9525.0004 to 9525.0016, to meet the needs of a child with a developmental disability or related condition. This chapter:

(1) establishes voluntary foster care through a voluntary foster care agreement as the means for an agency and a parent to provide needed treatment when the child must be in foster care to receive necessary treatment for ~~an emotional disturbance or~~ a mental illness, developmental disability, or related condition;

(2) establishes court review requirements for a child in voluntary foster care for treatment due to ~~emotional disturbance or~~ a mental illness, developmental disability, or a related condition;

(3) establishes the ongoing responsibility of the parent as legal custodian to visit the child, to plan together with the agency for the child's treatment needs, to be available and accessible to the agency to make treatment decisions, and to obtain necessary medical, dental, and other care for the child;

(4) applies to voluntary foster care when the child's parent and the agency agree that the child's treatment needs require foster care either:

(i) due to a level of care determination by the agency's screening team informed by the child's diagnostic and functional assessment under section 245.4885; or

(ii) due to a determination regarding the level of services needed by the child by the responsible social services agency's screening team under section 256B.092, and Minnesota Rules, parts 9525.0004 to 9525.0016; and

(5) includes the requirements for a child's placement in sections 260C.70 to 260C.714, when the juvenile treatment screening team recommends placing a child in a qualified residential treatment program, except as modified by this chapter.

(d) This chapter does not apply when there is a current determination under chapter 260E that the child requires child protective services or when the child is in foster care for any reason other than treatment for the child's ~~emotional disturbance or~~ mental illness, developmental disability, or related condition. When there is a determination under chapter 260E that the child requires child protective services based on an assessment that there are safety and risk issues for the child that have not been mitigated through the parent's engagement in services or otherwise, or when the child is in foster care for any reason other than the child's ~~emotional disturbance or~~ mental illness, developmental disability, or related condition, the provisions of chapter 260C apply.

(e) The paramount consideration in all proceedings concerning a child in voluntary foster care for treatment is the safety, health, and the best interests of the child. The purpose of this chapter is:

(1) to ensure that a child with a disability is provided the services necessary to treat or ameliorate the symptoms of the child's disability;

(2) to preserve and strengthen the child's family ties whenever possible and in the child's best interests, approving the child's placement away from the child's parents only when the child's need for care or treatment requires out-of-home placement and the child cannot be maintained in the home of the parent; and

(3) to ensure that the child's parent retains legal custody of the child and associated decision-making authority unless the child's parent willfully fails or is unable to make decisions that meet the child's safety, health, and best interests. The court may not find that the parent willfully fails or is unable to make decisions that meet the child's needs solely because the parent disagrees with the agency's choice of foster care facility, unless the agency files a petition under chapter 260C, and establishes by clear and convincing evidence that the child is in need of protection or services.

(f) The legal parent-child relationship shall be supported under this chapter by maintaining the parent's legal authority and responsibility for ongoing planning for the child and by the agency's assisting the parent, when necessary, to exercise the parent's ongoing right and obligation to visit or to have reasonable contact with the child. Ongoing planning means:

(1) actively participating in the planning and provision of educational services, medical, and dental care for the child;

(2) actively planning and participating with the agency and the foster care facility for the child's treatment needs;

(3) planning to meet the child's need for safety, stability, and permanency, and the child's need to stay connected to the child's family and community;

(4) engaging with the responsible social services agency to ensure that the family and permanency team under section 260C.706 consists of appropriate family members. For purposes of voluntary placement of a child in foster care for treatment under chapter 260D, prior to forming the child's family and permanency team, the responsible social services agency must consult with the child's parent or legal guardian, the child if the child is 14 years of age or older, and, if applicable, the child's Tribe to obtain recommendations regarding which individuals to include on the team and to ensure that the team is family-centered and will act in the child's best interests. If the child, child's parents, or legal guardians raise concerns about specific relatives or professionals, the team should not include those individuals unless the individual is a treating professional or an important connection to the youth as outlined in the case or crisis plan; and

(5) for a voluntary placement under this chapter in a qualified residential treatment program, as defined in section 260C.007, subdivision 26d, for purposes of engaging in a relative search as provided in section 260C.221, the county agency must consult with the child's parent or legal guardian, the child if the child is 14 years of age or older, and, if applicable, the child's Tribe to obtain recommendations regarding which adult relatives the county agency should notify. If the child, child's parents, or legal guardians raise concerns about specific relatives, the county agency should not notify those relatives.

(g) The provisions of section 260.012 to ensure placement prevention, family reunification, and all active and reasonable effort requirements of that section apply.

Sec. 81. Minnesota Statutes 2024, section 260D.02, subdivision 5, is amended to read:

Subd. 5. **Child in voluntary foster care for treatment.** "Child in voluntary foster care for treatment" means a child with ~~emotional disturbance~~ a mental illness or developmental

disability, or who has a related condition and is in foster care under a voluntary foster care agreement between the child's parent and the agency due to concurrence between the agency and the parent when it is determined that foster care is medically necessary:

(1) due to a determination by the agency's screening team based on its review of the diagnostic and functional assessment under section 245.4885; or

(2) due to a determination by the agency's screening team under section 256B.092 and Minnesota Rules, parts 9525.0004 to 9525.0016.

A child is not in voluntary foster care for treatment under this chapter when there is a current determination under chapter 260E that the child requires child protective services or when the child is in foster care for any reason other than the child's ~~emotional or~~ mental illness, developmental disability, or related condition.

Sec. 82. Minnesota Statutes 2024, section 260D.02, subdivision 9, is amended to read:

Subd. 9. ~~Emotional disturbance~~ Mental illness. "~~Emotional disturbance~~ Mental illness" ~~means emotional disturbance as described~~ has the meaning given in section 245.4871, subdivision 15.

Sec. 83. Minnesota Statutes 2024, section 260D.03, subdivision 1, is amended to read:

Subdivision 1. **Voluntary foster care.** When the agency's screening team, based upon the diagnostic and functional assessment under section 245.4885 or medical necessity screenings under section 256B.092, subdivision 7, determines the child's need for treatment due to ~~emotional disturbance or a mental illness~~, developmental disability, or related condition requires foster care placement of the child, a voluntary foster care agreement between the child's parent and the agency gives the agency legal authority to place the child in foster care.

Sec. 84. Minnesota Statutes 2024, section 260D.04, is amended to read:

260D.04 REQUIRED INFORMATION FOR A CHILD IN VOLUNTARY FOSTER CARE FOR TREATMENT.

An agency with authority to place a child in voluntary foster care for treatment due to ~~emotional disturbance or a mental illness~~, developmental disability, or related condition, shall inform the child, age 12 or older, of the following:

386.1 (1) the child has the right to be consulted in the preparation of the out-of-home placement
386.2 plan required under section 260C.212, subdivision 1, and the administrative review required
386.3 under section 260C.203;

386.4 (2) the child has the right to visit the parent and the right to visit the child's siblings as
386.5 determined safe and appropriate by the parent and the agency;

386.6 (3) if the child disagrees with the foster care facility or services provided under the
386.7 out-of-home placement plan required under section 260C.212, subdivision 1, the agency
386.8 shall include information about the nature of the child's disagreement and, to the extent
386.9 possible, the agency's understanding of the basis of the child's disagreement in the information
386.10 provided to the court in the report required under section 260D.06; and

386.11 (4) the child has the rights established under Minnesota Rules, part 2960.0050, as a
386.12 resident of a facility licensed by the state.

386.13 Sec. 85. Minnesota Statutes 2024, section 260D.06, subdivision 2, is amended to read:

386.14 Subd. 2. **Agency report to court; court review.** The agency shall obtain judicial review
386.15 by reporting to the court according to the following procedures:

386.16 (a) A written report shall be forwarded to the court within 165 days of the date of the
386.17 voluntary placement agreement. The written report shall contain or have attached:

386.18 (1) a statement of facts that necessitate the child's foster care placement;

386.19 (2) the child's name, date of birth, race, gender, and current address;

386.20 (3) the names, race, date of birth, residence, and post office addresses of the child's
386.21 parents or legal custodian;

386.22 (4) a statement regarding the child's eligibility for membership or enrollment in an Indian
386.23 tribe and the agency's compliance with applicable provisions of sections 260.751 to 260.835;

386.24 (5) the names and addresses of the foster parents or chief administrator of the facility in
386.25 which the child is placed, if the child is not in a family foster home or group home;

386.26 (6) a copy of the out-of-home placement plan required under section 260C.212,
386.27 subdivision 1;

386.28 (7) a written summary of the proceedings of any administrative review required under
386.29 section 260C.203;

386.30 (8) evidence as specified in section 260C.712 when a child is placed in a qualified
386.31 residential treatment program as defined in section 260C.007, subdivision 26d; and

(9) any other information the agency, parent or legal custodian, the child or the foster parent, or other residential facility wants the court to consider.

(b) In the case of a child in placement due to ~~emotional disturbance~~ mental illness, the written report shall include as an attachment, the child's individual treatment plan developed by the child's treatment professional, as provided in section 245.4871, subdivision 21, or the child's standard written plan, as provided in section 125A.023, subdivision 3, paragraph (e).

(c) In the case of a child in placement due to developmental disability or a related condition, the written report shall include as an attachment, the child's individual service plan, as provided in section 256B.092, subdivision 1b; the child's individual program plan, as provided in Minnesota Rules, part 9525.0004, subpart 11; the child's waiver care plan; or the child's standard written plan, as provided in section 125A.023, subdivision 3, paragraph (e).

(d) The agency must inform the child, age 12 or older, the child's parent, and the foster parent or foster care facility of the reporting and court review requirements of this section and of their right to submit information to the court:

(1) if the child or the child's parent or the foster care provider wants to send information to the court, the agency shall advise those persons of the reporting date and the date by which the agency must receive the information they want forwarded to the court so the agency is timely able submit it with the agency's report required under this subdivision;

(2) the agency must also inform the child, age 12 or older, the child's parent, and the foster care facility that they have the right to be heard in person by the court and how to exercise that right;

(3) the agency must also inform the child, age 12 or older, the child's parent, and the foster care provider that an in-court hearing will be held if requested by the child, the parent, or the foster care provider; and

(4) if, at the time required for the report under this section, a child, age 12 or older, disagrees about the foster care facility or services provided under the out-of-home placement plan required under section 260C.212, subdivision 1, the agency shall include information regarding the child's disagreement, and to the extent possible, the basis for the child's disagreement in the report required under this section.

(e) After receiving the required report, the court has jurisdiction to make the following determinations and must do so within ten days of receiving the forwarded report, whether a hearing is requested:

(1) whether the voluntary foster care arrangement is in the child's best interests;

(2) whether the parent and agency are appropriately planning for the child; and

(3) in the case of a child age 12 or older, who disagrees with the foster care facility or services provided under the out-of-home placement plan, whether it is appropriate to appoint counsel and a guardian ad litem for the child using standards and procedures under section 260C.163.

(f) Unless requested by a parent, representative of the foster care facility, or the child, no in-court hearing is required in order for the court to make findings and issue an order as required in paragraph (e).

(g) If the court finds the voluntary foster care arrangement is in the child's best interests and that the agency and parent are appropriately planning for the child, the court shall issue an order containing explicit, individualized findings to support its determination. The individualized findings shall be based on the agency's written report and other materials submitted to the court. The court may make this determination notwithstanding the child's disagreement, if any, reported under paragraph (d).

(h) The court shall send a copy of the order to the county attorney, the agency, parent, child, age 12 or older, and the foster parent or foster care facility.

(i) The court shall also send the parent, the child, age 12 or older, the foster parent, or representative of the foster care facility notice of the permanency review hearing required under section 260D.07, paragraph (e).

(j) If the court finds continuing the voluntary foster care arrangement is not in the child's best interests or that the agency or the parent are not appropriately planning for the child, the court shall notify the agency, the parent, the foster parent or foster care facility, the child, age 12 or older, and the county attorney of the court's determinations and the basis for the court's determinations. In this case, the court shall set the matter for hearing and appoint a guardian ad litem for the child under section 260C.163, subdivision 5.

389.1 Sec. 86. Minnesota Statutes 2024, section 260D.07, is amended to read:

389.2 **260D.07 REQUIRED PERMANENCY REVIEW HEARING.**

389.3 (a) When the court has found that the voluntary arrangement is in the child's best interests
389.4 and that the agency and parent are appropriately planning for the child pursuant to the report
389.5 submitted under section 260D.06, and the child continues in voluntary foster care as defined
389.6 in section 260D.02, subdivision 10, for 13 months from the date of the voluntary foster care
389.7 agreement, or has been in placement for 15 of the last 22 months, the agency must:

389.8 (1) terminate the voluntary foster care agreement and return the child home; or

389.9 (2) determine whether there are compelling reasons to continue the voluntary foster care
389.10 arrangement and, if the agency determines there are compelling reasons, seek judicial
389.11 approval of its determination; or

389.12 (3) file a petition for the termination of parental rights.

389.13 (b) When the agency is asking for the court's approval of its determination that there are
389.14 compelling reasons to continue the child in the voluntary foster care arrangement, the agency
389.15 shall file a "Petition for Permanency Review Regarding a Child in Voluntary Foster Care
389.16 for Treatment" and ask the court to proceed under this section.

389.17 (c) The "Petition for Permanency Review Regarding a Child in Voluntary Foster Care
389.18 for Treatment" shall be drafted or approved by the county attorney and be under oath. The
389.19 petition shall include:

389.20 (1) the date of the voluntary placement agreement;

389.21 (2) whether the petition is due to the child's developmental disability or ~~emotional~~
389.22 ~~disturbance~~ mental illness;

389.23 (3) the plan for the ongoing care of the child and the parent's participation in the plan;

389.24 (4) a description of the parent's visitation and contact with the child;

389.25 (5) the date of the court finding that the foster care placement was in the best interests
389.26 of the child, if required under section 260D.06, or the date the agency filed the motion under
389.27 section 260D.09, paragraph (b);

389.28 (6) the agency's reasonable efforts to finalize the permanent plan for the child, including
389.29 returning the child to the care of the child's family;

389.30 (7) a citation to this chapter as the basis for the petition; and

390.1 (8) evidence as specified in section 260C.712 when a child is placed in a qualified
390.2 residential treatment program as defined in section 260C.007, subdivision 26d.

390.3 (d) An updated copy of the out-of-home placement plan required under section 260C.212,
390.4 subdivision 1, shall be filed with the petition.

390.5 (e) The court shall set the date for the permanency review hearing no later than 14 months
390.6 after the child has been in placement or within 30 days of the petition filing date when the
390.7 child has been in placement 15 of the last 22 months. The court shall serve the petition
390.8 together with a notice of hearing by United States mail on the parent, the child age 12 or
390.9 older, the child's guardian ad litem, if one has been appointed, the agency, the county
390.10 attorney, and counsel for any party.

390.11 (f) The court shall conduct the permanency review hearing on the petition no later than
390.12 14 months after the date of the voluntary placement agreement, within 30 days of the filing
390.13 of the petition when the child has been in placement 15 of the last 22 months, or within 15
390.14 days of a motion to terminate jurisdiction and to dismiss an order for foster care under
390.15 chapter 260C, as provided in section 260D.09, paragraph (b).

390.16 (g) At the permanency review hearing, the court shall:

390.17 (1) inquire of the parent if the parent has reviewed the "Petition for Permanency Review
390.18 Regarding a Child in Voluntary Foster Care for Treatment," whether the petition is accurate,
390.19 and whether the parent agrees to the continued voluntary foster care arrangement as being
390.20 in the child's best interests;

390.21 (2) inquire of the parent if the parent is satisfied with the agency's reasonable efforts to
390.22 finalize the permanent plan for the child, including whether there are services available and
390.23 accessible to the parent that might allow the child to safely be with the child's family;

390.24 (3) inquire of the parent if the parent consents to the court entering an order that:

390.25 (i) approves the responsible agency's reasonable efforts to finalize the permanent plan
390.26 for the child, which includes ongoing future planning for the safety, health, and best interests
390.27 of the child; and

390.28 (ii) approves the responsible agency's determination that there are compelling reasons
390.29 why the continued voluntary foster care arrangement is in the child's best interests; and

390.30 (4) inquire of the child's guardian ad litem and any other party whether the guardian or
390.31 the party agrees that:

391.1 (i) the court should approve the responsible agency's reasonable efforts to finalize the
391.2 permanent plan for the child, which includes ongoing and future planning for the safety,
391.3 health, and best interests of the child; and

391.4 (ii) the court should approve of the responsible agency's determination that there are
391.5 compelling reasons why the continued voluntary foster care arrangement is in the child's
391.6 best interests.

391.7 (h) At a permanency review hearing under this section, the court may take the following
391.8 actions based on the contents of the sworn petition and the consent of the parent:

391.9 (1) approve the agency's compelling reasons that the voluntary foster care arrangement
391.10 is in the best interests of the child; and

391.11 (2) find that the agency has made reasonable efforts to finalize the permanent plan for
391.12 the child.

391.13 (i) A child, age 12 or older, may object to the agency's request that the court approve its
391.14 compelling reasons for the continued voluntary arrangement and may be heard on the reasons
391.15 for the objection. Notwithstanding the child's objection, the court may approve the agency's
391.16 compelling reasons and the voluntary arrangement.

391.17 (j) If the court does not approve the voluntary arrangement after hearing from the child
391.18 or the child's guardian ad litem, the court shall dismiss the petition. In this case, either:

391.19 (1) the child must be returned to the care of the parent; or

391.20 (2) the agency must file a petition under section 260C.141, asking for appropriate relief
391.21 under sections 260C.301 or 260C.503 to 260C.521.

391.22 (k) When the court approves the agency's compelling reasons for the child to continue
391.23 in voluntary foster care for treatment, and finds that the agency has made reasonable efforts
391.24 to finalize a permanent plan for the child, the court shall approve the continued voluntary
391.25 foster care arrangement, and continue the matter under the court's jurisdiction for the purposes
391.26 of reviewing the child's placement every 12 months while the child is in foster care.

391.27 (l) A finding that the court approves the continued voluntary placement means the agency
391.28 has continued legal authority to place the child while a voluntary placement agreement
391.29 remains in effect. The parent or the agency may terminate a voluntary agreement as provided
391.30 in section 260D.10. Termination of a voluntary foster care placement of an Indian child is
391.31 governed by section 260.765, subdivision 4.

392.1 Sec. 87. Minnesota Statutes 2024, section 260E.11, subdivision 3, is amended to read:

392.2 Subd. 3. **Report to medical examiner or coroner; notification to local agency and**
392.3 **law enforcement; report ombudsman.** (a) A person mandated to report maltreatment who
392.4 knows or has reason to believe a child has died as a result of maltreatment shall report that
392.5 information to the appropriate medical examiner or coroner instead of the local welfare
392.6 agency, police department, or county sheriff.

392.7 (b) The medical examiner or coroner shall notify the local welfare agency, police
392.8 department, or county sheriff in instances in which the medical examiner or coroner believes
392.9 that the child has died as a result of maltreatment. The medical examiner or coroner shall
392.10 complete an investigation as soon as feasible and report the findings to the police department
392.11 or county sheriff and the local welfare agency.

392.12 (c) If the child was receiving services or treatment for mental illness, developmental
392.13 disability, or substance use disorder, ~~or emotional disturbance~~ from an agency, facility, or
392.14 program as defined in section 245.91, the medical examiner or coroner shall also notify and
392.15 report findings to the ombudsman established under sections 245.91 to 245.97.

392.16 Sec. 88. Minnesota Statutes 2024, section 295.50, subdivision 9b, is amended to read:

392.17 Subd. 9b. **Patient services.** (a) "Patient services" means inpatient and outpatient services
392.18 and other goods and services provided by hospitals, surgical centers, or health care providers.
392.19 They include the following health care goods and services provided to a patient or consumer:

392.20 (1) bed and board;

392.21 (2) nursing services and other related services;

392.22 (3) use of hospitals, surgical centers, or health care provider facilities;

392.23 (4) medical social services;

392.24 (5) drugs, biologicals, supplies, appliances, and equipment;

392.25 (6) other diagnostic or therapeutic items or services;

392.26 (7) medical or surgical services;

392.27 (8) items and services furnished to ambulatory patients not requiring emergency care;

392.28 and

392.29 (9) emergency services.

392.30 (b) "Patient services" does not include:

- 393.1 (1) services provided to nursing homes licensed under chapter 144A;
- 393.2 (2) examinations for purposes of utilization reviews, insurance claims or eligibility,
- 393.3 litigation, and employment, including reviews of medical records for those purposes;
- 393.4 (3) services provided to and by community residential mental health facilities licensed
- 393.5 under section 245I.23 or Minnesota Rules, parts 9520.0500 to 9520.0670, and to and by
- 393.6 residential treatment programs for children with ~~severe emotional disturbance~~ a serious
- 393.7 mental illness licensed or certified under chapter 245A;
- 393.8 (4) services provided under the following programs: day treatment services as defined
- 393.9 in section 245.462, subdivision 8; assertive community treatment as described in section
- 393.10 256B.0622; adult rehabilitative mental health services as described in section 256B.0623;
- 393.11 crisis response services as described in section 256B.0624; and children's therapeutic services
- 393.12 and supports as described in section 256B.0943;
- 393.13 (5) services provided to and by community mental health centers as defined in section
- 393.14 245.62, subdivision 2;
- 393.15 (6) services provided to and by assisted living programs and congregate housing
- 393.16 programs;
- 393.17 (7) hospice care services;
- 393.18 (8) home and community-based waived services under chapter 256S and sections
- 393.19 256B.49 and 256B.501;
- 393.20 (9) targeted case management services under sections 256B.0621; 256B.0625,
- 393.21 subdivisions 20, 20a, 33, and 44; and 256B.094; and
- 393.22 (10) services provided to the following: supervised living facilities for persons with
- 393.23 developmental disabilities licensed under Minnesota Rules, parts 4665.0100 to 4665.9900;
- 393.24 housing with services establishments required to be registered under chapter 144D; board
- 393.25 and lodging establishments providing only custodial services that are licensed under chapter
- 393.26 157 and registered under section 157.17 to provide supportive services or health supervision
- 393.27 services; adult foster homes as defined in Minnesota Rules, part 9555.5105; day training
- 393.28 and habilitation services for adults with developmental disabilities as defined in section
- 393.29 252.41, subdivision 3; boarding care homes as defined in Minnesota Rules, part 4655.0100;
- 393.30 adult day care services as defined in section 245A.02, subdivision 2a; and home health
- 393.31 agencies as defined in Minnesota Rules, part 9505.0175, subpart 15, or licensed under
- 393.32 chapter 144A.

ARTICLE 11

**ASSERTIVE COMMUNITY TREATMENT AND INTENSIVE RESIDENTIAL
TREATMENT SERVICES RECODIFICATION**

Section 1. Minnesota Statutes 2024, section 256B.0622, subdivision 1, is amended to read:

Subdivision 1. **Scope.** (a) Subject to federal approval, medical assistance covers medically necessary, assertive community treatment when the services are provided by an entity certified under and meeting the standards in this section.

~~(b) Subject to federal approval, medical assistance covers medically necessary, intensive residential treatment services when the services are provided by an entity licensed under and meeting the standards in section 245I.23.~~

~~(e)~~ (b) The provider entity must make reasonable and good faith efforts to report individual client outcomes to the commissioner, using instruments and protocols approved by the commissioner.

Sec. 2. Minnesota Statutes 2024, section 256B.0622, subdivision 8, is amended to read:

Subd. 8. **Medical assistance payment for assertive community treatment and intensive residential treatment services.** (a) Payment for ~~intensive residential treatment services and~~ assertive community treatment in this section shall be based on one daily rate per provider inclusive of the following services received by an eligible client in a given calendar day: all rehabilitative services under this section, staff travel time to provide rehabilitative services under this section, and nonresidential crisis stabilization services under section 256B.0624.

(b) Except as indicated in paragraph ~~(d)~~ (c), payment will not be made to more than one entity for each client for services provided under this section on a given day. If services under this section are provided by a team that includes staff from more than one entity, the team must determine how to distribute the payment among the members.

~~(e) Payment must not be made based solely on a court order to participate in intensive residential treatment services. If a client has a court order to participate in the program or to obtain assessment for treatment and follow treatment recommendations, payment under this section must only be provided if the client is eligible for the service and the service is determined to be medically necessary.~~

~~(d)~~ (c) The commissioner shall determine ~~one rate for each provider that will bill medical assistance for residential services under this section and~~ one rate for each assertive community treatment provider under this section. If a single entity provides both ~~services~~ intensive

395.1 residential treatment services under section 256B.0632 and assertive community treatment
 395.2 under this section, one rate is established for the entity's intensive residential treatment
 395.3 services under section 256B.0632 and another rate for the entity's ~~nonresidential~~ assertive
 395.4 community treatment services under this section. A provider is not eligible for payment
 395.5 under this section without authorization from the commissioner. The commissioner shall
 395.6 develop rates using the following criteria:

395.7 (1) the provider's cost for services shall include direct services costs, other program
 395.8 costs, and other costs determined as follows:

395.9 (i) the direct services costs must be determined using actual costs of salaries, benefits,
 395.10 payroll taxes, and training of direct service staff and service-related transportation;

395.11 (ii) other program costs not included in item (i) must be determined as a specified
 395.12 percentage of the direct services costs as determined by item (i). The percentage used shall
 395.13 be determined by the commissioner based upon the average of percentages that represent
 395.14 the relationship of other program costs to direct services costs among the entities that provide
 395.15 similar services;

395.16 (iii) physical plant costs calculated based on the percentage of space within the program
 395.17 that is entirely devoted to treatment and programming. This does not include administrative
 395.18 or residential space;

395.19 (iv) assertive community treatment physical plant costs must be reimbursed as part of
 395.20 the costs described in item (ii); and

395.21 (v) subject to federal approval, up to an additional five percent of the total rate may be
 395.22 added to the program rate as a quality incentive based upon the entity meeting performance
 395.23 criteria specified by the commissioner;

395.24 (2) ~~actual cost~~ actual costs are defined as costs which are allowable, allocable, and reasonable,
 395.25 and consistent with federal reimbursement requirements under Code of Federal Regulations,
 395.26 title 48, chapter 1, part 31, relating to for-profit entities, and Office of Management and
 395.27 Budget Circular Number A-122, relating to nonprofit entities;

395.28 (3) the number of service units;

395.29 (4) the degree to which clients will receive services other than services under this section
 395.30 or section 256B.0632; and

395.31 (5) the costs of other services that will be separately reimbursed.

~~(e) (d)~~ The rate for ~~intensive residential treatment services~~ and assertive community treatment must exclude the medical assistance room and board rate, as defined in section 256B.056, subdivision 5d, and services not covered under this section, such as partial hospitalization, home care, and inpatient services.

~~(f) Physician services that are not separately billed may be included in the rate to the extent that a psychiatrist, or other health care professional providing physician services within their scope of practice, is a member of the intensive residential treatment services treatment team. Physician services, whether billed separately or included in the rate, may be delivered by telehealth. For purposes of this paragraph, "telehealth" has the meaning given to "mental health telehealth" in section 256B.0625, subdivision 46, when telehealth is used to provide intensive residential treatment services.~~

~~(g) (e)~~ When services under this section are provided by an assertive community treatment provider, case management functions must be an integral part of the team.

~~(h) (f)~~ The rate for a provider must not exceed the rate charged by that provider for the same service to other payors.

~~(i) (g)~~ The rates for existing programs must be established prospectively based upon the expenditures and utilization over a prior 12-month period using the criteria established in paragraph ~~(d) (c)~~. The rates for new programs must be established based upon estimated expenditures and estimated utilization using the criteria established in paragraph ~~(d) (c)~~.

~~(j) (h)~~ Effective for the rate years beginning on and after January 1, 2024, rates for assertive community treatment, adult residential crisis stabilization services, and intensive residential treatment services must be annually adjusted for inflation using the Centers for Medicare and Medicaid Services Medicare Economic Index, as forecasted in the third quarter of the calendar year before the rate year. The inflation adjustment must be based on the 12-month period from the midpoint of the previous rate year to the midpoint of the rate year for which the rate is being determined. This paragraph expires upon federal approval.

(i) Effective upon the expiration of paragraph (h), and effective for the rate years beginning on and after January 1, 2024, rates for assertive community treatment services must be annually adjusted for inflation using the Centers for Medicare and Medicaid Services Medicare Economic Index, as forecasted in the third quarter of the calendar year before the rate year. The inflation adjustment must be based on the 12-month period from the midpoint of the previous rate year to the midpoint of the rate year for which the rate is being determined.

397.1 ~~(k)~~ (j) Entities who discontinue providing services must be subject to a settle-up process
397.2 whereby actual costs and reimbursement for the previous 12 months are compared. In the
397.3 event that the entity was paid more than the entity's actual costs plus any applicable
397.4 performance-related funding due the provider, the excess payment must be reimbursed to
397.5 the department. If a provider's revenue is less than actual allowed costs due to lower
397.6 utilization than projected, the commissioner may reimburse the provider to recover its actual
397.7 allowable costs. The resulting adjustments by the commissioner must be proportional to the
397.8 percent of total units of service reimbursed by the commissioner and must reflect a difference
397.9 of greater than five percent.

397.10 ~~(h)~~ (k) A provider may request of the commissioner a review of any rate-setting decision
397.11 made under this subdivision.

397.12 Sec. 3. Minnesota Statutes 2024, section 256B.0622, subdivision 11, is amended to read:

397.13 Subd. 11. **Sustainability grants.** The commissioner may disburse grant funds directly
397.14 to ~~intensive residential treatment services providers and~~ assertive community treatment
397.15 providers to maintain access to these services.

397.16 Sec. 4. Minnesota Statutes 2024, section 256B.0622, subdivision 12, is amended to read:

397.17 Subd. 12. **Start-up grants.** The commissioner may, within available appropriations,
397.18 disburse grant funding to counties, Indian tribes, or mental health service providers to
397.19 establish additional assertive community treatment teams, ~~intensive residential treatment~~
397.20 ~~services, or crisis residential services.~~

397.21 Sec. 5. **[256B.0632] INTENSIVE RESIDENTIAL TREATMENT SERVICES.**

397.22 Subdivision 1. **Scope.** (a) Subject to federal approval, medical assistance covers medically
397.23 necessary, intensive residential treatment services when the services are provided by an
397.24 entity licensed under and meeting the standards in section 245I.23.

397.25 (b) The provider entity must make reasonable and good faith efforts to report individual
397.26 client outcomes to the commissioner, using instruments and protocols approved by the
397.27 commissioner.

397.28 Subd. 2. **Provider entity licensure and contract requirements for intensive residential**
397.29 **treatment services.** (a) The commissioner shall develop procedures for counties and
397.30 providers to submit other documentation as needed to allow the commissioner to determine
397.31 whether the standards in this section are met.

(b) A provider entity must specify in the provider entity's application what geographic area and populations will be served by the proposed program. A provider entity must document that the capacity or program specialties of existing programs are not sufficient to meet the service needs of the target population. A provider entity must submit evidence of ongoing relationships with other providers and levels of care to facilitate referrals to and from the proposed program.

(c) A provider entity must submit documentation that the provider entity requested a statement of need from each county board and Tribal authority that serves as a local mental health authority in the proposed service area. The statement of need must specify if the local mental health authority supports or does not support the need for the proposed program and the basis for this determination. If a local mental health authority does not respond within 60 days of the receipt of the request, the commissioner shall determine the need for the program based on the documentation submitted by the provider entity.

Subd. 3. Medical assistance payment for intensive residential treatment services. (a) Payment for intensive residential treatment services in this section shall be based on one daily rate per provider inclusive of the following services received by an eligible client in a given calendar day: all rehabilitative services under this section, staff travel time to provide rehabilitative services under this section, and nonresidential crisis stabilization services under section 256B.0624.

(b) Except as indicated in paragraph (d), payment will not be made to more than one entity for each client for services provided under this section on a given day. If services under this section are provided by a team that includes staff from more than one entity, the team must determine how to distribute the payment among the members.

(c) Payment must not be made based solely on a court order to participate in intensive residential treatment services. If a client has a court order to participate in the program or to obtain assessment for treatment and follow treatment recommendations, payment under this section must only be provided if the client is eligible for the service and the service is determined to be medically necessary.

(d) The commissioner shall determine one rate for each provider that will bill medical assistance for intensive residential treatment services under this section. If a single entity provides both intensive residential treatment services under this section and assertive community treatment under section 256B.0622, one rate is established for the entity's intensive residential treatment services under this section and another rate for the entity's assertive community treatment services under section 256B.0622. A provider is not eligible

399.1 for payment under this section without authorization from the commissioner. The
399.2 commissioner shall develop rates using the following criteria:

399.3 (1) the provider's cost for services shall include direct services costs, other program
399.4 costs, and other costs determined as follows:

399.5 (i) the direct services costs must be determined using actual costs of salaries, benefits,
399.6 payroll taxes, and training of direct service staff and service-related transportation;

399.7 (ii) other program costs not included in item (i) must be determined as a specified
399.8 percentage of the direct services costs as determined by item (i). The percentage used shall
399.9 be determined by the commissioner based upon the average of percentages that represent
399.10 the relationship of other program costs to direct services costs among the entities that provide
399.11 similar services;

399.12 (iii) physical plant costs calculated based on the percentage of space within the program
399.13 that is entirely devoted to treatment and programming. This does not include administrative
399.14 or residential space; and

399.15 (iv) subject to federal approval, up to an additional five percent of the total rate may be
399.16 added to the program rate as a quality incentive based upon the entity meeting performance
399.17 criteria specified by the commissioner;

399.18 (2) actual costs are defined as costs which are allowable, allocable, and reasonable, and
399.19 consistent with federal reimbursement requirements under Code of Federal Regulations,
399.20 title 48, chapter 1, part 31, relating to for-profit entities, and Office of Management and
399.21 Budget Circular Number A-122, relating to nonprofit entities;

399.22 (3) the number of services units;

399.23 (4) the degree to which clients will receive services other than services under this section
399.24 or section 256B.0622; and

399.25 (5) the costs of other services that will be separately reimbursed.

399.26 (e) The rate for intensive residential treatment services must exclude the medical
399.27 assistance room and board rate, as defined in section 256B.056, subdivision 5d, and services
399.28 not covered under this section, such as partial hospitalization, home care, and inpatient
399.29 services.

399.30 (f) Physician services that are not separately billed may be included in the rate to the
399.31 extent that a psychiatrist, or other health care professional providing physician services
399.32 within their scope of practice, is a member of the intensive residential treatment services

treatment team. Physician services, whether billed separately or included in the rate, may be delivered by telehealth. For purposes of this paragraph, "telehealth" has the meaning given to "mental health telehealth" in section 256B.0625, subdivision 46, when telehealth is used to provide intensive residential treatment services.

(g) The rate for a provider must not exceed the rate charged by that provider for the same service to other payors.

(h) The rates for existing programs must be established prospectively based upon the expenditures and utilization over a prior 12-month period using the criteria established in paragraph (d). The rates for new programs must be established based upon estimated expenditures and estimated utilization using the criteria established in paragraph (d).

(i) Effective upon the expiration of section 256B.0622, subdivision 8, paragraph (h), and effective for rate years beginning on and after January 1, 2024, rates for intensive residential treatment services and adult residential crisis stabilization services must be annually adjusted for inflation using the Centers for Medicare and Medicaid Services Medicare Economic Index, as forecasted in the third quarter of the calendar year before the rate year. The inflation adjustment must be based on the 12-month period from the midpoint of the previous rate year to the midpoint of the rate year for which the rate is being determined.

(j) Entities who discontinue providing services must be subject to a settle-up process whereby actual costs and reimbursement for the previous 12 months are compared. In the event that the entity was paid more than the entity's actual costs plus any applicable performance-related funding due the provider, the excess payment must be reimbursed to the department. If a provider's revenue is less than actual allowed costs due to lower utilization than projected, the commissioner may reimburse the provider to recover its actual allowable costs. The resulting adjustments by the commissioner must be proportional to the percent of total units of service reimbursed by the commissioner and must reflect a difference of greater than five percent.

(k) A provider may request of the commissioner a review of any rate-setting decision made under this subdivision.

Subd. 4. Provider enrollment; rate setting for county-operated entities. Counties that employ their own staff to provide services under this section shall apply directly to the commissioner for enrollment and rate setting. In this case, a county contract is not required.

Subd. 5. **Provider enrollment; rate setting for specialized program.** A county contract is not required for a provider proposing to serve a subpopulation of eligible clients under the following circumstances:

(1) the provider demonstrates that the subpopulation to be served requires a specialized program which is not available from county-approved entities; and

(2) the subpopulation to be served is of such a low incidence that it is not feasible to develop a program serving a single county or regional group of counties.

Subd. 6. **Sustainability grants.** The commissioner may disburse grant funds directly to intensive residential treatment services providers to maintain access to these services.

Subd. 7. **Start-up grants.** The commissioner may, within available appropriations, disburse grant funding to counties, Indian Tribes, or mental health service providers to establish additional intensive residential treatment services and residential crisis services.

Sec. 6. REPEALER.

Minnesota Statutes 2024, section 256B.0622, subdivision 4, is repealed.

ARTICLE 12

**ASSERTIVE COMMUNITY TREATMENT AND INTENSIVE RESIDENTIAL
TREATMENT SERVICES RECODIFICATION CONFORMING CHANGES**

Section 1. Minnesota Statutes 2024, section 148F.11, subdivision 1, is amended to read:

Subdivision 1. **Other professionals.** (a) Nothing in this chapter prevents members of other professions or occupations from performing functions for which they are qualified or licensed. This exception includes, but is not limited to: licensed physicians; registered nurses; licensed practical nurses; licensed psychologists and licensed psychological practitioners; members of the clergy provided such services are provided within the scope of regular ministries; American Indian medicine men and women; licensed attorneys; probation officers; licensed marriage and family therapists; licensed social workers; social workers employed by city, county, or state agencies; licensed professional counselors; licensed professional clinical counselors; licensed school counselors; registered occupational therapists or occupational therapy assistants; Upper Midwest Indian Council on Addictive Disorders (UMICAD) certified counselors when providing services to Native American people; city, county, or state employees when providing assessments or case management under Minnesota Rules, chapter 9530; and staff persons providing co-occurring substance use disorder treatment in adult mental health rehabilitative programs certified or licensed by the

402.1 Department of Human Services under section 245I.23, 256B.0622, ~~or~~ 256B.0623, or
402.2 256B.0632.

402.3 (b) Nothing in this chapter prohibits technicians and resident managers in programs
402.4 licensed by the Department of Human Services from discharging their duties as provided
402.5 in Minnesota Rules, chapter 9530.

402.6 (c) Any person who is exempt from licensure under this section must not use a title
402.7 incorporating the words "alcohol and drug counselor" or "licensed alcohol and drug
402.8 counselor" or otherwise hold himself or herself out to the public by any title or description
402.9 stating or implying that he or she is engaged in the practice of alcohol and drug counseling,
402.10 or that he or she is licensed to engage in the practice of alcohol and drug counseling, unless
402.11 that person is also licensed as an alcohol and drug counselor. Persons engaged in the practice
402.12 of alcohol and drug counseling are not exempt from the board's jurisdiction solely by the
402.13 use of one of the titles in paragraph (a).

402.14 Sec. 2. Minnesota Statutes 2024, section 245.4662, subdivision 1, is amended to read:

402.15 Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have
402.16 the meanings given them.

402.17 (b) "Community partnership" means a project involving the collaboration of two or more
402.18 eligible applicants.

402.19 (c) "Eligible applicant" means an eligible county, Indian tribe, mental health service
402.20 provider, hospital, or community partnership. Eligible applicant does not include a
402.21 state-operated direct care and treatment facility or program under chapters 246 and 246C.

402.22 (d) "Intensive residential treatment services" has the meaning given in section ~~256B.0622~~
402.23 256B.0632.

402.24 (e) "Metropolitan area" means the seven-county metropolitan area, as defined in section
402.25 473.121, subdivision 2.

402.26 Sec. 3. Minnesota Statutes 2024, section 245.4906, subdivision 2, is amended to read:

402.27 Subd. 2. **Eligible applicants.** An eligible applicant is a licensed entity or provider that
402.28 employs a mental health certified peer specialist qualified under section 245I.04, subdivision
402.29 10, and that provides services to individuals receiving assertive community treatment ~~or~~
402.30 ~~intensive residential treatment services~~ under section 256B.0622, intensive residential
402.31 treatment services under section 256B.0632, adult rehabilitative mental health services
402.32 under section 256B.0623, or crisis response services under section 256B.0624.

403.1 Sec. 4. Minnesota Statutes 2024, section 254B.04, subdivision 1a, is amended to read:

403.2 Subd. 1a. **Client eligibility.** (a) Persons eligible for benefits under Code of Federal
403.3 Regulations, title 25, part 20, who meet the income standards of section 256B.056,
403.4 subdivision 4, and are not enrolled in medical assistance, are entitled to behavioral health
403.5 fund services. State money appropriated for this paragraph must be placed in a separate
403.6 account established for this purpose.

403.7 (b) Persons with dependent children who are determined to be in need of substance use
403.8 disorder treatment pursuant to an assessment under section 260E.20, subdivision 1, or in
403.9 need of chemical dependency treatment pursuant to a case plan under section 260C.201,
403.10 subdivision 6, or 260C.212, shall be assisted by the local agency to access needed treatment
403.11 services. Treatment services must be appropriate for the individual or family, which may
403.12 include long-term care treatment or treatment in a facility that allows the dependent children
403.13 to stay in the treatment facility. The county shall pay for out-of-home placement costs, if
403.14 applicable.

403.15 (c) Notwithstanding paragraph (a), any person enrolled in medical assistance or
403.16 MinnesotaCare is eligible for room and board services under section 254B.05, subdivision
403.17 5, paragraph (b), clause (9).

403.18 (d) A client is eligible to have substance use disorder treatment paid for with funds from
403.19 the behavioral health fund when the client:

403.20 (1) is eligible for MFIP as determined under chapter 142G;

403.21 (2) is eligible for medical assistance as determined under Minnesota Rules, parts
403.22 9505.0010 to 9505.0150;

403.23 (3) is eligible for general assistance, general assistance medical care, or work readiness
403.24 as determined under Minnesota Rules, parts 9500.1200 to 9500.1318; or

403.25 (4) has income that is within current household size and income guidelines for entitled
403.26 persons, as defined in this subdivision and subdivision 7.

403.27 (e) Clients who meet the financial eligibility requirement in paragraph (a) and who have
403.28 a third-party payment source are eligible for the behavioral health fund if the third-party
403.29 payment source pays less than 100 percent of the cost of treatment services for eligible
403.30 clients.

403.31 (f) A client is ineligible to have substance use disorder treatment services paid for with
403.32 behavioral health fund money if the client:

404.1 (1) has an income that exceeds current household size and income guidelines for entitled
404.2 persons as defined in this subdivision and subdivision 7; or

404.3 (2) has an available third-party payment source that will pay the total cost of the client's
404.4 treatment.

404.5 (g) A client who is disenrolled from a state prepaid health plan during a treatment episode
404.6 is eligible for continued treatment service that is paid for by the behavioral health fund until
404.7 the treatment episode is completed or the client is re-enrolled in a state prepaid health plan
404.8 if the client:

404.9 (1) continues to be enrolled in MinnesotaCare, medical assistance, or general assistance
404.10 medical care; or

404.11 (2) is eligible according to paragraphs (a) and (b) and is determined eligible by a local
404.12 agency under section 254B.04.

404.13 (h) When a county commits a client under chapter 253B to a regional treatment center
404.14 for substance use disorder services and the client is ineligible for the behavioral health fund,
404.15 the county is responsible for the payment to the regional treatment center according to
404.16 section 254B.05, subdivision 4.

404.17 (i) Persons enrolled in MinnesotaCare are eligible for room and board services when
404.18 provided through intensive residential treatment services and residential crisis services under
404.19 section ~~256B.0622~~ 256B.0632.

404.20 Sec. 5. Minnesota Statutes 2024, section 254B.05, subdivision 1a, is amended to read:

404.21 Subd. 1a. **Room and board provider requirements.** (a) Vendors of room and board
404.22 are eligible for behavioral health fund payment if the vendor:

404.23 (1) has rules prohibiting residents bringing chemicals into the facility or using chemicals
404.24 while residing in the facility and provide consequences for infractions of those rules;

404.25 (2) is determined to meet applicable health and safety requirements;

404.26 (3) is not a jail or prison;

404.27 (4) is not concurrently receiving funds under chapter 256I for the recipient;

404.28 (5) admits individuals who are 18 years of age or older;

404.29 (6) is registered as a board and lodging or lodging establishment according to section
404.30 157.17;

404.31 (7) has awake staff on site whenever a client is present;

- 405.1 (8) has staff who are at least 18 years of age and meet the requirements of section
405.2 245G.11, subdivision 1, paragraph (b);
- 405.3 (9) has emergency behavioral procedures that meet the requirements of section 245G.16;
- 405.4 (10) meets the requirements of section 245G.08, subdivision 5, if administering
405.5 medications to clients;
- 405.6 (11) meets the abuse prevention requirements of section 245A.65, including a policy on
405.7 fraternization and the mandatory reporting requirements of section 626.557;
- 405.8 (12) documents coordination with the treatment provider to ensure compliance with
405.9 section 254B.03, subdivision 2;
- 405.10 (13) protects client funds and ensures freedom from exploitation by meeting the
405.11 provisions of section 245A.04, subdivision 13;
- 405.12 (14) has a grievance procedure that meets the requirements of section 245G.15,
405.13 subdivision 2; and
- 405.14 (15) has sleeping and bathroom facilities for men and women separated by a door that
405.15 is locked, has an alarm, or is supervised by awake staff.
- 405.16 (b) Programs licensed according to Minnesota Rules, chapter 2960, are exempt from
405.17 paragraph (a), clauses (5) to (15).
- 405.18 (c) Programs providing children's mental health crisis admissions and stabilization under
405.19 section 245.4882, subdivision 6, are eligible vendors of room and board.
- 405.20 (d) Programs providing children's residential services under section 245.4882, except
405.21 services for individuals who have a placement under chapter 260C or 260D, are eligible
405.22 vendors of room and board.
- 405.23 (e) Licensed programs providing intensive residential treatment services or residential
405.24 crisis stabilization services pursuant to section ~~256B.0622~~ or 256B.0624 or 256B.0632 are
405.25 eligible vendors of room and board and are exempt from paragraph (a), clauses (6) to (15).
- 405.26 (f) A vendor that is not licensed as a residential treatment program must have a policy
405.27 to address staffing coverage when a client may unexpectedly need to be present at the room
405.28 and board site.

405.29 Sec. 6. Minnesota Statutes 2024, section 256.478, subdivision 2, is amended to read:

405.30 Subd. 2. **Eligibility.** An individual is eligible for the transition to community initiative
405.31 if the individual can demonstrate that current services are not capable of meeting individual

treatment and service needs that can be met in the community with support, and the individual meets at least one of the following criteria:

(1) the person meets the criteria under section 256B.092, subdivision 13, or 256B.49, subdivision 24;

(2) the person has met treatment objectives and no longer requires a hospital-level care, residential-level care, or a secure treatment setting, but the person's discharge from the Anoka Metro Regional Treatment Center, the Minnesota Forensic Mental Health Program, the Child and Adolescent Behavioral Health Hospital program, a psychiatric residential treatment facility under section 256B.0941, intensive residential treatment services under section ~~256B.0622~~ 256B.0632, children's residential services under section 245.4882, juvenile detention facility, county supervised building, or a hospital would be substantially delayed without additional resources available through the transitions to community initiative;

(3) the person (i) is receiving customized living services reimbursed under section 256B.4914, 24-hour customized living services reimbursed under section 256B.4914, or community residential services reimbursed under section 256B.4914; (ii) expresses a desire to move; and (iii) has received approval from the commissioner; or

(4) the person can demonstrate that the person's needs are beyond the scope of current service designs and grant funding can support the inclusion of additional supports for the person to access appropriate treatment and services in the least restrictive environment.

Sec. 7. Minnesota Statutes 2024, section 256B.0615, subdivision 1, is amended to read:

Subdivision 1. **Scope.** Medical assistance covers mental health certified peer specialist services, as established in subdivision 2, if provided to recipients who are eligible for services under sections 256B.0622, 256B.0623, ~~and 256B.0624~~, and 256B.0632 and are provided by a mental health certified peer specialist who has completed the training under subdivision 5 and is qualified according to section 245I.04, subdivision 10.

Sec. 8. Minnesota Statutes 2024, section 256B.0615, subdivision 3, is amended to read:

Subd. 3. **Eligibility.** Peer support services may be made available to consumers of (1) intensive residential treatment services under section ~~256B.0622~~ 256B.0632; (2) adult rehabilitative mental health services under section 256B.0623; and (3) crisis stabilization and mental health mobile crisis intervention services under section 256B.0624.

Sec. 9. Minnesota Statutes 2024, section 256B.82, is amended to read:

**256B.82 PREPAID PLANS AND MENTAL HEALTH REHABILITATIVE
SERVICES.**

Medical assistance and MinnesotaCare prepaid health plans may include coverage for adult mental health rehabilitative services under section 256B.0623, intensive rehabilitative services under section ~~256B.0622~~ 256B.0632, and adult mental health crisis response services under section 256B.0624, beginning January 1, 2005.

By January 15, 2004, the commissioner shall report to the legislature how these services should be included in prepaid plans. The commissioner shall consult with mental health advocates, health plans, and counties in developing this report. The report recommendations must include a plan to ensure coordination of these services between health plans and counties, assure recipient access to essential community providers, and monitor the health plans' delivery of services through utilization review and quality standards.

Sec. 10. Minnesota Statutes 2024, section 256D.44, subdivision 5, is amended to read:

Subd. 5. **Special needs.** (a) In addition to the state standards of assistance established in subdivisions 1 to 4, payments are allowed for the following special needs of recipients of Minnesota supplemental aid who are not residents of a nursing home, a regional treatment center, or a setting authorized to receive housing support payments under chapter 256I.

(b) The county agency shall pay a monthly allowance for medically prescribed diets if the cost of those additional dietary needs cannot be met through some other maintenance benefit. The need for special diets or dietary items must be prescribed by a licensed physician, advanced practice registered nurse, or physician assistant. Costs for special diets shall be determined as percentages of the allotment for a one-person household under the thrifty food plan as defined by the United States Department of Agriculture. The types of diets and the percentages of the thrifty food plan that are covered are as follows:

(1) high protein diet, at least 80 grams daily, 25 percent of thrifty food plan;

(2) controlled protein diet, 40 to 60 grams and requires special products, 100 percent of thrifty food plan;

(3) controlled protein diet, less than 40 grams and requires special products, 125 percent of thrifty food plan;

(4) low cholesterol diet, 25 percent of thrifty food plan;

(5) high residue diet, 20 percent of thrifty food plan;

408.1 (6) pregnancy and lactation diet, 35 percent of thrifty food plan;

408.2 (7) gluten-free diet, 25 percent of thrifty food plan;

408.3 (8) lactose-free diet, 25 percent of thrifty food plan;

408.4 (9) antidumping diet, 15 percent of thrifty food plan;

408.5 (10) hypoglycemic diet, 15 percent of thrifty food plan; or

408.6 (11) ketogenic diet, 25 percent of thrifty food plan.

408.7 (c) Payment for nonrecurring special needs must be allowed for necessary home repairs
408.8 or necessary repairs or replacement of household furniture and appliances using the payment
408.9 standard of the AFDC program in effect on July 16, 1996, for these expenses, as long as
408.10 other funding sources are not available.

408.11 (d) A fee for guardian or conservator service is allowed at a reasonable rate negotiated
408.12 by the county or approved by the court. This rate shall not exceed five percent of the
408.13 assistance unit's gross monthly income up to a maximum of \$100 per month. If the guardian
408.14 or conservator is a member of the county agency staff, no fee is allowed.

408.15 (e) The county agency shall continue to pay a monthly allowance of \$68 for restaurant
408.16 meals for a person who was receiving a restaurant meal allowance on June 1, 1990, and
408.17 who eats two or more meals in a restaurant daily. The allowance must continue until the
408.18 person has not received Minnesota supplemental aid for one full calendar month or until
408.19 the person's living arrangement changes and the person no longer meets the criteria for the
408.20 restaurant meal allowance, whichever occurs first.

408.21 (f) A fee equal to the maximum monthly amount allowed by the Social Security
408.22 Administration is allowed for representative payee services provided by an agency that
408.23 meets the requirements under SSI regulations to charge a fee for representative payee
408.24 services. This special need is available to all recipients of Minnesota supplemental aid
408.25 regardless of their living arrangement.

408.26 (g)(1) Notwithstanding the language in this subdivision, an amount equal to one-half of
408.27 the maximum federal Supplemental Security Income payment amount for a single individual
408.28 which is in effect on the first day of July of each year will be added to the standards of
408.29 assistance established in subdivisions 1 to 4 for adults under the age of 65 who qualify as
408.30 in need of housing assistance and are:

(i) relocating from an institution, a setting authorized to receive housing support under chapter 256I, or an adult mental health residential treatment program under section ~~256B.0622~~ 256B.0632;

(ii) eligible for personal care assistance under section 256B.0659; or

(iii) home and community-based waiver recipients living in their own home or rented or leased apartment.

(2) Notwithstanding subdivision 3, paragraph (c), an individual eligible for the shelter needy benefit under this paragraph is considered a household of one. An eligible individual who receives this benefit prior to age 65 may continue to receive the benefit after the age of 65.

(3) "Housing assistance" means that the assistance unit incurs monthly shelter costs that exceed 40 percent of the assistance unit's gross income before the application of this special needs standard. "Gross income" for the purposes of this section is the applicant's or recipient's income as defined in section 256D.35, subdivision 10, or the standard specified in subdivision 3, paragraph (a) or (b), whichever is greater. A recipient of a federal or state housing subsidy, that limits shelter costs to a percentage of gross income, shall not be considered in need of housing assistance for purposes of this paragraph.

ARTICLE 13

BACKGROUND STUDIES

Section 1. Minnesota Statutes 2024, section 245C.13, subdivision 2, is amended to read:

Subd. 2. **Activities pending completion of background study.** The subject of a background study may not perform any activity requiring a background study under paragraph (c) until the commissioner has issued one of the notices under paragraph (a).

(a) Notices from the commissioner required prior to activity under paragraph (c) include:

(1) a notice of the study results under section 245C.17 stating that:

(i) the individual is not disqualified; or

(ii) more time is needed to complete the study but the individual is not required to be removed from direct contact or access to people receiving services prior to completion of the study as provided under section 245C.17, subdivision 1, paragraph (b) or (c). The notice that more time is needed to complete the study must also indicate whether the individual is required to be under continuous direct supervision prior to completion of the background study. When more time is necessary to complete a background study of an individual

410.1 affiliated with a Title IV-E eligible children's residential facility or foster residence setting,
410.2 the individual may not work in the facility or setting regardless of whether or not the
410.3 individual is supervised;

410.4 (2) a notice that a disqualification has been set aside under section 245C.23; or

410.5 (3) a notice that a variance has been granted related to the individual under section
410.6 245C.30.

410.7 (b) For a background study affiliated with a licensed child care center or certified
410.8 license-exempt child care center, the notice sent under paragraph (a), clause (1), item (ii),
410.9 must not be issued until the commissioner receives a qualifying result for the individual for
410.10 the fingerprint-based national criminal history record check or the fingerprint-based criminal
410.11 history information from the Bureau of Criminal Apprehension. The notice must require
410.12 the individual to be under continuous direct supervision prior to completion of the remainder
410.13 of the background study except as permitted in subdivision 3.

410.14 (c) Activities prohibited prior to receipt of notice under paragraph (a) include:

410.15 (1) being issued a license;

410.16 (2) living in the household where the licensed program will be provided;

410.17 (3) providing direct contact services to persons served by a program unless the subject
410.18 is under continuous direct supervision;

410.19 (4) having access to persons receiving services if the background study was completed
410.20 under section 144.057, subdivision 1, or 245C.03, subdivision 1, paragraph (a), clause (2),
410.21 (5), or (6), unless the subject is under continuous direct supervision;

410.22 (5) for licensed child care centers and certified license-exempt child care centers,
410.23 providing direct contact services to persons served by the program;

410.24 (6) for children's residential facilities or foster residence settings, working in the facility
410.25 or setting; or

410.26 (7) for background studies affiliated with a personal care provider organization, except
410.27 as provided in section 245C.03, subdivision 3b, before a personal care assistant provides
410.28 services, the personal care assistance provider agency must initiate a background study of
410.29 the personal care assistant under this chapter and the personal care assistance provider
410.30 agency must have received a notice from the commissioner that the personal care assistant
410.31 is:

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

411.1 (ii) disqualified, but the personal care assistant has received a set aside of the
411.2 disqualification under section 245C.22.

411.3 **EFFECTIVE DATE.** This section is effective January 15, 2026.

411.4 Sec. 2. Minnesota Statutes 2024, section 245C.14, is amended by adding a subdivision to
411.5 read:

411.6 Subd. 6. **Disqualification from owning, operating, or billing.** The commissioner shall
411.7 disqualify an individual who is the subject of a background study from any position involving
411.8 ownership, management, or control of a program or billing activities if a background study
411.9 completed under this chapter shows a violation of section 142A.12, 245.095, or 256B.064.

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

411.11 Sec. 3. Minnesota Statutes 2024, section 245C.15, is amended by adding a subdivision to
411.12 read:

411.13 Subd. 4c. **Two-year disqualification.** An individual is disqualified under section
411.14 245C.14, subdivision 6, if less than two years has passed since a determination that the
411.15 individual violated section 142A.12, 245.095, or 256B.064.

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

411.17 **ARTICLE 14**

411.18 **DEPARTMENT OF HUMAN SERVICES PROGRAM INTEGRITY**

411.19 Section 1. Minnesota Statutes 2024, section 13.46, subdivision 3, is amended to read:

411.20 Subd. 3. **Investigative data.** (a) Data on persons, including data on vendors of services,
411.21 licensees, and applicants that is collected, maintained, used, or disseminated by the welfare
411.22 system in an investigation, authorized by statute, and relating to the enforcement of rules
411.23 or law are confidential data on individuals pursuant to section 13.02, subdivision 3, or
411.24 protected nonpublic data not on individuals pursuant to section 13.02, subdivision 13, and
411.25 shall not be disclosed except:

411.26 (1) pursuant to section 13.05;

411.27 (2) pursuant to statute or valid court order;

411.28 (3) to a party named in a civil or criminal proceeding, administrative or judicial, for
411.29 preparation of defense;

(4) to an agent ~~of the welfare system~~ or an investigator acting on behalf of a county, state, or federal government, including a law enforcement officer or attorney in the investigation or prosecution of a criminal, civil, or administrative proceeding, unless the commissioner of human services or commissioner of children, youth, and families determines that disclosure may compromise a Department of Human Services or Department of Children, Youth, and Families ongoing investigation; or

(5) to provide notices required or permitted by statute.

The data referred to in this subdivision shall be classified as public data upon submission to an administrative law judge or court in an administrative or judicial proceeding. Inactive welfare investigative data shall be treated as provided in section 13.39, subdivision 3.

(b) Notwithstanding any other provision in law, the commissioner of human services shall provide all active and inactive investigative data, including the name of the reporter of alleged maltreatment under section 626.557 or chapter 260E, to the ombudsman for mental health and developmental disabilities upon the request of the ombudsman.

(c) Notwithstanding paragraph (a) and section 13.39, the existence of an investigation by the commissioner of human services of possible overpayments of public funds to a service provider or recipient or the reduction or withholding of payments may be disclosed if the commissioner determines that it will not compromise the investigation.

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

Sec. 2. Minnesota Statutes 2024, section 245.095, subdivision 5, is amended to read:

Subd. 5. **Withholding of payments.** (a) Except as otherwise provided by state or federal law, the commissioner may withhold payments to a provider, vendor, individual, associated individual, or associated entity in any program administered by the commissioner if the commissioner determines:

(1) there is a credible allegation of fraud for which an investigation is pending for a program administered by a ~~Minnesota~~ state or federal agency;

(2) the individual, the entity, or an associated individual or entity was convicted of a crime charged in state or federal court with an offense that involves fraud or theft against a program administered by the commissioner or another state or federal agency. For purposes of this subdivision, "convicted" means a judgment of conviction has been entered by a federal, state, or local court, regardless of whether an appeal from the judgment is pending, and includes a stay of adjudication, a court-ordered diversion program, or a plea of guilty or nolo contendere;

413.1 (3) the provider is operating after a state or federal agency orders the suspension,
413.2 revocation, or decertification of the provider's license;

413.3 (4) the provider, vendor, associated individual, or associated entity, including those
413.4 receiving funds under any contract or registered program, has a background study
413.5 disqualification under chapter 245C that has not been set aside and for which no variance
413.6 has been issued, except for a disqualification under sections 245C.14, subdivision 5, and
413.7 245C.15, subdivision 4c; or

413.8 (5) by a preponderance of the evidence that the provider, vendor, individual, associated
413.9 individual, or associated entity intentionally provided materially false information on the
413.10 provider's billing forms.

413.11 (b) For purposes of this subdivision, "credible allegation of fraud" means an allegation
413.12 that has been verified by the commissioner from any source, including but not limited to:

413.13 (1) fraud hotline complaints;

413.14 (2) claims data mining;

413.15 (3) patterns identified through provider audits, civil false claims cases, and law
413.16 enforcement investigations; and

413.17 (4) court filings and other legal documents, including but not limited to police reports,
413.18 complaints, indictments, informations, affidavits, declarations, and search warrants.

413.19 (c) The commissioner must send notice of the withholding of payments within five days
413.20 of taking such action. The notice must:

413.21 (1) state that payments are being withheld according to this subdivision;

413.22 (2) set forth the general allegations related to the withholding action, except the notice
413.23 need not disclose specific information concerning an ongoing investigation;

413.24 (3) state that the withholding is for a temporary period and cite the circumstances under
413.25 which the withholding will be terminated; and

413.26 (4) inform the provider, vendor, individual, associated individual, or associated entity
413.27 of the right to submit written evidence to contest the withholding action for consideration
413.28 by the commissioner.

413.29 (d) If the commissioner withholds payments under this subdivision, the provider, vendor,
413.30 individual, associated individual, or associated entity has a right to request administrative
413.31 reconsideration. A request for administrative reconsideration must be made in writing, state
413.32 with specificity the reasons the payment withholding decision is in error, and include

documents to support the request. Within 60 days from receipt of the request, the commissioner shall judiciously review allegations, facts, evidence available to the commissioner, and information submitted by the provider, vendor, individual, associated individual, or associated entity to determine whether the payment withholding should remain in place.

(e) The commissioner shall stop withholding payments if the commissioner determines there is insufficient evidence of fraud by the provider, vendor, individual, associated individual, or associated entity or when legal proceedings relating to the alleged fraud are completed, unless the commissioner has sent notice under subdivision 3 to the provider, vendor, individual, associated individual, or associated entity.

(f) The withholding of payments is a temporary action and is not subject to appeal under section 256.045 or chapter 14.

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

Sec. 3. Minnesota Statutes 2024, section 245.095, is amended by adding a subdivision to read:

Subd. 6. Data practices. The commissioner may exchange information, including claims data, with state or federal agencies, professional boards, departments, or programs for the purpose of investigating or prosecuting a criminal, civil, or administrative proceeding related to suspected fraud or exclusion from any program administered by a state or federal agency.

Sec. 4. Minnesota Statutes 2024, section 245A.04, subdivision 1, is amended to read:

Subdivision 1. **Application for licensure.** (a) An individual, organization, or government entity that is subject to licensure under section 245A.03 must apply for a license. The application must be made on the forms and in the manner prescribed by the commissioner. The commissioner shall provide the applicant with instruction in completing the application and provide information about the rules and requirements of other state agencies that affect the applicant. An applicant seeking licensure in Minnesota with headquarters outside of Minnesota must have a program office located within 30 miles of the Minnesota border. An applicant who intends to buy or otherwise acquire a program or services licensed under this chapter that is owned by another license holder must apply for a license under this chapter and comply with the application procedures in this section and section 245A.043.

The commissioner shall act on the application within 90 working days after a complete application and any required reports have been received from other state agencies or

departments, counties, municipalities, or other political subdivisions. The commissioner shall not consider an application to be complete until the commissioner receives all of the required information. If the applicant or a controlling individual is the subject of a pending administrative, civil, or criminal investigation, the application is not complete until the investigation has closed or the related legal proceedings are complete.

When the commissioner receives an application for initial licensure that is incomplete because the applicant failed to submit required documents or that is substantially deficient because the documents submitted do not meet licensing requirements, the commissioner shall provide the applicant written notice that the application is incomplete or substantially deficient. In the written notice to the applicant the commissioner shall identify documents that are missing or deficient and give the applicant 45 days to resubmit a second application that is substantially complete. An applicant's failure to submit a substantially complete application after receiving notice from the commissioner is a basis for license denial under section 245A.043.

(b) An application for licensure must identify all controlling individuals as defined in section 245A.02, subdivision 5a, and must designate one individual to be the authorized agent. The application must be signed by the authorized agent and must include the authorized agent's first, middle, and last name; mailing address; and email address. By submitting an application for licensure, the authorized agent consents to electronic communication with the commissioner throughout the application process. The authorized agent must be authorized to accept service on behalf of all of the controlling individuals. A government entity that holds multiple licenses under this chapter may designate one authorized agent for all licenses issued under this chapter or may designate a different authorized agent for each license. Service on the authorized agent is service on all of the controlling individuals. It is not a defense to any action arising under this chapter that service was not made on each controlling individual. The designation of a controlling individual as the authorized agent under this paragraph does not affect the legal responsibility of any other controlling individual under this chapter.

(c) An applicant or license holder must have a policy that prohibits license holders, employees, subcontractors, and volunteers, when directly responsible for persons served by the program, from abusing prescription medication or being in any manner under the influence of a chemical that impairs the individual's ability to provide services or care. The license holder must train employees, subcontractors, and volunteers about the program's drug and alcohol policy.

416.1 (d) An applicant and license holder must have a program grievance procedure that permits
416.2 persons served by the program and their authorized representatives to bring a grievance to
416.3 the highest level of authority in the program.

416.4 (e) The commissioner may limit communication during the application process to the
416.5 authorized agent or the controlling individuals identified on the license application and for
416.6 whom a background study was initiated under chapter 245C. Upon implementation of the
416.7 provider licensing and reporting hub, applicants and license holders must use the hub in the
416.8 manner prescribed by the commissioner. The commissioner may require the applicant,
416.9 except for child foster care, to demonstrate competence in the applicable licensing
416.10 requirements by successfully completing a written examination. The commissioner may
416.11 develop a prescribed written examination format.

416.12 (f) When an applicant is an individual, the applicant must provide:

416.13 (1) the applicant's taxpayer identification numbers including the Social Security number
416.14 or Minnesota tax identification number, and federal employer identification number if the
416.15 applicant has employees;

416.16 (2) at the request of the commissioner, a copy of the most recent filing with the secretary
416.17 of state that includes the complete business name, if any;

416.18 (3) if doing business under a different name, the doing business as (DBA) name, as
416.19 registered with the secretary of state;

416.20 (4) if applicable, the applicant's National Provider Identifier (NPI) number and Unique
416.21 Minnesota Provider Identifier (UMPI) number; and

416.22 (5) at the request of the commissioner, the notarized signature of the applicant or
416.23 authorized agent.

416.24 (g) When an applicant is an organization, the applicant must provide:

416.25 (1) the applicant's taxpayer identification numbers including the Minnesota tax
416.26 identification number and federal employer identification number;

416.27 (2) at the request of the commissioner, a copy of the most recent filing with the secretary
416.28 of state that includes the complete business name, and if doing business under a different
416.29 name, the doing business as (DBA) name, as registered with the secretary of state;

416.30 (3) the first, middle, and last name, and address for all individuals who will be controlling
416.31 individuals, including all officers, owners, and managerial officials as defined in section

417.1 245A.02, subdivision 5a, and the date that the background study was initiated by the applicant
417.2 for each controlling individual;

417.3 (4) if applicable, the applicant's NPI number and UMPI number;

417.4 (5) the documents that created the organization and that determine the organization's
417.5 internal governance and the relations among the persons that own the organization, have
417.6 an interest in the organization, or are members of the organization, in each case as provided
417.7 or authorized by the organization's governing statute, which may include a partnership
417.8 agreement, bylaws, articles of organization, organizational chart, and operating agreement,
417.9 or comparable documents as provided in the organization's governing statute; and

417.10 (6) the notarized signature of the applicant or authorized agent.

417.11 (h) When the applicant is a government entity, the applicant must provide:

417.12 (1) the name of the government agency, political subdivision, or other unit of government
417.13 seeking the license and the name of the program or services that will be licensed;

417.14 (2) the applicant's taxpayer identification numbers including the Minnesota tax
417.15 identification number and federal employer identification number;

417.16 (3) a letter signed by the manager, administrator, or other executive of the government
417.17 entity authorizing the submission of the license application; and

417.18 (4) if applicable, the applicant's NPI number and UMPI number.

417.19 (i) At the time of application for licensure or renewal of a license under this chapter, the
417.20 applicant or license holder must acknowledge on the form provided by the commissioner
417.21 if the applicant or license holder elects to receive any public funding reimbursement from
417.22 the commissioner for services provided under the license that:

417.23 (1) the applicant's or license holder's compliance with the provider enrollment agreement
417.24 or registration requirements for receipt of public funding may be monitored by the
417.25 commissioner as part of a licensing investigation or licensing inspection; and

417.26 (2) noncompliance with the provider enrollment agreement or registration requirements
417.27 for receipt of public funding that is identified through a licensing investigation or licensing
417.28 inspection, or noncompliance with a licensing requirement that is a basis of enrollment for
417.29 reimbursement for a service, may result in:

417.30 (i) a correction order or a conditional license under section 245A.06, or sanctions under
417.31 section 245A.07;

418.1 (ii) nonpayment of claims submitted by the license holder for public program
418.2 reimbursement;

418.3 (iii) recovery of payments made for the service;

418.4 (iv) disenrollment in the public payment program; or

418.5 (v) other administrative, civil, or criminal penalties as provided by law.

418.6 Sec. 5. Minnesota Statutes 2024, section 245A.05, is amended to read:

418.7 **245A.05 DENIAL OF APPLICATION.**

418.8 (a) The commissioner may deny a license if an applicant or controlling individual:

418.9 (1) fails to submit a substantially complete application after receiving notice from the
418.10 commissioner under section 245A.04, subdivision 1;

418.11 (2) fails to comply with applicable laws or rules;

418.12 (3) knowingly withholds relevant information from or gives false or misleading
418.13 information to the commissioner in connection with an application for a license or during
418.14 an investigation;

418.15 (4) has a disqualification that has not been set aside under section 245C.22 and no
418.16 variance has been granted;

418.17 (5) has an individual living in the household who received a background study under
418.18 section 245C.03, subdivision 1, paragraph (a), clause (2), who has a disqualification that
418.19 has not been set aside under section 245C.22, and no variance has been granted;

418.20 (6) is associated with an individual who received a background study under section
418.21 245C.03, subdivision 1, paragraph (a), clause (6), who may have unsupervised access to
418.22 children or vulnerable adults, and who has a disqualification that has not been set aside
418.23 under section 245C.22, and no variance has been granted;

418.24 (7) fails to comply with section 245A.04, subdivision 1, paragraph (f) or (g);

418.25 (8) fails to demonstrate competent knowledge as required by section 245A.04, subdivision
418.26 6;

418.27 (9) has a history of noncompliance as a license holder or controlling individual with
418.28 applicable laws or rules, including but not limited to this chapter and chapters 142E and
418.29 245C; ~~or~~

418.30 (10) is prohibited from holding a license according to section 245.095; or

(11) is the subject of a pending administrative, civil, or criminal investigation.

(b) An applicant whose application has been denied by the commissioner must be given notice of the denial, which must state the reasons for the denial in plain language. Notice must be given by certified mail, by personal service, or through the provider licensing and reporting hub. The notice must state the reasons the application was denied and must inform the applicant of the right to a contested case hearing under chapter 14 and Minnesota Rules, parts 1400.8505 to 1400.8612. The applicant may appeal the denial by notifying the commissioner in writing by certified mail, by personal service, or through the provider licensing and reporting hub. If mailed, the appeal must be postmarked and sent to the commissioner within 20 calendar days after the applicant received the notice of denial. If an appeal request is made by personal service, it must be received by the commissioner within 20 calendar days after the applicant received the notice of denial. If the order is issued through the provider hub, the appeal must be received by the commissioner within 20 calendar days from the date the commissioner issued the order through the hub. Section 245A.08 applies to hearings held to appeal the commissioner's denial of an application.

Sec. 6. Minnesota Statutes 2024, section 245A.07, subdivision 2, is amended to read:

Subd. 2. **Temporary immediate suspension.** (a) The commissioner shall act immediately to temporarily suspend a license issued under this chapter if:

(1) the license holder's or controlling individual's actions or failure to comply with applicable law or rule, or the actions of other individuals or conditions in the program, pose an imminent risk of harm to the health, safety, or rights of persons served by the program;

(2) while the program continues to operate pending an appeal of an order of revocation, the commissioner identifies one or more subsequent violations of law or rule which may adversely affect the health or safety of persons served by the program; or

(3) the license holder or controlling individual is criminally charged in state or federal court with an offense that involves fraud or theft against a program administered by ~~the commissioner~~ a state or federal agency.

(b) No state funds shall be made available or be expended by any agency or department of state, county, or municipal government for use by a license holder regulated under this chapter while a license issued under this chapter is under immediate suspension. A notice stating the reasons for the immediate suspension and informing the license holder of the right to an expedited hearing under chapter 14 and Minnesota Rules, parts 1400.8505 to 1400.8612, must be delivered by personal service to the address shown on the application

or the last known address of the license holder. The license holder may appeal an order immediately suspending a license. The appeal of an order immediately suspending a license must be made in writing by certified mail, personal service, or other means expressly set forth in the commissioner's order. If mailed, the appeal must be postmarked and sent to the commissioner within five calendar days after the license holder receives notice that the license has been immediately suspended. If a request is made by personal service, it must be received by the commissioner within five calendar days after the license holder received the order. A license holder and any controlling individual shall discontinue operation of the program upon receipt of the commissioner's order to immediately suspend the license.

(c) The commissioner may act immediately to temporarily suspend a license issued under this chapter if the license holder or controlling individual is the subject of a pending administrative, civil, or criminal investigation or subject to an administrative or civil action related to fraud against a program administered by a state or federal agency.

Sec. 7. Minnesota Statutes 2024, section 254B.06, is amended by adding a subdivision to read:

Subd. 5. **Prohibition of duplicative claim submission.** (a) For time-based claims, submissions must follow the guidelines in the Centers for Medicare and Medicaid Services' Healthcare Common Procedure Coding System and the American Medical Association's Current Procedural Terminology to determine the appropriate units of time to report.

(b) More than half the duration of a time-based code must be spent performing the service to be eligible under this section. Any provision of service during the remaining balance of the unit of time is not eligible for any other claims submission and would be considered a duplicative claim submission.

(c) A provider may only round up to the next whole number of service units on a submitted claim when more than one and one-half times the defined value of the code has occurred and no additional time increment code exists.

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

Sec. 8. Minnesota Statutes 2024, section 256.983, subdivision 4, is amended to read:

Subd. 4. **Funding.** (a) County and Tribal agency reimbursement shall be made through the settlement provisions applicable to the Supplemental Nutrition Assistance Program (SNAP), MFIP, child care assistance programs, the medical assistance program, and other federal and state-funded programs.

421.1 (b) The commissioners will maintain program compliance if for any ~~three consecutive~~
 421.2 ~~month period~~ quarter, a county or Tribal agency fails to comply with fraud prevention
 421.3 investigation program guidelines, or fails to meet the cost-effectiveness standards developed
 421.4 by the commissioners. This result is contingent on the commissioners providing written
 421.5 notice, including an offer of technical assistance, within 30 days of the end of the ~~third or~~
 421.6 ~~subsequent month~~ quarter of noncompliance. The county or Tribal agency shall be required
 421.7 to submit a corrective action plan to the commissioners within 30 days of receipt of a notice
 421.8 of noncompliance. Failure to submit a corrective action plan or, continued deviation from
 421.9 standards of more than ten percent after submission of a corrective action plan, will result
 421.10 in denial of funding for each subsequent month, or billing the county or Tribal agency for
 421.11 fraud prevention investigation (FPI) service provided by the commissioners, or reallocation
 421.12 of program grant funds, or investigative resources, or both, to other counties or Tribal
 421.13 agencies. The denial of funding shall apply to the general settlement received by the county
 421.14 or Tribal agency on a quarterly basis and shall not reduce the grant amount applicable to
 421.15 the FPI project.

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

421.17 Sec. 9. Minnesota Statutes 2024, section 256B.04, subdivision 21, is amended to read:

421.18 Subd. 21. **Provider enrollment.** (a) The commissioner shall enroll providers and conduct
 421.19 screening activities as required by Code of Federal Regulations, title 42, section 455, subpart
 421.20 E. A provider must enroll each provider-controlled location where direct services are
 421.21 provided. The commissioner may deny a provider's incomplete application if a provider
 421.22 fails to respond to the commissioner's request for additional information within 60 days of
 421.23 the request. The commissioner must conduct a background study under chapter 245C,
 421.24 including a review of databases in section 245C.08, subdivision 1, paragraph (a), clauses
 421.25 (1) to (5), for a provider described in this paragraph. The background study requirement
 421.26 may be satisfied if the commissioner conducted a fingerprint-based background study on
 421.27 the provider that includes a review of databases in section 245C.08, subdivision 1, paragraph
 421.28 (a), clauses (1) to (5).

421.29 (b) The commissioner shall revalidate ~~each~~:

421.30 (1) each provider under this subdivision at least once every five years; ~~and~~

421.31 (2) each personal care assistance agency under this subdivision once every three years;
 421.32 and

(3) at the commissioner's discretion, any other Medicaid-only provider type the commissioner deems "high risk" under this subdivision once every three years.

(c) The commissioner shall conduct revalidation as follows:

(1) provide 30-day notice of the revalidation due date including instructions for revalidation and a list of materials the provider must submit;

(2) if a provider fails to submit all required materials by the due date, notify the provider of the deficiency within 30 days after the due date and allow the provider an additional 30 days from the notification date to comply; and

(3) if a provider fails to remedy a deficiency within the 30-day time period, give 60-day notice of termination and immediately suspend the provider's ability to bill. The provider does not have the right to appeal suspension of ability to bill.

(d) If a provider fails to comply with any individual provider requirement or condition of participation, the commissioner may suspend the provider's ability to bill until the provider comes into compliance. The commissioner's decision to suspend the provider is not subject to an administrative appeal.

(e) Correspondence and notifications, including notifications of termination and other actions, may be delivered electronically to a provider's MN-ITS mailbox. This paragraph does not apply to correspondences and notifications related to background studies.

(f) If the commissioner or the Centers for Medicare and Medicaid Services determines that a provider is designated "high-risk," the commissioner may withhold payment from providers within that category upon initial enrollment for a 90-day period. The withholding for each provider must begin on the date of the first submission of a claim.

(g) An enrolled provider that is also licensed by the commissioner under chapter 245A, is licensed as a home care provider by the Department of Health under chapter 144A, or is licensed as an assisted living facility under chapter 144G and has a home and community-based services designation on the home care license under section 144A.484, must designate an individual as the entity's compliance officer. The compliance officer must:

(1) develop policies and procedures to assure adherence to medical assistance laws and regulations and to prevent inappropriate claims submissions;

(2) train the employees of the provider entity, and any agents or subcontractors of the provider entity including billers, on the policies and procedures under clause (1);

- 423.1 (3) respond to allegations of improper conduct related to the provision or billing of
423.2 medical assistance services, and implement action to remediate any resulting problems;
- 423.3 (4) use evaluation techniques to monitor compliance with medical assistance laws and
423.4 regulations;
- 423.5 (5) promptly report to the commissioner any identified violations of medical assistance
423.6 laws or regulations; and
- 423.7 (6) within 60 days of discovery by the provider of a medical assistance reimbursement
423.8 overpayment, report the overpayment to the commissioner and make arrangements with
423.9 the commissioner for the commissioner's recovery of the overpayment.
- 423.10 The commissioner may require, as a condition of enrollment in medical assistance, that a
423.11 provider within a particular industry sector or category establish a compliance program that
423.12 contains the core elements established by the Centers for Medicare and Medicaid Services.
- 423.13 (h) The commissioner may revoke the enrollment of an ordering or rendering provider
423.14 for a period of not more than one year, if the provider fails to maintain and, upon request
423.15 from the commissioner, provide access to documentation relating to written orders or requests
423.16 for payment for durable medical equipment, certifications for home health services, or
423.17 referrals for other items or services written or ordered by such provider, when the
423.18 commissioner has identified a pattern of a lack of documentation. A pattern means a failure
423.19 to maintain documentation or provide access to documentation on more than one occasion.
423.20 Nothing in this paragraph limits the authority of the commissioner to sanction a provider
423.21 under the provisions of section 256B.064.
- 423.22 (i) The commissioner shall terminate or deny the enrollment of any individual or entity
423.23 if the individual or entity has been terminated from participation in Medicare or under the
423.24 Medicaid program or Children's Health Insurance Program of any other state. The
423.25 commissioner may exempt a rehabilitation agency from termination or denial that would
423.26 otherwise be required under this paragraph, if the agency:
- 423.27 (1) is unable to retain Medicare certification and enrollment solely due to a lack of billing
423.28 to the Medicare program;
- 423.29 (2) meets all other applicable Medicare certification requirements based on an on-site
423.30 review completed by the commissioner of health; and
- 423.31 (3) serves primarily a pediatric population.
- 423.32 (j) As a condition of enrollment in medical assistance, the commissioner shall require
423.33 that a provider designated "moderate" or "high-risk" by the Centers for Medicare and

424.1 Medicaid Services or the commissioner permit the Centers for Medicare and Medicaid
424.2 Services, its agents, or its designated contractors and the state agency, its agents, or its
424.3 designated contractors to conduct unannounced on-site inspections of any provider location.
424.4 The commissioner shall publish in the Minnesota Health Care Program Provider Manual a
424.5 list of provider types designated "limited," "moderate," or "high-risk," based on the criteria
424.6 and standards used to designate Medicare providers in Code of Federal Regulations, title
424.7 42, section 424.518. The list and criteria are not subject to the requirements of chapter 14.
424.8 The commissioner's designations are not subject to administrative appeal.

424.9 (k) As a condition of enrollment in medical assistance, the commissioner shall require
424.10 that a high-risk provider, or a person with a direct or indirect ownership interest in the
424.11 provider of five percent or higher, consent to criminal background checks, including
424.12 fingerprinting, when required to do so under state law or by a determination by the
424.13 commissioner or the Centers for Medicare and Medicaid Services that a provider is designated
424.14 high-risk for fraud, waste, or abuse.

424.15 (l)(1) Upon initial enrollment, reenrollment, and notification of revalidation, all durable
424.16 medical equipment, prosthetics, orthotics, and supplies (DMEPOS) medical suppliers
424.17 meeting the durable medical equipment provider and supplier definition in clause (3),
424.18 operating in Minnesota and receiving Medicaid funds must purchase a surety bond that is
424.19 annually renewed and designates the Minnesota Department of Human Services as the
424.20 obligee, and must be submitted in a form approved by the commissioner. For purposes of
424.21 this clause, the following medical suppliers are not required to obtain a surety bond: a
424.22 federally qualified health center, a home health agency, the Indian Health Service, a
424.23 pharmacy, and a rural health clinic.

424.24 (2) At the time of initial enrollment or reenrollment, durable medical equipment providers
424.25 and suppliers defined in clause (3) must purchase a surety bond of \$50,000. If a revalidating
424.26 provider's Medicaid revenue in the previous calendar year is up to and including \$300,000,
424.27 the provider agency must purchase a surety bond of \$50,000. If a revalidating provider's
424.28 Medicaid revenue in the previous calendar year is over \$300,000, the provider agency must
424.29 purchase a surety bond of \$100,000. The surety bond must allow for recovery of costs and
424.30 fees in pursuing a claim on the bond. Any action to obtain monetary recovery or sanctions
424.31 from a surety bond must occur within six years from the date the debt is affirmed by a final
424.32 agency decision. An agency decision is final when the right to appeal the debt has been
424.33 exhausted or the time to appeal has expired under section 256B.064.

424.34 (3) "Durable medical equipment provider or supplier" means a medical supplier that can
424.35 purchase medical equipment or supplies for sale or rental to the general public and is able

425.1 to perform or arrange for necessary repairs to and maintenance of equipment offered for
425.2 sale or rental.

425.3 (m) The Department of Human Services may require a provider to purchase a surety
425.4 bond as a condition of initial enrollment, reenrollment, reinstatement, or continued enrollment
425.5 if: (1) the provider fails to demonstrate financial viability, (2) the department determines
425.6 there is significant evidence of or potential for fraud and abuse by the provider, or (3) the
425.7 provider or category of providers is designated high-risk pursuant to paragraph (f) and as
425.8 per Code of Federal Regulations, title 42, section 455.450. The surety bond must be in an
425.9 amount of \$100,000 or ten percent of the provider's payments from Medicaid during the
425.10 immediately preceding 12 months, whichever is greater. The surety bond must name the
425.11 Department of Human Services as an obligee and must allow for recovery of costs and fees
425.12 in pursuing a claim on the bond. This paragraph does not apply if the provider currently
425.13 maintains a surety bond under the requirements in section 256B.0659 or 256B.85.

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

425.15 Sec. 10. Minnesota Statutes 2024, section 256B.0659, subdivision 21, is amended to read:

425.16 Subd. 21. **Requirements for provider enrollment of personal care assistance provider**
425.17 **agencies.** (a) All personal care assistance provider agencies must provide, at the time of
425.18 enrollment, reenrollment, and revalidation as a personal care assistance provider agency in
425.19 a format determined by the commissioner, information and documentation that includes,
425.20 but is not limited to, the following:

425.21 (1) the personal care assistance provider agency's current contact information including
425.22 address, telephone number, and email address;

425.23 (2) proof of surety bond coverage for each business location providing services. Upon
425.24 new enrollment, or if the provider's Medicaid revenue in the previous calendar year is up
425.25 to and including \$300,000, the provider agency must purchase a surety bond of \$50,000. If
425.26 the Medicaid revenue in the previous year is over \$300,000, the provider agency must
425.27 purchase a surety bond of \$100,000. The surety bond must be in a form approved by the
425.28 commissioner, must be renewed annually, and must allow for recovery of costs and fees in
425.29 pursuing a claim on the bond. Any action to obtain monetary recovery or sanctions from a
425.30 surety bond must occur within six years from the date the debt is affirmed by a final agency
425.31 decision. An agency decision is final when the right to appeal the debt has been exhausted
425.32 or the time to appeal has expired under section 256B.064;

- 426.1 (3) proof of fidelity bond coverage in the amount of \$20,000 for each business location
426.2 providing service;
- 426.3 (4) proof of workers' compensation insurance coverage identifying the business location
426.4 where personal care assistance services are provided;
- 426.5 (5) proof of liability insurance coverage identifying the business location where personal
426.6 care assistance services are provided and naming the department as a certificate holder;
- 426.7 (6) a copy of the personal care assistance provider agency's written policies and
426.8 procedures including: hiring of employees; training requirements; service delivery; and
426.9 employee and consumer safety including process for notification and resolution of consumer
426.10 grievances, identification and prevention of communicable diseases, and employee
426.11 misconduct;
- 426.12 (7) copies of all other forms the personal care assistance provider agency uses in the
426.13 course of daily business including, but not limited to:
- 426.14 (i) a copy of the personal care assistance provider agency's time sheet if the time sheet
426.15 varies from the standard time sheet for personal care assistance services approved by the
426.16 commissioner, and a letter requesting approval of the personal care assistance provider
426.17 agency's nonstandard time sheet;
- 426.18 (ii) the personal care assistance provider agency's template for the personal care assistance
426.19 care plan; and
- 426.20 (iii) the personal care assistance provider agency's template for the written agreement
426.21 in subdivision 20 for recipients using the personal care assistance choice option, if applicable;
- 426.22 (8) a list of all training and classes that the personal care assistance provider agency
426.23 requires of its staff providing personal care assistance services;
- 426.24 (9) documentation that the personal care assistance provider agency and staff have
426.25 successfully completed all the training required by this section, including the requirements
426.26 under subdivision 11, paragraph (d), if enhanced personal care assistance services are
426.27 provided and submitted for an enhanced rate under subdivision 17a;
- 426.28 (10) documentation of the agency's marketing practices;
- 426.29 (11) disclosure of ownership, leasing, or management of all residential properties that
426.30 is used or could be used for providing home care services;
- 426.31 (12) documentation that the agency will use the following percentages of revenue
426.32 generated from the medical assistance rate paid for personal care assistance services for

427.1 employee personal care assistant wages and benefits: 72.5 percent of revenue in the personal
427.2 care assistance choice option and 72.5 percent of revenue from other personal care assistance
427.3 providers. The revenue generated by the qualified professional and the reasonable costs
427.4 associated with the qualified professional shall not be used in making this calculation; and

427.5 (13) effective May 15, 2010, documentation that the agency does not burden recipients'
427.6 free exercise of their right to choose service providers by requiring personal care assistants
427.7 to sign an agreement not to work with any particular personal care assistance recipient or
427.8 for another personal care assistance provider agency after leaving the agency and that the
427.9 agency is not taking action on any such agreements or requirements regardless of the date
427.10 signed.

427.11 (b) Personal care assistance provider agencies shall provide the information specified
427.12 in paragraph (a) to the commissioner at the time the personal care assistance provider agency
427.13 enrolls as a vendor or upon request from the commissioner. The commissioner shall collect
427.14 the information specified in paragraph (a) from all personal care assistance providers
427.15 beginning July 1, 2009.

427.16 (c) All personal care assistance provider agencies shall require all employees in
427.17 management and supervisory positions and owners of the agency who are active in the
427.18 day-to-day management and operations of the agency to complete mandatory training as
427.19 determined by the commissioner before submitting an application for enrollment of the
427.20 agency as a provider. All personal care assistance provider agencies shall also require
427.21 qualified professionals to complete the training required by subdivision 13 before submitting
427.22 an application for enrollment of the agency as a provider. Employees in management and
427.23 supervisory positions and owners who are active in the day-to-day operations of an agency
427.24 who have completed the required training as an employee with a personal care assistance
427.25 provider agency do not need to repeat the required training if they are hired by another
427.26 agency, if they have completed the training within the past three years. By September 1,
427.27 2010, the required training must be available with meaningful access according to title VI
427.28 of the Civil Rights Act and federal regulations adopted under that law or any guidance from
427.29 the United States Health and Human Services Department. The required training must be
427.30 available online or by electronic remote connection. The required training must provide for
427.31 competency testing. Personal care assistance provider agency billing staff shall complete
427.32 training about personal care assistance program financial management. This training is
427.33 effective July 1, 2009. Any personal care assistance provider agency enrolled before that
427.34 date shall, if it has not already, complete the provider training within 18 months of July 1,
427.35 2009. Any new owners or employees in management and supervisory positions involved

in the day-to-day operations are required to complete mandatory training as a requisite of working for the agency. Personal care assistance provider agencies certified for participation in Medicare as home health agencies are exempt from the training required in this subdivision. When available, Medicare-certified home health agency owners, supervisors, or managers must successfully complete the competency test.

(d) All surety bonds, fidelity bonds, workers' compensation insurance, and liability insurance required by this subdivision must be maintained continuously. After initial enrollment, a provider must submit proof of bonds and required coverages at any time at the request of the commissioner. Services provided while there are lapses in coverage are not eligible for payment. Lapses in coverage may result in sanctions, including termination. The commissioner shall send instructions and a due date to submit the requested information to the personal care assistance provider agency.

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

Sec. 11. Minnesota Statutes 2024, section 256B.85, subdivision 12, is amended to read:

Subd. 12. Requirements for enrollment of CFSS agency-providers. (a) All CFSS agency-providers must provide, at the time of enrollment, reenrollment, and revalidation as a CFSS agency-provider in a format determined by the commissioner, information and documentation that includes but is not limited to the following:

(1) the CFSS agency-provider's current contact information including address, telephone number, and email address;

(2) proof of surety bond coverage. Upon new enrollment, or if the agency-provider's Medicaid revenue in the previous calendar year is less than or equal to \$300,000, the agency-provider must purchase a surety bond of \$50,000. If the agency-provider's Medicaid revenue in the previous calendar year is greater than \$300,000, the agency-provider must purchase a surety bond of \$100,000. The surety bond must be in a form approved by the commissioner, must be renewed annually, and must allow for recovery of costs and fees in pursuing a claim on the bond. Any action to obtain monetary recovery or sanctions from a surety bond must occur within six years from the date the debt is affirmed by a final agency decision. An agency decision is final when the right to appeal the debt has been exhausted or the time to appeal has expired under section 256B.064;

(3) proof of fidelity bond coverage in the amount of \$20,000 per provider location;

(4) proof of workers' compensation insurance coverage;

(5) proof of liability insurance;

429.1 (6) a copy of the CFSS agency-provider's organizational chart identifying the names
429.2 and roles of all owners, managing employees, staff, board of directors, and additional
429.3 documentation reporting any affiliations of the directors and owners to other service
429.4 providers;

429.5 (7) proof that the CFSS agency-provider has written policies and procedures including:
429.6 hiring of employees; training requirements; service delivery; and employee and consumer
429.7 safety, including the process for notification and resolution of participant grievances, incident
429.8 response, identification and prevention of communicable diseases, and employee misconduct;

429.9 (8) proof that the CFSS agency-provider has all of the following forms and documents:

429.10 (i) a copy of the CFSS agency-provider's time sheet; and

429.11 (ii) a copy of the participant's individual CFSS service delivery plan;

429.12 (9) a list of all training and classes that the CFSS agency-provider requires of its staff
429.13 providing CFSS services;

429.14 (10) documentation that the CFSS agency-provider and staff have successfully completed
429.15 all the training required by this section;

429.16 (11) documentation of the agency-provider's marketing practices;

429.17 (12) disclosure of ownership, leasing, or management of all residential properties that
429.18 are used or could be used for providing home care services;

429.19 (13) documentation that the agency-provider will use at least the following percentages
429.20 of revenue generated from the medical assistance rate paid for CFSS services for CFSS
429.21 support worker wages and benefits: 72.5 percent of revenue from CFSS providers, except
429.22 100 percent of the revenue generated by a medical assistance rate increase due to a collective
429.23 bargaining agreement under section 179A.54 must be used for support worker wages and
429.24 benefits. The revenue generated by the worker training and development services and the
429.25 reasonable costs associated with the worker training and development services shall not be
429.26 used in making this calculation; and

429.27 (14) documentation that the agency-provider does not burden participants' free exercise
429.28 of their right to choose service providers by requiring CFSS support workers to sign an
429.29 agreement not to work with any particular CFSS participant or for another CFSS
429.30 agency-provider after leaving the agency and that the agency is not taking action on any
429.31 such agreements or requirements regardless of the date signed.

(b) CFSS agency-providers shall provide to the commissioner the information specified in paragraph (a).

(c) All CFSS agency-providers shall require all employees in management and supervisory positions and owners of the agency who are active in the day-to-day management and operations of the agency to complete mandatory training as determined by the commissioner. Employees in management and supervisory positions and owners who are active in the day-to-day operations of an agency who have completed the required training as an employee with a CFSS agency-provider do not need to repeat the required training if they are hired by another agency and they have completed the training within the past three years. CFSS agency-provider billing staff shall complete training about CFSS program financial management. Any new owners or employees in management and supervisory positions involved in the day-to-day operations are required to complete mandatory training as a requisite of working for the agency.

(d) Agency-providers shall submit all required documentation in this section within 30 days of notification from the commissioner. If an agency-provider fails to submit all the required documentation, the commissioner may take action under subdivision 23a.

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

ARTICLE 15

DEPARTMENT OF HUMAN SERVICES OFFICE OF THE INSPECTOR GENERAL POLICY

Section 1. Minnesota Statutes 2024, section 142E.51, subdivision 5, is amended to read:

Subd. 5. **Administrative disqualification of child care providers caring for children receiving child care assistance.** (a) The department shall pursue an administrative disqualification, if the child care provider is accused of committing an intentional program violation, in lieu of a criminal action when it has not been pursued. Intentional program violations include intentionally making false or misleading statements; receiving or providing a kickback, as defined in subdivision 6, paragraph (b); intentionally misrepresenting, concealing, or withholding facts; and repeatedly and intentionally violating program regulations under this chapter. Intent may be proven by demonstrating a pattern of conduct that violates program rules under this chapter.

(b) To initiate an administrative disqualification, the commissioner must send written notice using a signature-verified confirmed delivery method to the provider against whom the action is being taken. Unless otherwise specified under this chapter or Minnesota Rules, chapter 3400, the commissioner must send the written notice at least 15 calendar days before

431.1 the adverse action's effective date. The notice shall state (1) the factual basis for the agency's
431.2 determination, (2) the action the agency intends to take, (3) the dollar amount of the monetary
431.3 recovery or recoupment, if known, and (4) the provider's right to appeal the agency's proposed
431.4 action.

431.5 (c) The provider may appeal an administrative disqualification by submitting a written
431.6 request to the state agency. A provider's request must be received by the state agency no
431.7 later than 30 days after the date the commissioner mails the notice.

431.8 (d) The provider's appeal request must contain the following:

431.9 (1) each disputed item, the reason for the dispute, and, if applicable, an estimate of the
431.10 dollar amount involved for each disputed item;

431.11 (2) the computation the provider believes to be correct, if applicable;

431.12 (3) the statute or rule relied on for each disputed item; and

431.13 (4) the name, address, and telephone number of the person at the provider's place of
431.14 business with whom contact may be made regarding the appeal.

431.15 (e) On appeal, the issuing agency bears the burden of proof to demonstrate by a
431.16 preponderance of the evidence that the provider committed an intentional program violation.

431.17 (f) The hearing is subject to the requirements of section 142A.20. The human services
431.18 judge may combine a fair hearing and administrative disqualification hearing into a single
431.19 hearing if the factual issues arise out of the same or related circumstances and the provider
431.20 receives prior notice that the hearings will be combined.

431.21 (g) A provider found to have committed an intentional program violation and is
431.22 administratively disqualified must be disqualified, for a period of three years for the first
431.23 offense and permanently for any subsequent offense, from receiving any payments from
431.24 any child care program under this chapter.

431.25 (h) Unless a timely and proper appeal made under this section is received by the
431.26 department, the administrative determination of the department is final and binding.

431.27 Sec. 2. Minnesota Statutes 2024, section 142E.51, subdivision 6, is amended to read:

431.28 Subd. 6. **Prohibited hiring ~~practice~~ practices.** (a) It is prohibited to hire a child care
431.29 center employee when, as a condition of employment, the employee is required to have one
431.30 or more children who are eligible for or receive child care assistance, if:

(1) the individual hiring the employee is, or is acting at the direction of or in cooperation with, a child care center provider, center owner, director, manager, license holder, or other controlling individual; and

(2) the individual hiring the employee knows or has reason to know the purpose in hiring the employee is to obtain child care assistance program funds.

(b) Program applicants, participants, and providers are prohibited from receiving or providing a kickback or payment in exchange for obtaining or attempting to obtain child care assistance benefits for their own financial gain. This paragraph does not apply to:

(1) marketing or promotional offerings that directly benefit an applicant or recipient's child or dependent for whom the child care provider is providing child care services; or

(2) child care provider discounts, scholarships, or other financial assistance allowed under section 142E.17, subdivision 7.

(c) An attempt to buy or sell access to a family's child care subsidy benefits to an unauthorized person by an applicant, a participant, or a provider is a kickback, an intentional program violation under subdivision 5, and wrongfully obtaining assistance under section 256.98.

Sec. 3. Minnesota Statutes 2024, section 245A.04, subdivision 1, is amended to read:

Subdivision 1. **Application for licensure.** (a) An individual, organization, or government entity that is subject to licensure under section 245A.03 must apply for a license. The application must be made on the forms and in the manner prescribed by the commissioner. The commissioner shall provide the applicant with instruction in completing the application and provide information about the rules and requirements of other state agencies that affect the applicant. An applicant seeking licensure in Minnesota with headquarters outside of Minnesota must have a program office located within 30 miles of the Minnesota border. An applicant who intends to buy or otherwise acquire a program or services licensed under this chapter that is owned by another license holder must apply for a license under this chapter and comply with the application procedures in this section and section 245A.043.

The commissioner shall act on the application within 90 working days after a complete application and any required reports have been received from other state agencies or departments, counties, municipalities, or other political subdivisions. The commissioner shall not consider an application to be complete until the commissioner receives all of the required information.

433.1 When the commissioner receives an application for initial licensure that is incomplete
433.2 because the applicant failed to submit required documents or that is substantially deficient
433.3 because the documents submitted do not meet licensing requirements, the commissioner
433.4 shall provide the applicant written notice that the application is incomplete or substantially
433.5 deficient. In the written notice to the applicant the commissioner shall identify documents
433.6 that are missing or deficient and give the applicant 45 days to resubmit a second application
433.7 that is substantially complete. An applicant's failure to submit a substantially complete
433.8 application after receiving notice from the commissioner is a basis for license denial under
433.9 section 245A.043.

433.10 (b) An application for licensure must identify all controlling individuals as defined in
433.11 section 245A.02, subdivision 5a, and must designate one individual to be the authorized
433.12 agent. The application must be signed by the authorized agent and must include the authorized
433.13 agent's first, middle, and last name; mailing address; and email address. By submitting an
433.14 application for licensure, the authorized agent consents to electronic communication with
433.15 the commissioner throughout the application process. The authorized agent must be
433.16 authorized to accept service on behalf of all of the controlling individuals. A government
433.17 entity that holds multiple licenses under this chapter may designate one authorized agent
433.18 for all licenses issued under this chapter or may designate a different authorized agent for
433.19 each license. Service on the authorized agent is service on all of the controlling individuals.
433.20 It is not a defense to any action arising under this chapter that service was not made on each
433.21 controlling individual. The designation of a controlling individual as the authorized agent
433.22 under this paragraph does not affect the legal responsibility of any other controlling individual
433.23 under this chapter.

433.24 (c) An applicant or license holder must have a policy that prohibits license holders,
433.25 employees, subcontractors, and volunteers, when directly responsible for persons served
433.26 by the program, from abusing prescription medication or being in any manner under the
433.27 influence of a chemical that impairs the individual's ability to provide services or care. The
433.28 license holder must train employees, subcontractors, and volunteers about the program's
433.29 drug and alcohol policy before the employee, subcontractor, or volunteer has direct contact,
433.30 as defined in section 245C.02, subdivision 11, with a person served by the program.

433.31 (d) An applicant and license holder must have a program grievance procedure that permits
433.32 persons served by the program and their authorized representatives to bring a grievance to
433.33 the highest level of authority in the program.

433.34 (e) The commissioner may limit communication during the application process to the
433.35 authorized agent or the controlling individuals identified on the license application and for

434.1 whom a background study was initiated under chapter 245C. Upon implementation of the
434.2 provider licensing and reporting hub, applicants and license holders must use the hub in the
434.3 manner prescribed by the commissioner. The commissioner may require the applicant,
434.4 except for child foster care, to demonstrate competence in the applicable licensing
434.5 requirements by successfully completing a written examination. The commissioner may
434.6 develop a prescribed written examination format.

434.7 (f) When an applicant is an individual, the applicant must provide:

434.8 (1) the applicant's taxpayer identification numbers including the Social Security number
434.9 or Minnesota tax identification number, and federal employer identification number if the
434.10 applicant has employees;

434.11 (2) at the request of the commissioner, a copy of the most recent filing with the secretary
434.12 of state that includes the complete business name, if any;

434.13 (3) if doing business under a different name, the doing business as (DBA) name, as
434.14 registered with the secretary of state;

434.15 (4) if applicable, the applicant's National Provider Identifier (NPI) number and Unique
434.16 Minnesota Provider Identifier (UMPI) number; and

434.17 (5) at the request of the commissioner, the notarized signature of the applicant or
434.18 authorized agent.

434.19 (g) When an applicant is an organization, the applicant must provide:

434.20 (1) the applicant's taxpayer identification numbers including the Minnesota tax
434.21 identification number and federal employer identification number;

434.22 (2) at the request of the commissioner, a copy of the most recent filing with the secretary
434.23 of state that includes the complete business name, and if doing business under a different
434.24 name, the doing business as (DBA) name, as registered with the secretary of state;

434.25 (3) the first, middle, and last name, and address for all individuals who will be controlling
434.26 individuals, including all officers, owners, and managerial officials as defined in section
434.27 245A.02, subdivision 5a, and the date that the background study was initiated by the applicant
434.28 for each controlling individual;

434.29 (4) if applicable, the applicant's NPI number and UMPI number;

434.30 (5) the documents that created the organization and that determine the organization's
434.31 internal governance and the relations among the persons that own the organization, have
434.32 an interest in the organization, or are members of the organization, in each case as provided

435.1 or authorized by the organization's governing statute, which may include a partnership
435.2 agreement, bylaws, articles of organization, organizational chart, and operating agreement,
435.3 or comparable documents as provided in the organization's governing statute; and

435.4 (6) the notarized signature of the applicant or authorized agent.

435.5 (h) When the applicant is a government entity, the applicant must provide:

435.6 (1) the name of the government agency, political subdivision, or other unit of government
435.7 seeking the license and the name of the program or services that will be licensed;

435.8 (2) the applicant's taxpayer identification numbers including the Minnesota tax
435.9 identification number and federal employer identification number;

435.10 (3) a letter signed by the manager, administrator, or other executive of the government
435.11 entity authorizing the submission of the license application; and

435.12 (4) if applicable, the applicant's NPI number and UMPI number.

435.13 (i) At the time of application for licensure or renewal of a license under this chapter, the
435.14 applicant or license holder must acknowledge on the form provided by the commissioner
435.15 if the applicant or license holder elects to receive any public funding reimbursement from
435.16 the commissioner for services provided under the license that:

435.17 (1) the applicant's or license holder's compliance with the provider enrollment agreement
435.18 or registration requirements for receipt of public funding may be monitored by the
435.19 commissioner as part of a licensing investigation or licensing inspection; and

435.20 (2) noncompliance with the provider enrollment agreement or registration requirements
435.21 for receipt of public funding that is identified through a licensing investigation or licensing
435.22 inspection, or noncompliance with a licensing requirement that is a basis of enrollment for
435.23 reimbursement for a service, may result in:

435.24 (i) a correction order or a conditional license under section 245A.06, or sanctions under
435.25 section 245A.07;

435.26 (ii) nonpayment of claims submitted by the license holder for public program
435.27 reimbursement;

435.28 (iii) recovery of payments made for the service;

435.29 (iv) disenrollment in the public payment program; or

435.30 (v) other administrative, civil, or criminal penalties as provided by law.

436.1 Sec. 4. Minnesota Statutes 2024, section 245A.04, subdivision 7, is amended to read:

436.2 Subd. 7. **Grant of license; license extension.** (a) If the commissioner determines that
436.3 the program complies with all applicable rules and laws, the commissioner shall issue a
436.4 license consistent with this section or, if applicable, a temporary change of ownership license
436.5 under section 245A.043. At minimum, the license shall state:

436.6 (1) the name of the license holder;

436.7 (2) the address of the program;

436.8 (3) the effective date and expiration date of the license;

436.9 (4) the type of license;

436.10 (5) the maximum number and ages of persons that may receive services from the program;
436.11 and

436.12 (6) any special conditions of licensure.

436.13 (b) The commissioner may issue a license for a period not to exceed two years if:

436.14 (1) the commissioner is unable to conduct the observation required by subdivision 4,
436.15 paragraph (a), clause (3), because the program is not yet operational;

436.16 (2) certain records and documents are not available because persons are not yet receiving
436.17 services from the program; and

436.18 (3) the applicant complies with applicable laws and rules in all other respects.

436.19 (c) A decision by the commissioner to issue a license does not guarantee that any person
436.20 or persons will be placed or cared for in the licensed program.

436.21 (d) Except as provided in paragraphs (i) and (j), the commissioner shall not issue a
436.22 license if the applicant, license holder, or an affiliated controlling individual has:

436.23 (1) been disqualified and the disqualification was not set aside and no variance has been
436.24 granted;

436.25 (2) been denied a license under this chapter or chapter 142B within the past two years;

436.26 (3) had a license issued under this chapter or chapter 142B revoked within the past five
436.27 years; or

436.28 (4) failed to submit the information required of an applicant under subdivision 1,
436.29 paragraph (f), (g), or (h), after being requested by the commissioner.

437.1 When a license issued under this chapter or chapter 142B is revoked, the license holder
437.2 and each affiliated controlling individual with a revoked license may not hold any license
437.3 under chapter 245A for five years following the revocation, and other licenses held by the
437.4 applicant or license holder or licenses affiliated with each controlling individual shall also
437.5 be revoked.

437.6 (e) Notwithstanding paragraph (d), the commissioner may elect not to revoke a license
437.7 affiliated with a license holder or controlling individual that had a license revoked within
437.8 the past five years if the commissioner determines that (1) the license holder or controlling
437.9 individual is operating the program in substantial compliance with applicable laws and rules
437.10 and (2) the program's continued operation is in the best interests of the community being
437.11 served.

437.12 (f) Notwithstanding paragraph (d), the commissioner may issue a new license in response
437.13 to an application that is affiliated with an applicant, license holder, or controlling individual
437.14 that had an application denied within the past two years or a license revoked within the past
437.15 five years if the commissioner determines that (1) the applicant or controlling individual
437.16 has operated one or more programs in substantial compliance with applicable laws and rules
437.17 and (2) the program's operation would be in the best interests of the community to be served.

437.18 (g) In determining whether a program's operation would be in the best interests of the
437.19 community to be served, the commissioner shall consider factors such as the number of
437.20 persons served, the availability of alternative services available in the surrounding
437.21 community, the management structure of the program, whether the program provides
437.22 culturally specific services, and other relevant factors.

437.23 (h) The commissioner shall not issue or reissue a license under this chapter if an individual
437.24 living in the household where the services will be provided as specified under section
437.25 245C.03, subdivision 1, has been disqualified and the disqualification has not been set aside
437.26 and no variance has been granted.

437.27 (i) Pursuant to section 245A.07, subdivision 1, paragraph (b), when a license issued
437.28 under this chapter has been suspended or revoked and the suspension or revocation is under
437.29 appeal, the program may continue to operate pending a final order from the commissioner.
437.30 If the license under suspension or revocation will expire before a final order is issued, a
437.31 temporary provisional license may be issued provided any applicable license fee is paid
437.32 before the temporary provisional license is issued.

437.33 (j) Notwithstanding paragraph (i), when a revocation is based on the disqualification of
437.34 a controlling individual or license holder, and the controlling individual or license holder

is ordered under section 245C.17 to be immediately removed from direct contact with persons receiving services or is ordered to be under continuous, direct supervision when providing direct contact services, the program may continue to operate only if the program complies with the order and submits documentation demonstrating compliance with the order. If the disqualified individual fails to submit a timely request for reconsideration, or if the disqualification is not set aside and no variance is granted, the order to immediately remove the individual from direct contact or to be under continuous, direct supervision remains in effect pending the outcome of a hearing and final order from the commissioner.

(k) Unless otherwise specified by statute, all licenses issued under this chapter expire at 12:01 a.m. on the day after the expiration date stated on the license. A license holder must ~~apply for and be granted~~ comply with the requirements in section 245A.10 and be reissued a new license to operate the program or the program must not be operated after the expiration date. Adult foster care, family adult day services, child foster residence setting, and community residential services license holders must apply for and be granted a new license to operate the program or the program must not be operated after the expiration date. Upon implementation of the provider licensing and reporting hub, licenses may be issued each calendar year.

(l) The commissioner shall not issue or reissue a license under this chapter if it has been determined that a Tribal licensing authority has established jurisdiction to license the program or service.

(m) The commissioner of human services may coordinate and share data with the commissioner of children, youth, and families to enforce this section.

Sec. 5. Minnesota Statutes 2024, section 245A.16, subdivision 1, is amended to read:

Subdivision 1. **Delegation of authority to agencies.** (a) County agencies that have been designated by the commissioner to perform licensing functions and activities under section 245A.04; to recommend denial of applicants under section 245A.05; to issue correction orders, to issue variances, and recommend a conditional license under section 245A.06; or to recommend suspending or revoking a license or issuing a fine under section 245A.07, shall comply with rules and directives of the commissioner governing those functions and with this section. The following variances are excluded from the delegation of variance authority and may be issued only by the commissioner:

(1) dual licensure of child foster residence setting and community residential setting;

439.1 (2) until the responsibility for family child foster care transfers to the commissioner of
439.2 children, youth, and families under Laws 2023, chapter 70, article 12, section 30, dual
439.3 licensure of family child foster care and family adult foster care;

439.4 (3) until the responsibility for family child care transfers to the commissioner of children,
439.5 youth, and families under Laws 2023, chapter 70, article 12, section 30, dual licensure of
439.6 family adult foster care and family child care;

439.7 (4) adult foster care or community residential setting maximum capacity;

439.8 (5) adult foster care or community residential setting minimum age requirement;

439.9 (6) child foster care maximum age requirement;

439.10 (7) variances regarding disqualified individuals;

439.11 (8) the required presence of a caregiver in the adult foster care residence during normal
439.12 sleeping hours;

439.13 (9) variances to requirements relating to chemical use problems of a license holder or a
439.14 household member of a license holder; and

439.15 (10) variances to section 142B.46 for the use of a cradleboard for a cultural
439.16 accommodation.

439.17 (b) Once the respective responsibilities transfer from the commissioner of human services
439.18 to the commissioner of children, youth, and families, under Laws 2023, chapter 70, article
439.19 12, section 30, the commissioners of human services and children, youth, and families must
439.20 both approve a variance for dual licensure of family child foster care and family adult foster
439.21 care or family adult foster care and family child care. Variances under this paragraph are
439.22 excluded from the delegation of variance authority and may be issued only by both
439.23 commissioners.

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

439.26 ~~(d) A~~ (c) An adult foster care, family adult day services, child foster residence setting,
439.27 or community residential services license issued under this section may be issued for up to
439.28 two years until implementation of the provider licensing and reporting hub. Upon
439.29 implementation of the provider licensing and reporting hub, licenses may be issued each
439.30 calendar year.

439.31 ~~(e)~~ (d) During implementation of chapter 245D, the commissioner shall consider:

439.32 (1) the role of counties in quality assurance;

(2) the duties of county licensing staff; and

(3) the possible use of joint powers agreements, according to section 471.59, with counties through which some licensing duties under chapter 245D may be delegated by the commissioner to the counties.

Any consideration related to this paragraph must meet all of the requirements of the corrective action plan ordered by the federal Centers for Medicare and Medicaid Services.

~~(f)~~ (e) Licensing authority specific to section 245D.06, subdivisions 5, 6, 7, and 8, or successor provisions; and section 245D.061 or successor provisions, for family child foster care programs providing out-of-home respite, as identified in section 245D.03, subdivision 1, paragraph (b), clause (1), is excluded from the delegation of authority to county agencies.

Sec. 6. Minnesota Statutes 2024, section 245A.242, subdivision 2, is amended to read:

Subd. 2. **Emergency overdose treatment.** (a) A license holder must maintain a supply of opiate antagonists as defined in section 604A.04, subdivision 1, available for emergency treatment of opioid overdose and must have a written standing order protocol by a physician who is licensed under chapter 147, advanced practice registered nurse who is licensed under chapter 148, or physician assistant who is licensed under chapter 147A, that permits the license holder to maintain a supply of opiate antagonists on site. A license holder must require staff to undergo training in the specific mode of administration used at the program, which may include intranasal administration, intramuscular injection, or both, before the staff has direct contact, as defined in section 245C.02, subdivision 11, with a person served by the program.

(b) Notwithstanding any requirements to the contrary in Minnesota Rules, chapters 2960 and 9530, and Minnesota Statutes, chapters 245F, 245G, and 245I:

(1) emergency opiate antagonist medications are not required to be stored in a locked area and staff and adult clients may carry this medication on them and store it in an unlocked location;

(2) staff persons who only administer emergency opiate antagonist medications only require the training required by paragraph (a), which any knowledgeable trainer may provide. The trainer is not required to be a registered nurse or part of an accredited educational institution; and

(3) nonresidential substance use disorder treatment programs that do not administer client medications beyond emergency opiate antagonist medications are not required to have the policies and procedures required in section 245G.08, subdivisions 5 and 6, and

441.1 must instead describe the program's procedures for administering opiate antagonist
441.2 medications in the license holder's description of health care services under section 245G.08,
441.3 subdivision 1.

441.4 Sec. 7. Minnesota Statutes 2024, section 245C.05, is amended by adding a subdivision to
441.5 read:

441.6 Subd. 9. **Electronic signature.** For documentation requiring a signature under this
441.7 chapter, use of an electronic signature as defined under section 325L.02, paragraph (h), is
441.8 allowed.

441.9 Sec. 8. Minnesota Statutes 2024, section 245C.08, subdivision 3, is amended to read:

441.10 Subd. 3. **Arrest and investigative information.** (a) For any background study completed
441.11 under this section, if the commissioner has reasonable cause to believe the information is
441.12 pertinent to the disqualification of an individual, the commissioner also may review arrest
441.13 and investigative information from:

441.14 (1) the Bureau of Criminal Apprehension;

441.15 (2) the commissioners of children, youth, and families; health; and human services;

441.16 (3) a ~~county attorney~~ prosecutor;

441.17 ~~(4) a county sheriff;~~

441.18 ~~(5)~~ (4) a county agency;

441.19 ~~(6)~~ (5) a ~~local chief of police~~ law enforcement agency;

441.20 ~~(7)~~ (6) other states;

441.21 ~~(8)~~ (7) the courts;

441.22 ~~(9)~~ (8) the Federal Bureau of Investigation;

441.23 ~~(10)~~ (9) the National Criminal Records Repository; and

441.24 ~~(11)~~ (10) criminal records from other states.

441.25 (b) Except when specifically required by law, the commissioner is not required to conduct
441.26 more than one review of a subject's records from the Federal Bureau of Investigation if a
441.27 review of the subject's criminal history with the Federal Bureau of Investigation has already
441.28 been completed by the commissioner and there has been no break in the subject's affiliation
441.29 with the entity that initiated the background study.

(c) If the commissioner conducts a national criminal history record check when required by law and uses the information from the national criminal history record check to make a disqualification determination, the data obtained is private data and cannot be shared with private agencies or prospective employers of the background study subject.

(d) If the commissioner conducts a national criminal history record check when required by law and uses the information from the national criminal history record check to make a disqualification determination, the license holder or entity that submitted the study is not required to obtain a copy of the background study subject's disqualification letter under section 245C.17, subdivision 3.

Sec. 9. Minnesota Statutes 2024, section 245C.22, subdivision 5, is amended to read:

Subd. 5. Scope of set-aside. (a) If the commissioner sets aside a disqualification under this section, the disqualified individual remains disqualified, but may hold a license and have direct contact with or access to persons receiving services. Except as provided in paragraph (b), the commissioner's set-aside of a disqualification is limited solely to the licensed program, applicant, or agency specified in the set aside notice under section 245C.23. For personal care provider organizations, financial management services organizations, community first services and supports organizations, unlicensed home and community-based organizations, and consumer-directed community supports organizations, the commissioner's set-aside may further be limited to a specific individual who is receiving services. For new background studies required under section 245C.04, subdivision 1, paragraph (h), if an individual's disqualification was previously set aside for the license holder's program and the new background study results in no new information that indicates the individual may pose a risk of harm to persons receiving services from the license holder, the previous set-aside shall remain in effect.

(b) If the commissioner has previously set aside an individual's disqualification for one or more programs or agencies, and the individual is the subject of a subsequent background study for a different program or agency, the commissioner shall determine whether the disqualification is set aside for the program or agency that initiated the subsequent background study. A notice of a set-aside under paragraph (c) shall be issued within 15 working days if all of the following criteria are met:

(1) the subsequent background study was initiated in connection with a program licensed or regulated under the same provisions of law and rule for at least one program for which the individual's disqualification was previously set aside by the commissioner;

(2) the individual is not disqualified for an offense specified in section 245C.15, subdivision 1 or 2;

(3) the commissioner has received no new information to indicate that the individual may pose a risk of harm to any person served by the program; and

(4) the previous set-aside was not limited to a specific person receiving services.

(c) Notwithstanding paragraph (b), clause (2), for an individual who is employed in the substance use disorder field, if the commissioner has previously set aside an individual's disqualification for one or more programs or agencies in the substance use disorder treatment field, and the individual is the subject of a subsequent background study for a different program or agency in the substance use disorder treatment field, the commissioner shall set aside the disqualification for the program or agency in the substance use disorder treatment field that initiated the subsequent background study when the criteria under paragraph (b), clauses (1), (3), and (4), are met and the individual is not disqualified for an offense specified in section 245C.15, subdivision 1. A notice of a set-aside under paragraph (d) shall be issued within 15 working days.

(d) When a disqualification is set aside under paragraph (b), the notice of background study results issued under section 245C.17, in addition to the requirements under section 245C.17, shall state that the disqualification is set aside for the program or agency that initiated the subsequent background study. The notice must inform the individual that the individual may request reconsideration of the disqualification under section 245C.21 on the basis that the information used to disqualify the individual is incorrect.

Sec. 10. Minnesota Statutes 2024, section 245D.02, subdivision 4a, is amended to read:

Subd. 4a. **Community residential setting.** "Community residential setting" means a residential program as identified in section 245A.11, subdivision 8, where residential supports and services identified in section 245D.03, subdivision 1, paragraph (c), clause (3), items (i) and (ii), are provided to adults, as defined in section 245A.02, subdivision 2, and the license holder is the owner, lessor, or tenant of the facility licensed according to this chapter, and the license holder does not reside in the facility.

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

Sec. 11. Minnesota Statutes 2024, section 256.98, subdivision 1, is amended to read:

Subdivision 1. **Wrongfully obtaining assistance.** (a) A person who commits any of the following acts or omissions with intent to defeat the purposes of sections 145.891 to 145.897,

the MFIP program formerly codified in sections 256.031 to 256.0361, the AFDC program formerly codified in sections 256.72 to 256.871, chapter 142G, 256B, 256D, 256I, 256K, or 256L, child care assistance programs, and emergency assistance programs under section 256D.06, is guilty of theft and shall be sentenced under section 609.52, subdivision 3, clauses (1) to (5):

(1) obtains or attempts to obtain, or aids or abets any person to obtain by means of a willfully false statement or representation, by intentional concealment of any material fact, or by impersonation or other fraudulent device, assistance or the continued receipt of assistance, to include child care assistance or food benefits produced according to sections 145.891 to 145.897 and MinnesotaCare services according to sections 256.9365, 256.94, and 256L.01 to 256L.15, to which the person is not entitled or assistance greater than that to which the person is entitled;

(2) knowingly aids or abets in buying or in any way disposing of the property of a recipient or applicant of assistance without the consent of the county agency; or

(3) obtains or attempts to obtain, alone or in collusion with others, the receipt of payments to which the individual is not entitled as a provider of subsidized child care, ~~or by furnishing or concurring in~~ receiving or providing any prohibited payment, as defined in section 609.542, subdivision 2, including a kickback, or by submitting or aiding or abetting the submission of a willfully false claim for child care assistance.

(b) The continued receipt of assistance to which the person is not entitled or greater than that to which the person is entitled as a result of any of the acts, failure to act, or concealment described in this subdivision shall be deemed to be continuing offenses from the date that the first act or failure to act occurred.

Sec. 12. Minnesota Statutes 2024, section 256B.064, subdivision 1a, is amended to read:

Subd. 1a. **Grounds for sanctions.** (a) The commissioner may impose sanctions against any individual or entity that receives payments from medical assistance or provides goods or services for which payment is made from medical assistance for any of the following: (1) fraud, theft, or abuse in connection with the provision of goods and services to recipients of public assistance for which payment is made from medical assistance; (2) a pattern of presentment of false or duplicate claims or claims for services not medically necessary; (3) a pattern of making false statements of material facts for the purpose of obtaining greater compensation than that to which the individual or entity is legally entitled; (4) suspension or termination as a Medicare vendor; (5) refusal to grant the state agency access during regular business hours to examine all records necessary to disclose the extent of services

provided to program recipients and appropriateness of claims for payment; (6) failure to repay an overpayment or a fine finally established under this section; (7) failure to correct errors in the maintenance of health service or financial records for which a fine was imposed or after issuance of a warning by the commissioner; (8) soliciting or receiving any remuneration as defined in section 609.542, subdivision 3, or United States Code, title 42, section 1320a-7b(b)(1), and a criminal conviction is not required; (9) paying or offering to pay any remuneration as defined in section 609.542, subdivision 2, or United States Code, title 42, section 1320a-7b(b)(2), and a criminal conviction is not required; and (8) (10) any reason for which an individual or entity could be excluded from participation in the Medicare program under section 1128, 1128A, or 1866(b)(2) of the Social Security Act. For the purposes of this section, goods or services for which payment is made from medical assistance includes but is not limited to care and services identified in section 256B.0625 or provided pursuant to any federally approved waiver.

(b) The commissioner may impose sanctions against a pharmacy provider for failure to respond to a cost of dispensing survey under section 256B.0625, subdivision 13e, paragraph (h).

Sec. 13. Minnesota Statutes 2024, section 256B.12, is amended to read:

256B.12 LEGAL REPRESENTATION.

The attorney general or the appropriate county attorney appearing at the direction of the attorney general shall be the attorney for the state agency, and the county attorney of the appropriate county shall be the attorney for the ~~local~~ county agency in all matters pertaining hereto. To prosecute under this chapter or sections 609.466 ~~and~~ 609.52, subdivision 2; and 609.542 or to recover payments wrongfully made under this chapter, the attorney general or the appropriate county attorney, acting independently or at the direction of the attorney general may institute a criminal or civil action.

Sec. 14. [609.542] HUMAN SERVICES PROGRAMS CRIMES.

Subdivision 1. **Definition.** For purposes of this section, "federal health care program" has the meaning given in United States Code, title 42, section 1320a-7b(f).

Subd. 2. **Prohibited payments made relating to human services programs.** A person is guilty of a crime and may be sentenced as provided in subdivision 5 if the person intentionally offers or pays any remuneration, including any kickback, bribe, or rebate, directly or indirectly, overtly or covertly, in cash or in kind, to another person:

(1) to induce that person to apply for, receive, or induce another person to apply for or receive an item or service for which payment may be made in whole or in part under a federal health care program, state behavioral health program under section 254B.04, or family program under chapter 142E; or

(2) in return for purchasing, leasing, ordering, or arranging for or inducing the purchasing, leasing, or ordering of any good, facility, service, or item for which payment may be made in whole or in part, or which is administered in whole or in part under a federal health care program, state behavioral health program under section 254B.04, or family program under chapter 142E.

Subd. 3. Receipt of prohibited payments relating to human services programs. A person is guilty of a crime and may be sentenced as provided in subdivision 5 if the person intentionally solicits or receives any remuneration, including any kickback, bribe, or rebate, directly or indirectly, overtly or covertly, in cash or in kind:

(1) in return for applying for or receiving a human services benefit, service, or grant for which payment may be made in whole or in part under a federal health care program, state behavioral health program under section 254B.04, or family program under chapter 142E; or

(2) in return for purchasing, leasing, ordering, or arranging for or inducing the purchasing, leasing, or ordering of any good, facility, service, or item for which payment may be made in whole or in part under a federal health care program, state behavioral health program under section 254B.04, or family program under chapter 142E.

Subd. 4. Exemptions. (a) This section does not apply to remuneration exempted under the Anti-Kickback Statute, United States Code, title 42, section 1320a-7b(b)(3), or payment made under a federal health care program which is exempt from liability by United States Code, title 42, section 1001.952.

(b) This section does not apply to:

(1) any amount paid by an employer to a bona fide employee for providing covered items or services under chapter 142E while acting in the course and scope of employment; or

(2) child care provider discounts, scholarships, or other financial assistance to families allowed under section 142E.17, subdivision 7.

Subd. 5. Sentence. (a) A person convicted under subdivision 2 or 3 may be sentenced pursuant to section 609.52, subdivision 3.

(b) For purposes of sentencing a violation of subdivision 2, "value" means the fair market value of the good, facility, service, or item that was obtained as a direct or indirect result of the prohibited payment.

(c) For purposes of sentencing a violation of subdivision 3, "value" means the amount of the prohibited payment solicited or received.

(d) As a matter of law, a claim for any good, facility, service, or item rendered or claimed to have been rendered in violation of this section is noncompensable and unenforceable at the time the claim is made.

Subd. 6. **Aggregation.** In a prosecution under this section, the value of the money, property, or benefit received or solicited by the defendant within a six-month period may be aggregated and the defendant charged accordingly in applying the provisions of subdivision 5.

Subd. 7. **False claims.** In addition to the penalties provided for in this section, a claim, as defined in section 15C.01, subdivision 2, that includes items or services resulting from a violation of this section constitutes a false or fraudulent claim for purposes of section 15C.02.

EFFECTIVE DATE. This section is effective August 1, 2025, and applies to crimes committed on or after that date.

Sec. 15. Laws 2023, chapter 70, article 7, section 34, the effective date, is amended to read:

~~**EFFECTIVE DATE.** This section is effective for background studies requested on or after August 1, 2024~~ the day following final enactment.

Sec. 16. **REPEALER.**

Minnesota Statutes 2024, section 245A.11, subdivision 8, is repealed.

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

ARTICLE 16

ECONOMIC SUPPORTS

Section 1. Minnesota Statutes 2024, section 142A.03, is amended by adding a subdivision to read:

Subd. 35. **Electronic benefits transfer; contracting and procurement.** Notwithstanding chapter 16C, the commissioner is exempt from the contract term limits for the issuance of public benefits through an electronic benefit transfer system and related services. These contracts may have up to an initial five-year term, with extensions not to exceed a ten-year total contract duration.

Sec. 2. **[142F.141] PREPARED MEALS FOOD RELIEF GRANTS.**

Subdivision 1. **Establishment** The commissioner of children, youth, and families must establish a prepared meals grant program to provide hunger relief to Minnesotans experiencing food insecurity and who have difficulty preparing meals due to limited mobility, disability, or limited resources.

Subd. 2. **Eligible grantees.** (a) Eligible grantees are nonprofit organizations or Minnesota Tribal governments, as defined in section 10.65, with a demonstrated history of providing and distributing prepared meals that are customized for the population that the organization or Tribal government serves, including tailoring meals to cultural, religious, and dietary needs.

(b) An individual or nonprofit organization affiliated with Feeding Our Future is prohibited from receiving grant funds under this section.

Subd. 3. **Application.** Eligible grantees applying for grant money under this section must apply to the commissioner on the forms and in the time and manner established by the commissioner.

Subd. 4. **Allowable uses of grant funds.** (a) Eligible grantees must use grant money awarded under this section to fund a prepared meals program that primarily targets individuals 18 years of age or older and under 61 years of age, and their dependents experiencing food insecurity. Grantees must not receive funding from other state and federal meal programs for activities funded under this section.

(b) Grantees must prepare meals in a licensed commercial kitchen and distribute meals according to ServSafe guidelines.

449.1 Subd. 5. **Duties of the commissioner.** (a) The commissioner must develop a process
449.2 for determining eligible grantees under this section.

449.3 (b) In granting money, the commissioner must prioritize applicants that:

449.4 (1) have demonstrated the ability to provide prepared meals to racially, ethnically, and
449.5 geographically diverse populations who are at greater risk for food insecurity;

449.6 (2) work with external community partners to distribute meals targeting nontraditional
449.7 meal sites to reach those most in need; and

449.8 (3) have a demonstrated history of sourcing at least 50 percent of the prepared meal
449.9 ingredients from:

449.10 (i) Minnesota food producers and processors; or

449.11 (ii) food that is donated or would otherwise be waste.

449.12 (c) The commissioner must consider geographic distribution to ensure statewide coverage
449.13 when awarding grants and must minimize the number of grantees to simplify administrative
449.14 burdens and costs.

449.15 Subd. 6. **Reporting.** (a) Grantees receiving money under this section must retain records
449.16 documenting expenditure of the money and comply with any additional documentation
449.17 requirements imposed by the commissioner.

449.18 (b) Grantees must report on the use of money received under this section to the
449.19 commissioner. The commissioner must determine the timing and form required for the
449.20 reports.

449.21 Subd. 7. **Ineligible expenditures.** If the commissioner determines that ineligible
449.22 expenditures are made by a grantee under this section, the ineligible amount must be repaid
449.23 by the grantee to the commissioner and deposited in the general fund.

449.24 Sec. 3. **[142F.16] REGIONAL FOOD BANK GRANTS.**

449.25 Subdivision 1. **Establishment.** The commissioner of children, youth, and families must
449.26 establish regional food bank grants to increase the availability of food to individuals and
449.27 families in need.

449.28 Subd. 2. **Distribution of appropriation.** The commissioner must distribute funds
449.29 appropriated under this section to regional food banks and Minnesota Tribal governments,
449.30 as defined in section 10.65. The commissioner must distribute the funds under this section
449.31 in accordance with the federal The Emergency Food Assistance Program (TEFAP) formula

and the guidelines of the United States Department of Agriculture. The commissioner may increase or decrease a qualifying recipient's proportionate amount if the commissioner determines the increase or decrease is necessary to meet community needs or demands for food in Minnesota. Food banks and Minnesota Tribal governments must be in compliance with TEFAP regulations from the United States Department of Agriculture in order to receive funding under this section, as applicable.

Subd. 3. **Allowable uses of funds.** (a) Grant funds distributed to regional food banks under this section must be used to purchase, transport, and coordinate the distribution of food to TEFAP providers.

(b) Grant funds distributed to Minnesota Tribal governments under this section must be used to purchase, transport, and coordinate the distribution of food to individuals and families in need.

(c) Grant funds distributed under this section may also be used to purchase personal hygiene products, including but not limited to diapers and toilet paper.

Subd. 4. **Reporting.** (a) Food banks and Minnesota Tribal governments receiving grant funds under this section must retain records documenting expenditures of the grant funds and comply with any additional documentation requirements imposed by the commissioner.

(b) Food banks and Minnesota Tribal governments must report on the use of grant funds received under this section to the commissioner. The commissioner must determine the timing and form required for the reports.

Subd. 5. **Ineligible expenditures.** If the commissioner determines that ineligible expenditures were made by a food bank or Minnesota Tribal government under this section, the ineligible amount must be repaid by the food bank or Tribal government to the commissioner and deposited in the general fund.

Sec. 4. **FAMILY SUPPORTIVE HOUSING GRANT PROGRAM.**

Subdivision 1. **Establishment; purpose.** The commissioner of human services must establish a family supportive housing grant program to award competitive grants to eligible applicants operating supportive housing for families.

Subd. 2. **Definitions.** (a) The definitions in this subdivision apply to this section.

(b) "Family" means a nontemporary household unit that includes at least one child and one parent or legal guardian.

(c) "Family permanent supportive housing" means housing that:

- 451.1 (1) is not time limited;
- 451.2 (2) is affordable for those at or below 30 percent of the area median income;
- 451.3 (3) offers specialized support services to residents tailored to the needs of children and
- 451.4 families; and
- 451.5 (4) is available to families with multiple barriers to obtaining and maintaining housing,
- 451.6 including but not limited to those who are homeless or at risk of homelessness; those with
- 451.7 mental illness, substance use disorders, and other disabilities; and those referred by child
- 451.8 protection services.
- 451.9 (d) "Resident" means a resident of family permanent supportive housing.
- 451.10 Subd. 3. **Eligibility.** To be eligible for a grant under this section, an applicant must be
- 451.11 currently operating family supportive housing and be a nonprofit organization or a Minnesota
- 451.12 Tribal government.
- 451.13 Subd. 4. **Application and administration.** (a) When applying to the commissioner for
- 451.14 a grant under this section, each applicant must include the number of families they estimate
- 451.15 to serve.
- 451.16 (b) Within available appropriations, the commissioner must award grant money to eligible
- 451.17 grantees based on the estimated number of families served. The commissioner must use
- 451.18 best efforts to ensure that 60 percent of the families served are within the seven-county
- 451.19 metropolitan area and 40 percent of the families served are outside the seven-county
- 451.20 metropolitan area. The commissioner must use best efforts to ensure that ten percent of the
- 451.21 overall families served are members of Minnesota's Tribal Nations.
- 451.22 (c) By June 30, 2026, each grantee must provide a report to the commissioner on how
- 451.23 many families the grantee served and what services the grantee provided.
- 451.24 Subd. 5. **Eligible uses of grant money.** An eligible applicant that receives grant money
- 451.25 under this section must use the money for the services described in subdivision 6.
- 451.26 Subd. 6. **Specialized family support services.** Specialized family support services are
- 451.27 nonmandatory, trauma-informed, and culturally appropriate services designed to help family
- 451.28 residents maintain secure, dignified housing and provide a safe, stable environment for
- 451.29 children. Services provided may include but are not limited to:
- 451.30 (1) age-appropriate child-centric services for education and enrichment;
- 451.31 (2) stabilization services such as:
- 451.32 (i) educational assessment and referrals to educational programs;

- 452.1 (ii) career planning, work skills training, job placement, and employment retention;
- 452.2 (iii) budgeting and money management;
- 452.3 (iv) referral for counseling regarding violence and sexual exploitation;
- 452.4 (v) referral for medical or psychiatric services or substance use disorder treatment;
- 452.5 (vi) parenting skills training;
- 452.6 (vii) self-sufficiency support services or life skills training, including tenant education
- 452.7 and support to sustain housing; and
- 452.8 (viii) aftercare and follow-up services; and
- 452.9 (3) 24-hour-a-day, seven-day-a-week on-site staffing, including but not limited to front
- 452.10 desk and security.

452.11 **ARTICLE 17**

452.12 **CHILD PROTECTION AND WELFARE**

452.13 Section 1. Minnesota Statutes 2024, section 142A.03, subdivision 2, is amended to read:

452.14 Subd. 2. **Duties of the commissioner.** (a) The commissioner may apply for and accept

452.15 on behalf of the state any grants, bequests, gifts, or contributions for the purpose of carrying

452.16 out the duties and responsibilities of the commissioner. Any money received under this

452.17 paragraph is appropriated and dedicated for the purpose for which the money is granted.

452.18 The commissioner must biennially report to the chairs and ranking minority members of

452.19 relevant legislative committees and divisions by January 15 of each even-numbered year a

452.20 list of all grants and gifts received under this subdivision.

452.21 (b) Pursuant to law, the commissioner may apply for and receive money made available

452.22 from federal sources for the purpose of carrying out the duties and responsibilities of the

452.23 commissioner.

452.24 (c) The commissioner may make contracts with and grants to Tribal Nations, public and

452.25 private agencies, for-profit and nonprofit organizations, and individuals using appropriated

452.26 money.

452.27 (d) The commissioner must develop program objectives and performance measures for

452.28 evaluating progress toward achieving the objectives. The commissioner must identify the

452.29 objectives, performance measures, and current status of achieving the measures in a biennial

452.30 report to the chairs and ranking minority members of relevant legislative committees and

453.1 divisions. The report is due no later than January 15 each even-numbered year. The report
453.2 must include, when possible, the following objectives:

453.3 (1) centering and including the lived experiences of children and youth, including those
453.4 with disabilities and mental illness and their families, in all aspects of the department's work;

453.5 (2) increasing the effectiveness of the department's programs in addressing the needs of
453.6 children and youth facing racial, economic, or geographic inequities;

453.7 (3) increasing coordination and reducing inefficiencies among the department's programs
453.8 and the funding sources that support the programs;

453.9 (4) increasing the alignment and coordination of family access to child care and early
453.10 learning programs and improving systems of support for early childhood and learning
453.11 providers and services;

453.12 (5) improving the connection between the department's programs and the kindergarten
453.13 through grade 12 and higher education systems; and

453.14 (6) minimizing and streamlining the effort required of youth and families to receive
453.15 services to which the youth and families are entitled.

453.16 (e) The commissioner shall administer and supervise the forms of public assistance and
453.17 other activities or services that are vested in the commissioner. Administration and
453.18 supervision of activities or services includes but is not limited to assuring timely and accurate
453.19 distribution of benefits, completeness of service, and quality program management. In
453.20 addition to administering and supervising activities vested by law in the department, the
453.21 commissioner has the authority to:

453.22 (1) require county agency participation in training and technical assistance programs to
453.23 promote compliance with statutes, rules, federal laws, regulations, and policies governing
453.24 the programs and activities administered by the commissioner;

453.25 (2) monitor, on an ongoing basis, the performance of county agencies in the operation
453.26 and administration of activities and programs; enforce compliance with statutes, rules,
453.27 federal laws, regulations, and policies governing welfare services; and promote excellence
453.28 of administration and program operation;

453.29 (3) develop a quality control program or other monitoring program to review county
453.30 performance and accuracy of benefit determinations;

454.1 (4) require county agencies to make an adjustment to the public assistance benefits issued
454.2 to any individual consistent with federal law and regulation and state law and rule and to
454.3 issue or recover benefits as appropriate;

454.4 (5) delay or deny payment of all or part of the state and federal share of benefits and
454.5 administrative reimbursement according to the procedures set forth in section 142A.10;

454.6 (6) make contracts with and grants to public and private agencies and organizations,
454.7 both for-profit and nonprofit, and individuals, using appropriated funds; and

454.8 (7) enter into contractual agreements with federally recognized Indian Tribes with a
454.9 reservation in Minnesota to the extent necessary for the Tribe to operate a federally approved
454.10 family assistance program or any other program under the supervision of the commissioner.
454.11 The commissioner shall consult with the affected county or counties in the contractual
454.12 agreement negotiations, if the county or counties wish to be included, in order to avoid the
454.13 duplication of county and Tribal assistance program services. The commissioner may
454.14 establish necessary accounts for the purposes of receiving and disbursing funds as necessary
454.15 for the operation of the programs.

454.16 The commissioner shall work in conjunction with the commissioner of human services to
454.17 carry out the duties of this paragraph when necessary and feasible.

454.18 (f) The commissioner shall inform county agencies, on a timely basis, of changes in
454.19 statute, rule, federal law, regulation, and policy necessary to county agency administration
454.20 of the programs and activities administered by the commissioner.

454.21 (g) The commissioner shall administer and supervise child welfare activities, including
454.22 promoting the enforcement of laws preventing child maltreatment and protecting children
454.23 with a disability and children who are in need of protection or services, licensing and
454.24 supervising child care and child-placing agencies, and supervising the care of children in
454.25 foster care. The commissioner shall coordinate with the commissioner of human services
454.26 on activities impacting children overseen by the Department of Human Services, such as
454.27 disability services, behavioral health, and substance use disorder treatment.

454.28 (h) The commissioner shall assist and cooperate with local, state, and federal departments,
454.29 agencies, and institutions.

454.30 (i) The commissioner shall establish and maintain any administrative units reasonably
454.31 necessary for the performance of administrative functions common to all divisions of the
454.32 department.

455.1 (j) The commissioner shall act as designated guardian of children pursuant to chapter
455.2 260C. For children under the guardianship of the commissioner or a Tribe in Minnesota
455.3 recognized by the Secretary of the Interior whose interests would be best served by adoptive
455.4 placement, the commissioner may contract with a licensed child-placing agency or a
455.5 Minnesota Tribal social services agency to provide adoption services. For children in
455.6 out-of-home care whose interests would be best served by a transfer of permanent legal and
455.7 physical custody to a relative under section 260C.515, subdivision 4, or equivalent in Tribal
455.8 code, the commissioner may contract with a licensed child-placing agency or a Minnesota
455.9 Tribal social services agency to provide permanency services. A contract with a licensed
455.10 child-placing agency must be designed to supplement existing county efforts and may not
455.11 replace existing county programs or Tribal social services, unless the replacement is agreed
455.12 to by the county board and the appropriate exclusive bargaining representative, Tribal
455.13 governing body, or the commissioner has evidence that child placements of the county
455.14 continue to be substantially below that of other counties. Funds encumbered and obligated
455.15 under an agreement for a specific child shall remain available until the terms of the agreement
455.16 are fulfilled or the agreement is terminated.

455.17 (k) The commissioner has the authority to conduct and administer experimental projects
455.18 to test methods and procedures of administering assistance and services to recipients or
455.19 potential recipients of public benefits. To carry out the experimental projects, the
455.20 commissioner may waive the enforcement of existing specific statutory program
455.21 requirements, rules, and standards in one or more counties. The order establishing the waiver
455.22 must provide alternative methods and procedures of administration and must not conflict
455.23 with the basic purposes, coverage, or benefits provided by law. No project under this
455.24 paragraph shall exceed four years. No order establishing an experimental project as authorized
455.25 by this paragraph is effective until the following conditions have been met:

455.26 (1) the United States Secretary of Health and Human Services has agreed, for the same
455.27 project, to waive state plan requirements relative to statewide uniformity; and

455.28 (2) a comprehensive plan, including estimated project costs, has been approved by the
455.29 Legislative Advisory Commission and filed with the commissioner of administration.

455.30 (l) The commissioner shall, according to federal requirements and in coordination with
455.31 the commissioner of human services, establish procedures to be followed by local welfare
455.32 boards in creating citizen advisory committees, including procedures for selection of
455.33 committee members.

456.1 (m) The commissioner shall allocate federal fiscal disallowances or sanctions that are
456.2 based on quality control error rates for the aid to families with dependent children (AFDC)
456.3 program formerly codified in sections 256.72 to 256.87 or the Supplemental Nutrition
456.4 Assistance Program (SNAP) in the following manner:

456.5 (1) one-half of the total amount of the disallowance shall be borne by the county boards
456.6 responsible for administering the programs. For AFDC, disallowances shall be shared by
456.7 each county board in the same proportion as that county's expenditures to the total of all
456.8 counties' expenditures for AFDC. For SNAP, sanctions shall be shared by each county
456.9 board, with 50 percent of the sanction being distributed to each county in the same proportion
456.10 as that county's administrative costs for SNAP benefits are to the total of all SNAP
456.11 administrative costs for all counties, and 50 percent of the sanctions being distributed to
456.12 each county in the same proportion as that county's value of SNAP benefits issued are to
456.13 the total of all benefits issued for all counties. Each county shall pay its share of the
456.14 disallowance to the state of Minnesota. When a county fails to pay the amount due under
456.15 this paragraph, the commissioner may deduct the amount from reimbursement otherwise
456.16 due the county, or the attorney general, upon the request of the commissioner, may institute
456.17 civil action to recover the amount due; and

456.18 (2) notwithstanding the provisions of clause (1), if the disallowance results from knowing
456.19 noncompliance by one or more counties with a specific program instruction, and that knowing
456.20 noncompliance is a matter of official county board record, the commissioner may require
456.21 payment or recover from the county or counties, in the manner prescribed in clause (1), an
456.22 amount equal to the portion of the total disallowance that resulted from the noncompliance
456.23 and may distribute the balance of the disallowance according to clause (1).

456.24 (n) The commissioner shall develop and implement special projects that maximize
456.25 reimbursements and result in the recovery of money to the state. For the purpose of recovering
456.26 state money, the commissioner may enter into contracts with third parties. Any recoveries
456.27 that result from projects or contracts entered into under this paragraph shall be deposited
456.28 in the state treasury and credited to a special account until the balance in the account reaches
456.29 \$1,000,000. When the balance in the account exceeds \$1,000,000, the excess shall be
456.30 transferred and credited to the general fund. All money in the account is appropriated to the
456.31 commissioner for the purposes of this paragraph.

456.32 (o) The commissioner has the authority to establish and enforce the following county
456.33 reporting requirements:

457.1 (1) the commissioner shall establish fiscal and statistical reporting requirements necessary
457.2 to account for the expenditure of funds allocated to counties for programs administered by
457.3 the commissioner. When establishing financial and statistical reporting requirements, the
457.4 commissioner shall evaluate all reports, in consultation with the counties, to determine if
457.5 the reports can be simplified or the number of reports can be reduced;

457.6 (2) the county board shall submit monthly or quarterly reports to the department as
457.7 required by the commissioner. Monthly reports are due no later than 15 working days after
457.8 the end of the month. Quarterly reports are due no later than 30 calendar days after the end
457.9 of the quarter, unless the commissioner determines that the deadline must be shortened to
457.10 20 calendar days to avoid jeopardizing compliance with federal deadlines or risking a loss
457.11 of federal funding. Only reports that are complete, legible, and in the required format shall
457.12 be accepted by the commissioner;

457.13 (3) if the required reports are not received by the deadlines established in clause (2), the
457.14 commissioner may delay payments and withhold funds from the county board until the next
457.15 reporting period. When the report is needed to account for the use of federal funds and the
457.16 late report results in a reduction in federal funding, the commissioner shall withhold from
457.17 the county boards with late reports an amount equal to the reduction in federal funding until
457.18 full federal funding is received;

457.19 (4) a county board that submits reports that are late, illegible, incomplete, or not in the
457.20 required format for two out of three consecutive reporting periods is considered
457.21 noncompliant. When a county board is found to be noncompliant, the commissioner shall
457.22 notify the county board of the reason the county board is considered noncompliant and
457.23 request that the county board develop a corrective action plan stating how the county board
457.24 plans to correct the problem. The corrective action plan must be submitted to the
457.25 commissioner within 45 days after the date the county board received notice of
457.26 noncompliance;

457.27 (5) the final deadline for fiscal reports or amendments to fiscal reports is one year after
457.28 the date the report was originally due. If the commissioner does not receive a report by the
457.29 final deadline, the county board forfeits the funding associated with the report for that
457.30 reporting period and the county board must repay any funds associated with the report
457.31 received for that reporting period;

457.32 (6) the commissioner may not delay payments, withhold funds, or require repayment
457.33 under clause (3) or (5) if the county demonstrates that the commissioner failed to provide
457.34 appropriate forms, guidelines, and technical assistance to enable the county to comply with

458.1 the requirements. If the county board disagrees with an action taken by the commissioner
458.2 under clause (3) or (5), the county board may appeal the action according to sections 14.57
458.3 to 14.69; and

458.4 (7) counties subject to withholding of funds under clause (3) or forfeiture or repayment
458.5 of funds under clause (5) shall not reduce or withhold benefits or services to clients to cover
458.6 costs incurred due to actions taken by the commissioner under clause (3) or (5).

458.7 (p) The commissioner shall allocate federal fiscal disallowances or sanctions for audit
458.8 exceptions when federal fiscal disallowances or sanctions are based on a statewide random
458.9 sample in direct proportion to each county's claim for that period.

458.10 (q) The commissioner is responsible for ensuring the detection, prevention, investigation,
458.11 and resolution of fraudulent activities or behavior by applicants, recipients, and other
458.12 participants in the programs administered by the department. The commissioner shall
458.13 cooperate with the commissioner of education to enforce the requirements for program
458.14 integrity and fraud prevention for investigation for child care assistance under chapter 142E.

458.15 (r) The commissioner shall require county agencies to identify overpayments, establish
458.16 claims, and utilize all available and cost-beneficial methodologies to collect and recover
458.17 these overpayments in the programs administered by the department.

458.18 (s) The commissioner shall develop recommended standards for child foster care homes
458.19 that address the components of specialized therapeutic services to be provided by child
458.20 foster care homes with those services.

458.21 (t) The commissioner shall authorize the method of payment to or from the department
458.22 as part of the programs administered by the department. This authorization includes the
458.23 receipt or disbursement of funds held by the department in a fiduciary capacity as part of
458.24 the programs administered by the department.

458.25 (u) In coordination with the commissioner of human services, the commissioner shall
458.26 create and provide county and Tribal agencies with blank applications, affidavits, and other
458.27 forms as necessary for public assistance programs.

458.28 (v) The commissioner shall cooperate with the federal government and its public welfare
458.29 agencies in any reasonable manner as may be necessary to qualify for federal aid for
458.30 temporary assistance for needy families and in conformity with Title I of Public Law 104-193,
458.31 the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 and successor
458.32 amendments, including making reports that contain information required by the federal

Social Security Advisory Board and complying with any provisions the board may find necessary to assure the correctness and verification of the reports.

(w) On or before January 15 in each even-numbered year, the commissioner shall make a biennial report to the governor concerning the activities of the agency.

(x) The commissioner shall enter into agreements with other departments of the state as necessary to meet all requirements of the federal government.

(y) The commissioner may cooperate with other state agencies in establishing reciprocal agreements in instances where a child receiving Minnesota family investment program (MFIP) assistance or its out-of-state equivalent moves or contemplates moving into or out of the state, in order that the child may continue to receive MFIP or equivalent aid from the state moved from until the child has resided for one year in the state moved to.

(z) The commissioner shall provide appropriate technical assistance to county agencies to develop methods to have county financial workers remind and encourage recipients of aid to families with dependent children, the Minnesota family investment program, the Minnesota family investment plan, family general assistance, or SNAP benefits whose assistance unit includes at least one child under the age of five to have each young child immunized against childhood diseases. The commissioner must examine the feasibility of utilizing the capacity of a statewide computer system to assist county agency financial workers in performing this function at appropriate intervals.

(aa) The commissioner shall have the power and authority to accept on behalf of the state contributions and gifts for the use and benefit of children under the guardianship or custody of the commissioner. The commissioner may also receive and accept on behalf of such children money due and payable to them as old age and survivors insurance benefits, veterans benefits, pensions, or other such monetary benefits. Gifts, contributions, pensions, and benefits under this paragraph must be deposited in and disbursed from the social welfare fund provided for in sections 256.88 to 256.92.

(bb) The specific enumeration of powers and duties in this section must not be construed to be a limitation upon the general powers granted to the commissioner.

Sec. 2. Minnesota Statutes 2024, section 260.810, subdivision 1, is amended to read:

Subdivision 1. **Payments.** The commissioner shall make grant payments to each approved program in four quarterly installments a year. The commissioner may certify an advance payment for the first quarter of the state fiscal year. Later payments must be made ~~upon~~ quarterly ~~receipt by the state of a quarterly report on finances and program activities~~.

Sec. 3. Minnesota Statutes 2024, section 260.810, subdivision 2, is amended to read:

Subd. 2. **Quarterly report Reporting.** The commissioner shall ~~specify~~ engage Tribal and urban Indian organizations to establish requirements for reports and reporting timelines, including ~~quarterly~~ fiscal reports submitted to the commissioner at least annually, according to section 142A.03, subdivision 2, paragraph (o). Each ~~quarter~~ reporting period as agreed upon by the commissioner and grantee, an approved program receiving an Indian child welfare grant shall submit a report to the commissioner that includes:

(1) a detailed accounting of grant money expended during the preceding ~~quarter~~ reporting period, specifying expenditures by line item and year to date; and

(2) a description of Indian child welfare activities conducted during the preceding ~~quarter~~ reporting period, including the number of clients served and the type of services provided.

~~The quarterly Reports must be submitted no later than 30 days after the end of each quarter~~ agreed upon reporting timelines of the state fiscal year.

Sec. 4. Minnesota Statutes 2024, section 260.821, subdivision 2, is amended to read:

Subd. 2. **Special focus grants.** The amount available for grants established under section 260.785, subdivision 2, for child-placing agencies, Tribes, Indian organizations, and other social services organizations is one-fifth of the total annual appropriation for Indian child welfare grants. ~~The maximum award under this subdivision is \$100,000 a year for programs approved by the commissioner.~~

Sec. 5. **DIRECTION TO COMMISSIONER OF CHILDREN, YOUTH, AND FAMILIES; CHILD WELFARE FISCAL ANALYSIS.**

Subdivision 1. **Child welfare fiscal analysis.** The commissioner of children, youth, and families must contract with a third-party consultant selected according to subdivision 2 to conduct a fiscal analysis to identify and make recommendations on how to best utilize all available child welfare funding streams and federal resources for supporting children, families, and county and Tribal child welfare service providers across Minnesota.

Subd. 2. **Fiscal analysis consultant selection.** The commissioner, with input from the Association of Minnesota Counties, the Minnesota Indian Affairs Council, community nonprofits, community providers, and other child welfare system stakeholders, must select an independent third-party consultant to conduct the fiscal analysis required under this section. The consultant must have expertise in and experience with child welfare systems and conducting fiscal analyses.

Subd. 3. **Child welfare fiscal analysis requirements.** When conducting the child welfare fiscal analysis under this section, the third-party consultant must evaluate:

(1) financial systems in Minnesota's child welfare system and funding sources available to the child welfare system; and

(2) state, county, and Tribal access to and use of funding or reimbursements for expenses related to child welfare, including but not limited to legal representation, training, and prevention services, under federal Title IV-E and Title IV-B, the federal Child Abuse Prevention and Treatment Act, TANF, Medicaid, the federal Social Services Block Grant Program, and other federal funds.

Subd. 4. **Stakeholder engagement.** The third-party consultant conducting the fiscal analysis under this section must engage with community child welfare service providers; state, county, and Tribal social services agencies; and other individuals or organizations with expertise in child welfare services, as the consultant determines to be appropriate.

Subd. 5. **Report on fiscal analysis.** By June 30, 2027, the third-party consultant conducting the child welfare fiscal analysis under this section must submit a report to the commissioner of children, youth, and families and the chairs and ranking minority members of the legislative committees with jurisdiction over the child welfare system. The report must include the findings from the fiscal analysis required in this section and recommendations on:

(1) how to maximize the state's receipt and use of child welfare funding streams and federal resources; and

(2) legislative proposals for any statutory or funding changes necessary to maximize the state's receipt and use of child welfare funding streams and federal resources.

Subd. 6. **Tribal participation.** Each of Minnesota's 11 federally recognized Tribal Nations may participate in the fiscal analysis required under this section. Tribal Nations that choose to participate have sovereignty over data they choose to share with the consultant, or other individuals or entities, and may request that their data not be included in any public documents.

Sec. 6. SCAN OF AND REPORT ON OUT-OF-SCHOOL AND YOUTH PROGRAMMING.

(a) The commissioner of children, youth, and families must conduct a scan of out-of-school and youth programming for youth under 21 years of age. The scan may include

462.1 a review of existing reports, targeted interviews, surveys, and other methodologies, as
462.2 determined by the commissioner.

462.3 (b) When conducting the scan, the commissioner must collaborate with community
462.4 organizations and programming providers who provide out-of-school and youth
462.5 programming; parents, youth, and families who participate or have participated in
462.6 out-of-school and youth programming; and other individuals with expertise in out-of-school
462.7 and youth programming in order to:

462.8 (1) identify different avenues for gathering information; and

462.9 (2) collaborate in the outreach and facilitation of focused community engagement.

462.10 (c) By July 1, 2026, the commissioner must prepare and submit a final report to the
462.11 chairs and ranking minority members of the legislative committees with jurisdiction over
462.12 children, youth, and families. The commissioner may contract with consultants to help with
462.13 the development of the report. The report must include:

462.14 (1) information on current federal, state, Tribal, county, and city out-of-school and youth
462.15 programs;

462.16 (2) school districts that offer enrichment activities;

462.17 (3) information on availability and amount of funding sources, the costs to provide the
462.18 out-of-school and youth programs, and the costs of the programs for families;

462.19 (4) any barriers and gaps for families to participate in the out-of-school and youth
462.20 programming, as identified by findings from the scan under paragraph (a) and in discussions
462.21 with community members and program providers;

462.22 (5) information on the populations participating in out-of-school and youth programming;

462.23 (6) differences in programming needs, opportunities, and accessibility between different
462.24 demographics and different regions of Minnesota; and

462.25 (7) recommendations on policy and funding needs, including recommending potential
462.26 partners for program delivery to expand access to quality out-of-school and youth
462.27 programming.

462.28 (d) By July 1, 2026, the commissioner must present the final report to the chairs and
462.29 ranking minority members of the legislative committees with jurisdiction over children,
462.30 youth, and families.

ARTICLE 18

CHILD PROTECTION AND WELFARE POLICY

Section 1. Minnesota Statutes 2024, section 142A.609, subdivision 11, is amended to read:

Subd. 11. **Treatment of Supplemental Security Income.** (a) If a child placed in foster care receives benefits through Supplemental Security Income (SSI) at the time of foster care placement or subsequent to placement in foster care, the financially responsible agency may only apply to be the payee for the child for the duration of the child's placement in foster care when the court has ordered the financially responsible agency to develop a plan for the transfer of permanent legal and physical custody of the child to a relative or to file a termination of parental rights petition under section 260C.204, paragraph (e), clause (2) or (3); ordered the child permanently placed away from the parent under sections 260C.503 to 260C.521; or approved the continued voluntary foster care placement for the child under section 260D.07. If a child continues to be eligible for SSI after finalization of the adoption or transfer of permanent legal and physical custody and is determined to be eligible for a payment under Northstar Care for Children, a permanent caregiver may choose to receive payment from both programs simultaneously. The permanent caregiver is responsible to report the amount of the payment to the Social Security Administration and the SSI payment will be reduced as required by the Social Security Administration.

(b) If a financially responsible agency applies to be the payee for a child who receives benefits through SSI, or receives the benefits under this subdivision on behalf of a child, the financially responsible agency must provide written notice by certified mail, return receipt requested to:

(1) the child, if the child is 13 years of age or older;

(2) the child's parent, guardian, or custodian or if there is no legal parent or custodian the child's relative selected by the agency;

(3) the guardian ad litem;

(4) the legally responsible agency; and

(5) the counsel appointed for the child pursuant to section 260C.163, subdivision 3.

(c) If a financially responsible agency receives benefits under this subdivision on behalf of a child 13 years of age or older, the legally responsible agency and the guardian ad litem must disclose this information to the child in person in a manner that best helps the child

understand the information. This paragraph does not apply in circumstances where the child is living outside of Minnesota.

(d) If a financially responsible agency receives the benefits under this subdivision on behalf of a child, it cannot use those funds for any other purpose than the care of that child. The financially responsible agency must not commingle any benefits received under this subdivision and must not put the benefits received on behalf of a child under this subdivision into a general fund.

(e) If a financially responsible agency receives any benefits under this subdivision, it must keep a record of:

(1) the total dollar amount it received on behalf of all children it receives benefits for;

(2) the total number of children it applied to be a payee for; and

(3) the total number of children it received benefits for.

(f) By July 1, 2025, and each July 1 thereafter, each financially responsible agency must submit a report to the commissioner of children, youth, and families that includes the information required under paragraph (e). By September 1 of each year, the commissioner must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over child protection that compiles the information provided to the commissioner by each financially responsible agency under paragraph (e); subdivision 12, paragraph (e); and section 260C.331, subdivision 7, paragraph (d). This paragraph expires January 31, 2034.

Sec. 2. Minnesota Statutes 2024, section 142A.609, subdivision 12, is amended to read:

Subd. 12. Treatment of Retirement, Survivors, and Disability Insurance; veteran's benefits; railroad retirement benefits; and black lung benefits. (a) If a child placed in foster care receives Retirement, Survivors, and Disability Insurance; veteran's benefits; railroad retirement benefits; or black lung benefits at the time of foster care placement or subsequent to placement in foster care, the financially responsible agency may only apply to be the payee for the child for the duration of the child's placement in foster care when the court has ordered the financially responsible agency to develop a plan for the transfer of permanent legal and physical custody of the child to a relative or to file a termination of parental rights petition under section 260C.204, paragraph (e), clause (2) or (3); ordered the child permanently placed away from the parent under sections 260C.503 to 260C.521; or approved the continued voluntary foster care placement for the child under section 260D.07. If it is anticipated that a child will be eligible to receive Retirement, Survivors,

465.1 and Disability Insurance; veteran's benefits; railroad retirement benefits; or black lung
465.2 benefits after finalization of the adoption or assignment of permanent legal and physical
465.3 custody, the permanent caregiver shall apply to be the payee of those benefits on the child's
465.4 behalf.

465.5 (b) If the financially responsible agency applies to be the payee for a child who receives
465.6 Retirement, Survivors, and Disability Insurance; veteran's benefits; railroad retirement
465.7 benefits; or black lung benefits, or receives the benefits under this subdivision on behalf of
465.8 a child, the financially responsible agency must provide written notice by certified mail,
465.9 return receipt requested to:

465.10 (1) the child, if the child is 13 years of age or older;

465.11 (2) the child's parent, guardian, or custodian or if there is no legal parent or custodian
465.12 the child's relative selected by the agency;

465.13 (3) the guardian ad litem;

465.14 (4) the legally responsible agency; and

465.15 (5) the counsel appointed for the child pursuant to section 260C.163, subdivision 3.

465.16 (c) If a financially responsible agency receives benefits under this subdivision on behalf
465.17 of a child 13 years of age or older, the legally responsible agency and the guardian ad litem
465.18 must disclose this information to the child in person in a manner that best helps the child
465.19 understand the information. This paragraph does not apply in circumstances where the child
465.20 is living outside of Minnesota.

465.21 (d) If a financially responsible agency receives the benefits under this subdivision on
465.22 behalf of a child, it cannot use those funds for any other purpose than the care of that child.
465.23 The financially responsible agency must not commingle any benefits received under this
465.24 subdivision and must not put the benefits received on behalf of a child under this subdivision
465.25 into a general fund.

465.26 (e) If a financially responsible agency receives any benefits under this subdivision, it
465.27 must keep a record of:

465.28 (1) the total dollar amount it received on behalf of all children it receives benefits for;

465.29 (2) the total number of children it applied to be a payee for; and

465.30 (3) the total number of children it received benefits for.

(f) By July 1, 2025, and each July 1 thereafter, each financially responsible agency must submit a report to the commissioner of children, youth, and families that includes the information required under paragraph (e).

Sec. 3. Minnesota Statutes 2024, section 142B.01, subdivision 15, is amended to read:

Subd. 15. **Individual who is related.** "Individual who is related" means a spouse, a parent, a birth or adopted child or stepchild, a stepparent, a stepbrother, a stepsister, a niece, a nephew, an adoptive parent, a grandparent, a sibling, an aunt, an uncle, or a legal guardian. For purposes of family child foster care, individual who is related also includes an individual who, prior to the child's placement in the individual's home for foster care or adoption, is an important individual of the child or of the child's parent or custodian. Important individual means an individual with whom the child has previously resided or had significant contact or who has a significant relationship to the child or the child's parent or custodian.

Sec. 4. Minnesota Statutes 2024, section 142B.05, subdivision 3, is amended to read:

Subd. 3. **Foster care by an individual who is related to a child; license required.** (a) Notwithstanding subdivision 2, paragraph (a), clause (1), in order to provide foster care for a child, an individual who is related to the child, other than a parent, or legal guardian, must be licensed by the commissioner except as provided by section 142B.06.

(b) If an individual who is related to a child is seeking licensure to provide foster care for the child and the individual has a domestic partner but is not married to the domestic partner, only the individual related to the child must be licensed to provide foster care. The commissioner must conduct background studies on household members according to section 245C.03, subdivision 1.

Sec. 5. Minnesota Statutes 2024, section 142B.30, is amended by adding a subdivision to read:

Subd. 13. **Individual who is related; agency choice.** An individual who is related to the child may seek foster care licensure through the county agency or a private agency, licensed and authorized by the commissioner. The child-placing agency, depending on funding available, must provide information to all potential relative foster care providers about this choice, including information about available private agencies for foster care licensure.

Sec. 6. Minnesota Statutes 2024, section 142B.47, is amended to read:

**142B.47 TRAINING ON RISK OF SUDDEN UNEXPECTED INFANT DEATH
AND ABUSIVE HEAD TRAUMA FOR CHILD FOSTER CARE PROVIDERS.**

(a) Licensed child foster care providers, except individuals related to the child who only care for a relative child, that care for infants or children through five years of age must document that before caregivers assist in the care of infants or children through five years of age, ~~they~~ the caregivers are instructed on the standards in section 142B.46 and receive training on reducing the risk of sudden unexpected infant death and abusive head trauma from shaking infants and young children. Licensed child foster care providers who are related to the child, and who only care for a relative child, must document completion of the training required under this section within 30 days after licensure. This section does not apply to emergency relative placement under section 142B.06. The training on reducing the risk of sudden unexpected infant death and abusive head trauma may be provided as:

(1) orientation training to child foster care providers who care for infants or children through five years of age under Minnesota Rules, part 2960.3070, subpart 1; or

(2) in-service training to child foster care providers who care for infants or children through five years of age under Minnesota Rules, part 2960.3070, subpart 2.

(b) Training required under this section must be at least one hour in length and must be completed at least once every five years. At a minimum, the training must address the risk factors related to sudden unexpected infant death and abusive head trauma, means of reducing the risk of sudden unexpected infant death and abusive head trauma, and license holder communication with parents regarding reducing the risk of sudden unexpected infant death and abusive head trauma.

(c) Training for child foster care providers must be approved by the county or private licensing agency that is responsible for monitoring the child foster care provider under section 142B.30. The approved training fulfills, in part, training required under Minnesota Rules, part 2960.3070.

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

Sec. 7. Minnesota Statutes 2024, section 142B.51, subdivision 2, is amended to read:

Subd. 2. **Child passenger restraint systems; training requirement.** (a) Programs licensed by the Department of Human Services under chapter 245A or the Department of Children, Youth, and Families under this chapter and Minnesota Rules, chapter 2960, that

serve a child or children under eight years of age must document training that fulfills the requirements in this subdivision.

(b) Before a license holder, staff person, or caregiver transports a child or children under age eight in a motor vehicle, the person transporting the child must satisfactorily complete training on the proper use and installation of child restraint systems in motor vehicles. Training completed under this section may be used to meet initial or ongoing training under Minnesota Rules, part 2960.3070, subparts 1 and 2.

(c) Training required under this section must be completed at orientation or initial training and repeated at least once every five years. At a minimum, the training must address the proper use of child restraint systems based on the child's size, weight, and age, and the proper installation of a car seat or booster seat in the motor vehicle used by the license holder to transport the child or children.

(d) Training under paragraph (c) must be provided by individuals who are certified and approved by the Office of Traffic Safety within the Department of Public Safety. License holders may obtain a list of certified and approved trainers through the Department of Public Safety website or by contacting the agency.

(e) Notwithstanding paragraph (a), for an emergency relative placement under section 142B.06, the commissioner may grant a variance to the training required by this subdivision for a relative who completes a child seat safety check up. The child seat safety check up trainer must be approved by the Department of Public Safety, Office of Traffic Safety, and must provide one-on-one instruction on placing a child of a specific age in the exact child passenger restraint in the motor vehicle in which the child will be transported. Once granted a variance, and if all other licensing requirements are met, the relative applicant may receive a license and may transport a relative foster child younger than eight years of age. A child seat safety check up must be completed each time a child requires a different size car seat according to car seat and vehicle manufacturer guidelines. A relative license holder must complete training that meets the other requirements of this subdivision prior to placement of another foster child younger than eight years of age in the home or prior to the renewal of the child foster care license.

(f) Notwithstanding paragraph (b), a child foster care license holder who is an individual related to the child, and who only serves a relative child, must document completion of the training required under this section within 30 days after licensure.

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

Sec. 8. Minnesota Statutes 2024, section 142B.80, is amended to read:

**142B.80 CHILD FOSTER CARE TRAINING REQUIREMENT; MENTAL
HEALTH TRAINING; FETAL ALCOHOL SPECTRUM DISORDERS TRAINING.**

Prior to a nonemergency placement of a child in a foster care home, the child foster care license holder and caregivers in foster family and treatment foster care settings must complete two hours of training that addresses the causes, symptoms, and key warning signs of mental health disorders; cultural considerations; and effective approaches for dealing with a child's behaviors. At least one hour of the annual training requirement for the foster family license holder and caregivers must be on children's mental health issues and treatment. Except for providers and services under chapter 245D and child foster care license holders who are individuals related to the child who only serve a relative child who does not have fetal alcohol spectrum disorder, the annual training must also include at least one hour of training on fetal alcohol spectrum disorders, which must be counted toward the 12 hours of required in-service training per year. Short-term substitute caregivers are exempt from these requirements. Training curriculum shall be approved by the commissioner of children, youth, and families.

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

Sec. 9. **[142B.81] CHILD FOSTER CARE TRAINING; RELATIVE CAREGIVERS.**

Notwithstanding the required hours under Minnesota Rules, part 2960.3070, subpart 2, a child foster care license holder who is an individual related to the child must complete a minimum of six hours of in-service training per year in one or more of the areas in Minnesota Rules, part 2960.3070, subpart 2, or in other areas as agreed upon by the licensing agency and the foster parent. The relative child foster care license holder must consult with the licensing agency and complete training in areas that are most applicable to caring for the relative children in foster care in the home. This section does not apply to a child foster care license holder who is licensed to care for both a relative child and a nonrelative child.

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

Sec. 10. Minnesota Statutes 2024, section 245C.02, is amended by adding a subdivision to read:

Subd. 16b. **Relative.** "Relative" has the meaning given in section 260C.007, subdivision 27. For purposes of background studies affiliated with child foster care licensure, a person

470.1 is a relative if the person was known to the child or the child's parent before the child is
470.2 placed in foster care.

470.3 Sec. 11. Minnesota Statutes 2024, section 245C.15, subdivision 4a, is amended to read:

470.4 Subd. 4a. **Licensed family foster setting disqualifications.** (a) Notwithstanding
470.5 subdivisions 1 to 4, for a background study affiliated with a licensed family foster setting,
470.6 regardless of how much time has passed, an individual is disqualified under section 245C.14
470.7 if the individual committed an act that resulted in a felony-level conviction for sections:
470.8 609.185 (murder in the first degree); 609.19 (murder in the second degree); 609.195 (murder
470.9 in the third degree); 609.20 (manslaughter in the first degree); 609.205 (manslaughter in
470.10 the second degree); 609.2112 (criminal vehicular homicide); ~~609.221 (assault in the first~~
470.11 ~~degree);~~ 609.223, subdivision 2 (assault in the third degree, past pattern of child abuse);
470.12 609.223, subdivision 3 (assault in the third degree, victim under four); a felony offense
470.13 under sections 609.2242 and 609.2243 (domestic assault, spousal abuse, child abuse or
470.14 neglect, or a crime against children); 609.2247 (domestic assault by strangulation); 609.2325
470.15 (criminal abuse of a vulnerable adult resulting in the death of a vulnerable adult); 609.245
470.16 (aggravated robbery); 609.247, subdivision 2 or 3 (carjacking in the first or second degree);
470.17 609.25 (kidnapping); 609.255 (false imprisonment); 609.2661 (murder of an unborn child
470.18 in the first degree); 609.2662 (murder of an unborn child in the second degree); 609.2663
470.19 (murder of an unborn child in the third degree); 609.2664 (manslaughter of an unborn child
470.20 in the first degree); 609.2665 (manslaughter of an unborn child in the second degree);
470.21 609.267 (assault of an unborn child in the first degree); 609.2671 (assault of an unborn child
470.22 in the second degree); 609.268 (injury or death of an unborn child in the commission of a
470.23 crime); 609.322, subdivision 1 (solicitation, inducement, and promotion of prostitution; sex
470.24 trafficking in the first degree); 609.324, subdivision 1 (other prohibited acts; engaging in,
470.25 hiring, or agreeing to hire minor to engage in prostitution); 609.342 (criminal sexual conduct
470.26 in the first degree); 609.343 (criminal sexual conduct in the second degree); 609.344 (criminal
470.27 sexual conduct in the third degree); 609.345 (criminal sexual conduct in the fourth degree);
470.28 609.3451 (criminal sexual conduct in the fifth degree); 609.3453 (criminal sexual predatory
470.29 conduct); 609.3458 (sexual extortion); 609.352 (solicitation of children to engage in sexual
470.30 conduct); 609.377 (malicious punishment of a child); 609.378 (neglect or endangerment of
470.31 a child); 609.561 (arson in the first degree); 609.582, subdivision 1 (burglary in the first
470.32 degree); 609.746 (interference with privacy); 617.23 (indecent exposure); 617.246 (use of
470.33 minors in sexual performance prohibited); or 617.247 (possession of pictorial representations
470.34 of minors).

(b) Notwithstanding subdivisions 1 to 4, for the purposes of a background study affiliated with a licensed family foster setting, an individual is disqualified under section 245C.14, regardless of how much time has passed, if the individual:

(1) committed an action under paragraph (e) that resulted in death or involved sexual abuse, as defined in section 260E.03, subdivision 20;

(2) committed an act that resulted in a gross misdemeanor-level conviction for section 609.3451 (criminal sexual conduct in the fifth degree);

(3) committed an act against or involving a minor that resulted in a felony-level conviction for: section 609.222 (assault in the second degree); 609.223, subdivision 1 (assault in the third degree); 609.2231 (assault in the fourth degree); or 609.224 (assault in the fifth degree); or

(4) committed an act that resulted in a misdemeanor or gross misdemeanor-level conviction for section 617.293 (dissemination and display of harmful materials to minors).

(c) Notwithstanding subdivisions 1 to 4, for a background study affiliated with a licensed family foster setting;

(1) an individual is disqualified under section 245C.14 if fewer than 20 years have passed since the termination of the individual's parental rights under section 260C.301, subdivision 1, paragraph (b), or if the individual consented to a termination of parental rights under section 260C.301, subdivision 1, paragraph (a), to settle a petition to involuntarily terminate parental rights. An individual is disqualified under section 245C.14 if fewer than 20 years have passed since the termination of the individual's parental rights in any other state or country, where the conditions for the individual's termination of parental rights are substantially similar to the conditions in section 260C.301, subdivision 1, paragraph (b); or

(2) when an individual is a relative of the child in foster care, an individual is disqualified under section 245C.14 if fewer than seven years have passed since the termination of the individual's parental rights under section 260C.301, subdivision 1, paragraph (b), or if the individual consented to a termination of parental rights under section 260C.301, subdivision 1, paragraph (a), to settle a petition to involuntarily terminate parental rights. An individual is disqualified under section 245C.14 if fewer than seven years have passed since the termination of the individual's parental rights in any other state or country, where the conditions for the individual's termination of parental rights are substantially similar to the conditions in section 260C.301, subdivision 1, paragraph (b).

472.1 (d) Notwithstanding subdivisions 1 to 4, for a background study affiliated with a licensed
472.2 family foster setting, an individual is disqualified under section 245C.14 if fewer than five
472.3 years have passed since a felony-level violation for sections: 152.021 (controlled substance
472.4 crime in the first degree); 152.022 (controlled substance crime in the second degree); 152.023
472.5 (controlled substance crime in the third degree); 152.024 (controlled substance crime in the
472.6 fourth degree); 152.025 (controlled substance crime in the fifth degree); 152.0261 (importing
472.7 controlled substances across state borders); 152.0262, subdivision 1, paragraph (b)
472.8 (possession of substance with intent to manufacture methamphetamine); 152.027, subdivision
472.9 6, paragraph (c) (sale or possession of synthetic cannabinoids); 152.096 (conspiracies
472.10 prohibited); 152.097 (simulated controlled substances); 152.136 (anhydrous ammonia;
472.11 prohibited conduct; criminal penalties; civil liabilities); 152.137 (methamphetamine-related
472.12 crimes involving children or vulnerable adults); 169A.24 (felony first-degree driving while
472.13 impaired); 243.166 (violation of predatory offender registration requirements); 609.2113
472.14 (criminal vehicular operation; bodily harm); 609.2114 (criminal vehicular operation; unborn
472.15 child); 609.221 (assault in the first degree); 609.228 (great bodily harm caused by distribution
472.16 of drugs); 609.2325 (criminal abuse of a vulnerable adult not resulting in the death of a
472.17 vulnerable adult); 609.233 (criminal neglect); 609.235 (use of drugs to injure or facilitate
472.18 a crime); 609.24 (simple robbery); 609.247, subdivision 4 (carjacking in the third degree);
472.19 609.322, subdivision 1a (solicitation, inducement, and promotion of prostitution; sex
472.20 trafficking in the second degree); 609.498, subdivision 1 (tampering with a witness in the
472.21 first degree); 609.498, subdivision 1b (aggravated first-degree witness tampering); 609.562
472.22 (arson in the second degree); 609.563 (arson in the third degree); 609.582, subdivision 2
472.23 (burglary in the second degree); 609.66 (felony dangerous weapons); 609.687 (adulteration);
472.24 609.713 (terroristic threats); 609.749, subdivision 3, 4, or 5 (felony-level harassment or
472.25 stalking); 609.855, subdivision 5 (shooting at or in a public transit vehicle or facility); or
472.26 624.713 (certain people not to possess firearms).

472.27 (e) Notwithstanding subdivisions 1 to 4, except as provided in paragraph (a), for a
472.28 background study affiliated with a licensed family child foster care license, an individual
472.29 is disqualified under section 245C.14 if fewer than five years have passed since:

472.30 (1) a felony-level violation for an act not against or involving a minor that constitutes:
472.31 section 609.222 (assault in the second degree); 609.223, subdivision 1 (assault in the third
472.32 degree); 609.2231 (assault in the fourth degree); or 609.224, subdivision 4 (assault in the
472.33 fifth degree);

472.34 (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) Notwithstanding paragraph (f), for purposes of paragraph (d), the disqualification begins from the date of the alleged violation when the individual is a relative of the child in foster care.

(h) 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)~~ (i) 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 under section 245C.14 if fewer than five years have passed since an offense in any other state or country, the elements of which are substantially similar to the elements of any offense listed in paragraphs (d) and (e).

Sec. 12. Minnesota Statutes 2024, section 260.65, is amended to read:

260.65 NONCUSTODIAL PARENTS; RELATIVE PLACEMENT.

(a) Prior to the removal of an African American or a disproportionately represented child from the child's home, the responsible social services agency must make active efforts to identify and locate the child's noncustodial or nonadjudicated parent and the child's relatives to notify the child's parent and relatives that the child is or will be placed in foster care, and provide the child's parent and relatives with a list of legal resources. The notice to the child's noncustodial or nonadjudicated parent and relatives must also include the information required under section 260C.221, subdivision 2, paragraph (b). The responsible social services agency must maintain detailed records of the agency's efforts to notify parents and relatives under this section.

(b) Notwithstanding the provisions of section 260C.219, the responsible social services agency must assess an African American or a disproportionately represented child's noncustodial or nonadjudicated parent's ability to care for the child before placing the child in foster care. If a child's noncustodial or nonadjudicated parent is willing and able to provide daily care for the African American or disproportionately represented child temporarily or permanently, the court shall order ~~that the child be placed in~~ into the home of the noncustodial or nonadjudicated parent pursuant to section 260C.178 or 260C.201, subdivision 1. The responsible social services agency must make active efforts to assist a noncustodial or nonadjudicated parent with remedying any issues that may prevent the child from being ~~placed with the~~ ordered into the home of a noncustodial or nonadjudicated parent.

(c) The relative search, notice, engagement, and placement consideration requirements under section 260C.221 apply under this act.

Sec. 13. Minnesota Statutes 2024, section 260.66, subdivision 1, is amended to read:

Subdivision 1. **Emergency removal or placement permitted.** Nothing in this section shall be construed to prevent the emergency removal of an African American or a disproportionately represented ~~child's parent or custodian~~ child or the emergency placement

475.1 of the child in a foster setting in order to prevent imminent physical damage or harm to the
475.2 child.

475.3 Sec. 14. Minnesota Statutes 2024, section 260.691, subdivision 1, is amended to read:

475.4 Subdivision 1. **Establishment and duties.** (a) The African American Child and Family
475.5 Well-Being Advisory Council is established for the Department of Children, Youth, and
475.6 Families.

475.7 (b) The council shall consist of 31 members appointed by the commissioner and must
475.8 include representatives with lived personal or professional experience within African
475.9 American communities. Members may include but are not limited to youth who have exited
475.10 the child welfare system; parents; legal custodians; relative and kinship caregivers or foster
475.11 care providers; community service providers, advocates, and members; county and private
475.12 social services agency case managers; representatives from faith-based institutions; academic
475.13 professionals; a representative from the Council for Minnesotans of African Heritage; the
475.14 Ombudsperson for African American Families; and other individuals with experience and
475.15 knowledge of African American communities. Council members must be selected through
475.16 an open appointments process under section 15.0597. The terms, compensation, and removal
475.17 of council members are governed by section 15.059.

475.18 (c) ~~The African American Child Well-Being Advisory~~ council must:

475.19 (1) review annual reports related to African American children involved in the child
475.20 welfare system. These reports may include but are not limited to the maltreatment,
475.21 out-of-home placement, and permanency of African American children;

475.22 (2) assist with and make recommendations to the commissioner for developing strategies
475.23 to reduce maltreatment determinations, prevent unnecessary out-of-home placement, promote
475.24 culturally appropriate foster care and shelter or facility placement decisions and settings for
475.25 African American children in need of out-of-home placement, ensure timely achievement
475.26 of permanency, and improve child welfare outcomes for African American children and
475.27 their families;

475.28 (3) review summary reports on targeted case reviews prepared by the commissioner to
475.29 ensure that responsible social services agencies meet the needs of African American children
475.30 and their families. Based on data collected from those reviews, the council shall assist the
475.31 commissioner with developing strategies needed to improve any identified child welfare
475.32 outcomes, including but not limited to maltreatment, out-of-home placement, and permanency
475.33 for African American children;

(4) ~~assist the Cultural and Ethnic Communities Leadership Council with making~~ make recommendations to the commissioner and the legislature for public policy and statutory changes that specifically consider the needs of African American children and their families involved in the child welfare system;

(5) advise the commissioner on stakeholder engagement strategies and actions that the commissioner and responsible social services agencies may take to improve child welfare outcomes for African American children and their families;

(6) assist the commissioner with developing strategies for public messaging and communication related to racial disproportionality and disparities in child welfare outcomes for African American children and their families;

(7) assist the commissioner with identifying and developing internal and external partnerships to support adequate access to services and resources for African American children and their families, including but not limited to housing assistance, employment assistance, food and nutrition support, health care, child care assistance, and educational support and training; and

(8) assist the commissioner with developing strategies to promote the development of a culturally diverse and representative child welfare workforce in Minnesota that includes professionals who are reflective of the community served and who have been directly impacted by lived experiences within the child welfare system. The council must also assist the commissioner with exploring strategies and partnerships to address education and training needs, hiring, recruitment, retention, and professional advancement practices.

Sec. 15. Minnesota Statutes 2024, section 260.692, is amended to read:

260.692 AFRICAN AMERICAN CHILD AND FAMILY WELL-BEING UNIT.

Subdivision 1. **Duties.** The African American Child and Family Well-Being Unit, currently established by the commissioner, must:

(1) assist with the development of African American cultural competency training and review child welfare curriculum in the Minnesota Child Welfare Training Academy to ensure that responsible social services agency staff and other child welfare professionals are appropriately prepared to engage with African American children and their families and to support family preservation and reunification;

(2) provide technical assistance, including on-site technical assistance, and case consultation to responsible social services agencies to assist agencies with implementing

477.1 and complying with the Minnesota African American Family Preservation and Child Welfare
477.2 Disproportionality Act;

477.3 (3) monitor individual county and statewide disaggregated and nondisaggregated data
477.4 to identify trends and patterns in child welfare outcomes, including but not limited to
477.5 reporting, maltreatment, out-of-home placement, and permanency of African American
477.6 children and develop strategies to address disproportionality and disparities in the child
477.7 welfare system;

477.8 (4) develop and implement a system for conducting case reviews when the commissioner
477.9 receives reports of noncompliance with the Minnesota African American Family Preservation
477.10 and Child Welfare Disproportionality Act or when requested by the parent or custodian of
477.11 an African American child. Case reviews may include but are not limited to a review of
477.12 placement prevention efforts, safety planning, case planning and service provision by the
477.13 responsible social services agency, relative placement consideration, and permanency
477.14 planning;

477.15 (5) establish and administer a request for proposals process for African American and
477.16 disproportionately represented family preservation grants under section 260.693, monitor
477.17 grant activities, and provide technical assistance to grantees;

477.18 (6) in coordination with the African American Child and Family Well-Being Advisory
477.19 Council, coordinate services and create internal and external partnerships to support adequate
477.20 access to services and resources for African American children and their families, including
477.21 but not limited to housing assistance, employment assistance, food and nutrition support,
477.22 health care, child care assistance, and educational support and training; and

477.23 (7) develop public messaging and communication to inform the public about racial
477.24 disparities in child welfare outcomes, current efforts and strategies to reduce racial disparities,
477.25 and resources available to African American children and their families involved in the
477.26 child welfare system.

477.27 Subd. 2. **Case reviews.** (a) The African American Child and Family Well-Being Unit
477.28 must conduct systemic case reviews to monitor targeted child welfare outcomes, including
477.29 but not limited to maltreatment, out-of-home placement, and permanency of African
477.30 American children.

477.31 (b) The reviews under this subdivision must be conducted using a random sampling of
477.32 representative child welfare cases stratified for certain case related factors, including but
477.33 not limited to case type, maltreatment type, if the case involves out-of-home placement,
477.34 and other demographic variables. In conducting the reviews, unit staff may use court records

and documents, information from the social services information system, and other available case file information to complete the case reviews.

(c) The frequency of the reviews and the number of cases, child welfare outcomes, and selected counties reviewed shall be determined by the unit in consultation with the African American Child and Family Well-Being Advisory Council, with consideration given to the availability of unit resources needed to conduct the reviews.

(d) The unit must monitor all case reviews and use the collective case review information and data to generate summary case review reports, ensure compliance with the Minnesota African American Family Preservation and Child Welfare Disproportionality Act, and identify trends or patterns in child welfare outcomes for African American children.

(e) The unit must review information from members of the public received through the compliance and feedback portal, including policy and practice concerns related to individual child welfare cases. After assessing a case concern, the unit may determine if further necessary action should be taken, which may include coordinating case remediation with other relevant child welfare agencies in accordance with data privacy laws, including the African American Child and Family Well-Being Advisory Council, and offering case consultation and technical assistance to the responsible local social services agency as needed or requested by the agency.

Subd. 3. **Reports.** (a) The African American Child and Family Well-Being Unit must provide regular updates on unit activities, including summary reports of case reviews, to the African American Child and Family Well-Being Advisory Council, and must publish an annual census of African American children in out-of-home placements statewide. The annual census must include data on the types of placements, age and sex of the children, how long the children have been in out-of-home placements, and other relevant demographic information.

(b) The African American Child and Family Well-Being Unit shall gather summary data about the practice and policy inquiries and individual case concerns received through the compliance and feedback portal under subdivision 2, paragraph (e). The unit shall provide regular reports of the nonidentifying compliance and feedback portal summary data to the African American Child and Family Well-Being Advisory Council to identify child welfare trends and patterns to assist with developing policy and practice recommendations to support eliminating disparity and disproportionality for African American children.

Sec. 16. Minnesota Statutes 2024, section 260C.001, subdivision 2, is amended to read:

Subd. 2. Juvenile protection proceedings. (a) The paramount consideration in all juvenile protection proceedings is the health, safety, and best interests of the child. In proceedings involving an American Indian child, as defined in section 260.755, subdivision 8, the best interests of the child must be determined consistent with sections 260.751 to 260.835 and the Indian Child Welfare Act, United States Code, title 25, sections 1901 to 1923.

(b) The purpose of the laws relating to juvenile protection proceedings is:

(1) to secure for each child under the jurisdiction of the court, the care and guidance, preferably in the child's own home, as will best serve the spiritual, emotional, mental, and physical welfare of the child;

(2) to provide judicial procedures that protect the welfare of the child;

(3) to preserve and strengthen the child's family ties whenever possible and in the child's best interests, removing the child from the custody of parents only when the child's welfare or safety cannot be adequately safeguarded without removal;

(4) to ensure that when removal from the child's own family is necessary and in the child's best interests, the responsible social services agency has legal responsibility for the child removal either:

(i) pursuant to a voluntary placement agreement between the child's parent or guardian or the child, when the child is over age 18, and the responsible social services agency; or

(ii) by court order pursuant to section 260C.151, subdivision 6; 260C.178; 260C.201; 260C.325; or 260C.515;

(5) to ensure that, when placement is pursuant to court order, the court order removing the child or continuing the child in foster care contains an individualized determination that placement is in the best interests of the child that coincides with the actual removal of the child;

(6) to ensure that when the child is removed, the child's care and discipline is, as nearly as possible, equivalent to that which should have been given by the parents and is either in:

(i) the home of a noncustodial parent pursuant to section 260C.178 or 260C.201, subdivision 1, paragraph (a), clause (1);

(ii) the home of a relative pursuant to emergency placement by the responsible social services agency under chapter 245A; or

(iii) foster care licensed under chapter 245A; and

(7) to ensure appropriate permanency planning for children in foster care including:

(i) unless reunification is not required under section 260.012, developing a permanency plan for the child that includes a primary plan for reunification with the child's parent or guardian and a secondary plan for an alternative, legally permanent home for the child in the event reunification cannot be achieved in a timely manner;

(ii) identifying, locating, and assessing both parents of the child as soon as possible and offering reunification services to both parents of the child as required under sections 260.012 and 260C.219;

(iii) inquiring about the child's heritage, including the child's Tribal lineage pursuant to section 260.761, and the child's race, culture, and ethnicity pursuant to section 260.63, subdivision 10;

~~(iii)~~ (iv) identifying, locating, and notifying relatives of both parents of the child according to section 260C.221;

~~(iv)~~ (v) making a placement with a family that will commit to being the legally permanent home for the child in the event reunification cannot occur at the earliest possible time while at the same time actively supporting the reunification plan; and

~~(v)~~ (vi) returning the child home with supports and services, as soon as return is safe for the child, or when safe return cannot be timely achieved, moving to finalize another legally permanent home for the child.

Sec. 17. Minnesota Statutes 2024, section 260C.007, subdivision 19, is amended to read:

Subd. 19. **Habitual truant.** (a) "Habitual truant" means a child under the age of 17 years who is absent from attendance at school without lawful excuse for seven school days per school year if the child is in elementary school or for one or more class periods on seven school days per school year if the child is in middle school, junior high school, or high school or a child who is 17 years of age who is absent from attendance at school without lawful excuse for one or more class periods on seven school days per school year and who has not lawfully withdrawn from school under section 120A.22, subdivision 8.

(b) For the purposes of educational neglect under section 260C.163, subdivision 11, habitual truant includes a child under 12 years of age who has been absent from school for seven school days without lawful excuse where the presumption of educational neglect is rebutted based on a showing by clear and convincing evidence that the child's absence is

481.1 not due to the failure of the child's parent, guardian, or custodian to comply with compulsory
481.2 instruction laws.

481.3 Sec. 18. Minnesota Statutes 2024, section 260C.150, subdivision 3, is amended to read:

481.4 Subd. 3. **Identifying parents of child; diligent efforts; data.** (a) The responsible social
481.5 services agency shall make diligent efforts to inquire about the child's heritage, including
481.6 the child's Tribal lineage pursuant to section 260.761 and the child's race, culture, and
481.7 ethnicity pursuant to section 260.63, subdivision 10, and to identify and locate both parents
481.8 of any child who is the subject of proceedings under this chapter. Diligent efforts include:

481.9 (1) asking the custodial or known parent to identify any nonresident parent of the child
481.10 and provide information that can be used to verify the nonresident parent's identity including
481.11 the dates and locations of marriages and divorces; dates and locations of any legal
481.12 proceedings regarding paternity; date and place of the child's birth; nonresident parent's full
481.13 legal name; nonresident parent's date of birth, or if the nonresident parent's date of birth is
481.14 unknown, an approximate age; the nonresident parent's Social Security number; the
481.15 nonresident parent's whereabouts including last known whereabouts; and the whereabouts
481.16 of relatives of the nonresident parent. For purposes of this subdivision, "nonresident parent"
481.17 means a parent who does not reside in the same household as the child or did not reside in
481.18 the same household as the child at the time the child was removed when the child is in foster
481.19 care;

481.20 (2) obtaining information that will identify and locate the nonresident parent from the
481.21 county and state of Minnesota child support enforcement information system;

481.22 (3) requesting a search of the Minnesota Fathers' Adoption Registry 30 days after the
481.23 child's birth; and

481.24 (4) using any other reasonable means to identify and locate the nonresident parent.

481.25 (b) The agency may disclose data which is otherwise private under section 13.46 or
481.26 chapter 260E in order to carry out its duties under this subdivision.

481.27 (c) Upon the filing of a petition alleging the child to be in need of protection or services,
481.28 the responsible social services agency may contact a putative father who registered with
481.29 the Minnesota Fathers' Adoption Registry more than 30 days after the child's birth. The
481.30 social service agency may consider a putative father for the day-to-day care of the child
481.31 under section 260C.219 if the putative father cooperates with genetic testing and there is a
481.32 positive test result under section 257.62, subdivision 5. Nothing in this paragraph:

(1) relieves a putative father who registered with the Minnesota Fathers' Adoption Registry more than 30 days after the child's birth of the duty to cooperate with paternity establishment proceedings under section 260C.219;

(2) gives a putative father who registered with the Minnesota Fathers' Adoption Registry more than 30 days after the child's birth the right to notice under section 260C.151 unless the putative father is entitled to notice under sections 259.24 and 259.49, subdivision 1, paragraph (a) or (b), clauses (1) to (7); or

(3) establishes a right to assert an interest in the child in a termination of parental rights proceeding contrary to section 259.52, subdivision 6, unless the putative father is entitled to notice under sections 259.24 and 259.49, subdivision 1, paragraph (a) or (b), clauses (1) to (7).

Sec. 19. Minnesota Statutes 2024, section 260C.202, subdivision 2, is amended to read:

Subd. 2. Court review for a child placed in foster care. (a) If the court orders a child placed in foster care, the court shall review the out-of-home placement plan and the child's placement at least every 90 days as required in juvenile court rules to determine whether continued out-of-home placement is necessary and appropriate or whether the child should be returned home.

(b) This review is not required if the court has returned the child home, ordered the child permanently placed away from the parent under sections 260C.503 to 260C.521, or terminated rights under section 260C.301. Court review for a child permanently placed away from a parent, including where the child is under guardianship of the commissioner, is governed by section 260C.607.

(c) When a child is placed in a qualified residential treatment program setting as defined in section 260C.007, subdivision 26d, the responsible social services agency must submit evidence to the court as specified in section 260C.712.

(d) No later than three months after the child's placement in foster care, the court shall review agency efforts to search for and notify relatives pursuant to section 260C.221, and order that the agency's efforts begin immediately, or continue, if the agency has failed to perform, or has not adequately performed, the duties under that section. The court must order the agency to continue to appropriately engage relatives who responded to the notice under section 260C.221 in placement and case planning decisions and to consider relatives for foster care placement consistent with section 260C.221. Notwithstanding a court's finding that the agency has made reasonable efforts to search for and notify relatives under section

260C.221, the court may order the agency to continue making reasonable efforts to search for, notify, engage, and consider relatives who came to the agency's attention after sending the initial notice under section 260C.221.

(e) The court shall review the out-of-home placement plan and may modify the plan as provided under section 260C.201, subdivisions 6 and 7.

(f) When the court transfers the custody of a child to a responsible social services agency resulting in foster care or protective supervision with a noncustodial parent under subdivision 1, the court shall notify the parents of the provisions of sections 260C.204 and 260C.503 to 260C.521, as required under juvenile court rules.

~~(g) When a child remains in or returns to foster care pursuant to section 260C.451 and the court has jurisdiction pursuant to section 260C.193, subdivision 6, paragraph (c), the court shall at least annually conduct the review required under section 260C.203.~~

Sec. 20. Minnesota Statutes 2024, section 260C.202, is amended by adding a subdivision to read:

Subd. 4. **Court reviews for a child over age 18 in foster care.** When a child remains in or returns to foster care pursuant to section 260C.451, and the court has jurisdiction pursuant to section 260C.193, subdivision 6, paragraph (c), the court must at least annually conduct the review required under section 260C.203.

Sec. 21. Minnesota Statutes 2024, section 260C.204, is amended to read:

260C.204 PERMANENCY PROGRESS REVIEW FOR CHILDREN IN FOSTER CARE FOR SIX MONTHS.

(a) When a child continues in placement out of the home of the parent or guardian from whom the child was removed, no later than six months after the child's placement the court shall conduct a permanency progress hearing to review:

(1) the progress of the case, the parent's progress on the case plan or out-of-home placement plan, whichever is applicable;

(2) the agency's reasonable, or in the case of an Indian child, active efforts for reunification and its provision of services;

(3) the agency's reasonable efforts to finalize the permanent plan for the child under section 260.012, paragraph (c), and to make a placement as required under section 260C.212, subdivision 2, in a home that will commit to being the legally permanent family for the

484.1 child in the event the child cannot return home according to the timelines in this section;
484.2 and

484.3 (4) in the case of an Indian child, active efforts to prevent the breakup of the Indian
484.4 family and to make a placement according to the placement preferences under United States
484.5 Code, title 25, chapter 21, section 1915.

484.6 (b) When a child is placed in a qualified residential treatment program setting as defined
484.7 in section 260C.007, subdivision 26d, the responsible social services agency must submit
484.8 evidence to the court as specified in section 260C.712.

484.9 (c) The court shall ensure that notice of the hearing is sent to any relative who:

484.10 (1) responded to the agency's notice provided under section 260C.221, indicating an
484.11 interest in participating in planning for the child or being a permanency resource for the
484.12 child and who has kept the court apprised of the relative's address; or

484.13 (2) asked to be notified of court proceedings regarding the child as is permitted in section
484.14 260C.152, subdivision 5.

484.15 (d)(1) If the parent or guardian has maintained contact with the child and is complying
484.16 with the court-ordered out-of-home placement plan, and if the child would benefit from
484.17 reunification with the parent, the court may either:

484.18 (i) return the child home, if the conditions that led to the out-of-home placement have
484.19 been sufficiently mitigated that it is safe and in the child's best interests to return home; or

484.20 (ii) continue the matter up to a total of six additional months. If the child has not returned
484.21 home by the end of the additional six months, the court must conduct a hearing according
484.22 to sections 260C.503 to 260C.521.

484.23 (2) If the court determines that the parent or guardian is not complying, is not making
484.24 progress with or engaging with services in the out-of-home placement plan, or is not
484.25 maintaining regular contact with the child as outlined in the visitation plan required as part
484.26 of the out-of-home placement plan under section 260C.212, the court may order the
484.27 responsible social services agency:

484.28 (i) to develop a plan for legally permanent placement of the child away from the parent;

484.29 (ii) to consider, identify, recruit, and support one or more permanency resources from
484.30 the child's relatives and foster parent, consistent with clause (3) and section 260C.212,
484.31 subdivision 2, paragraph (a), to be the legally permanent home in the event the child cannot
484.32 be returned to the parent. Any relative or the child's foster parent may ask the court to order

485.1 the agency to consider them for permanent placement of the child in the event the child
485.2 cannot be returned to the parent. A relative or foster parent who wants to be considered
485.3 under this item shall cooperate with the background study required under section 245C.08,
485.4 if the individual has not already done so, and with the home study process required under
485.5 chapter 142B for providing child foster care and for adoption under section 259.41. The
485.6 home study referred to in this item shall be a single-home study in the form required by the
485.7 commissioner of children, youth, and families or similar study required by the individual's
485.8 state of residence when the subject of the study is not a resident of Minnesota. The court
485.9 may order the responsible social services agency to make a referral under the Interstate
485.10 Compact on the Placement of Children when necessary to obtain a home study for an
485.11 individual who wants to be considered for transfer of permanent legal and physical custody
485.12 or adoption of the child; and

485.13 (iii) to file a petition to support an order for the legally permanent placement plan.

485.14 (3) Consistent with section 260C.223, subdivision 2, paragraph (b), the responsible social
485.15 services agency must not define a foster family as the permanent home for a child until:

485.16 (i) inquiry and Tribal notice requirements under section 260.761, subdivisions 1 and 2,
485.17 are satisfied;

485.18 (ii) inquiry about the child's heritage, including the child's race, culture, and ethnicity
485.19 pursuant to section 260.63, subdivision 10, has been completed; and

485.20 (iii) the court has determined that reasonable or active efforts toward completing the
485.21 relative search requirements in section 260C.221 have been made.

485.22 (e) Following the review under this section:

485.23 (1) if the court has either returned the child home or continued the matter up to a total
485.24 of six additional months, the agency shall continue to provide services to support the child's
485.25 return home or to make reasonable efforts to achieve reunification of the child and the parent
485.26 as ordered by the court under an approved case plan;

485.27 (2) if the court orders the agency to develop a plan for the transfer of permanent legal
485.28 and physical custody of the child to a relative, a petition supporting the plan shall be filed
485.29 in juvenile court within 30 days of the hearing required under this section and a trial on the
485.30 petition held within 60 days of the filing of the pleadings; or

485.31 (3) if the court orders the agency to file a termination of parental rights, unless the county
485.32 attorney can show cause why a termination of parental rights petition should not be filed,
485.33 a petition for termination of parental rights shall be filed in juvenile court within 30 days

486.1 of the hearing required under this section and a trial on the petition held within 60 days of
486.2 the filing of the petition.

486.3 Sec. 22. Minnesota Statutes 2024, section 260C.221, subdivision 2, is amended to read:

486.4 Subd. 2. **Relative notice requirements.** (a) The agency may provide oral or written
486.5 notice to a child's relatives. In the child's case record, the agency must document providing
486.6 the required notice to each of the child's relatives. The responsible social services agency
486.7 must notify relatives:

486.8 (1) of the need for a foster home for the child, the option to become a placement resource
486.9 for the child, the order of placement that the agency will consider under section 260C.212,
486.10 subdivision 2, paragraph (a), and the possibility of the need for a permanent placement for
486.11 the child;

486.12 (2) of their responsibility to keep the responsible social services agency and the court
486.13 informed of their current address in order to receive notice in the event that a permanent
486.14 placement is sought for the child and to receive notice of the permanency progress review
486.15 hearing under section 260C.204. A relative who fails to provide a current address to the
486.16 responsible social services agency and the court forfeits the right to receive notice of the
486.17 possibility of permanent placement and of the permanency progress review hearing under
486.18 section 260C.204, until the relative provides a current address to the responsible social
486.19 services agency and the court. A decision by a relative not to be identified as a potential
486.20 permanent placement resource or participate in planning for the child shall not affect whether
486.21 the relative is considered for placement of, or as a permanency resource for, the child with
486.22 that relative at any time in the case, and shall not be the sole basis for the court to rule out
486.23 the relative as the child's placement or permanency resource;

486.24 (3) that the relative may participate in the care and planning for the child, as specified
486.25 in subdivision 3, including that the opportunity for such participation may be lost by failing
486.26 to respond to the notice sent under this subdivision;

486.27 (4) of the family foster care licensing and adoption home study requirements, including:

486.28 (i) how to complete an application and;

486.29 (ii) how to request a variance from licensing standards that do not present a safety or
486.30 health risk to the child in the home under section 142B.10 and;

486.31 (iii) supports that are available for relatives and children who reside in a family foster
486.32 home, including how to access respite care, strategies for leveraging natural supports for

487.1 the child and family, and ways to include resource or substitute caregivers in the child's
487.2 case plan; and

487.3 (iv) the relative's choice between county or private agency and services provided by that
487.4 agency under section 142B.30, depending on funding available;

487.5 (5) of the relatives' right to ask to be notified of any court proceedings regarding the
487.6 child, to attend the hearings, and of a relative's right to be heard by the court as required
487.7 under section 260C.152, subdivision 5;

487.8 (6) that regardless of the relative's response to the notice sent under this subdivision, the
487.9 agency is required to establish permanency for a child, including planning for alternative
487.10 permanency options if the agency's reunification efforts fail or are not required; ~~and~~

487.11 (7) that by responding to the notice, a relative may receive information about participating
487.12 in a child's family and permanency team if the child is placed in a qualified residential
487.13 treatment program as defined in section 260C.007, subdivision 26d; and

487.14 (8) information advising a relative on access to legal services and support.

487.15 (b) The responsible social services agency shall send the notice required under paragraph
487.16 (a) to relatives who become known to the responsible social services agency, except for
487.17 relatives that the agency does not contact due to safety reasons under subdivision 5, paragraph
487.18 (b). The responsible social services agency shall continue to send notice to relatives
487.19 notwithstanding a court's finding that the agency has made reasonable efforts to conduct a
487.20 relative search.

487.21 (c) The responsible social services agency is not required to send the notice under
487.22 paragraph (a) to a relative who becomes known to the agency after an adoption placement
487.23 agreement has been fully executed under section 260C.613, subdivision 1. If the relative
487.24 wishes to be considered for adoptive placement of the child, the agency shall inform the
487.25 relative of the relative's ability to file a motion for an order for adoptive placement under
487.26 section 260C.607, subdivision 6.

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

487.28 Sec. 23. Minnesota Statutes 2024, section 260C.223, subdivision 1, is amended to read:

487.29 Subdivision 1. **Program; goals.** (a) The commissioner of children, youth, and families
487.30 shall establish a program for concurrent permanency planning for child protection services.

487.31 (b) Concurrent permanency planning involves a planning process for children who are
487.32 placed out of the home of their parents pursuant to a court order, or who have been voluntarily

placed out of the home by the parents for 60 days or more and who are not developmentally disabled or emotionally disabled under section 260C.212, subdivision 9. The responsible social services agency shall develop an alternative permanency plan while making reasonable efforts for reunification of the child with the family, if required by section 260.012. The goals of concurrent permanency planning are to:

(1) achieve early permanency for children;

(2) decrease children's length of stay in foster care and reduce the number of moves children experience in foster care; and

(3) ~~develop a group of families~~ establish a foster parent for a child who will work towards reunification and also serve as a permanent families family for children.

Sec. 24. Minnesota Statutes 2024, section 260C.223, subdivision 2, is amended to read:

Subd. 2. **Development of guidelines and protocols.** (a) The commissioner shall establish guidelines and protocols for social services agencies involved in concurrent permanency planning, including criteria for conducting concurrent permanency planning based on relevant factors such as:

(1) age of the child and duration of out-of-home placement;

(2) prognosis for successful reunification with parents;

(3) availability of relatives and other concerned individuals to provide support or a permanent placement for the child; and

(4) special needs of the child and other factors affecting the child's best interests.

(b) In developing the guidelines and protocols, the commissioner shall consult with interest groups within the child protection system, including child protection workers, child protection advocates, county attorneys, law enforcement, community service organizations, the councils of color, and the ombudsperson for families.

(c) The responsible social services agency must not make a foster family the permanent home for a child until:

(1) inquiry and Tribal notice requirements under section 260.761, subdivisions 1 and 2, are satisfied;

(2) inquiry about the child's heritage, including the child's race, culture, and ethnicity pursuant to section 260.63, subdivision 10, has been completed; and

(3) the court has determined that reasonable or active efforts toward completing the relative search requirements in section 260C.221 have been made.

Sec. 25. Minnesota Statutes 2024, section 260C.331, subdivision 1, is amended to read:

Subdivision 1. **Care, examination, or treatment.** (a) Except where parental rights are terminated, the following costs are a charge upon the welfare funds of the county in which proceedings are held upon certification of the judge of juvenile court:

(1) whenever legal custody of a child is transferred by the court to a responsible social services agency;

(2) whenever legal custody is transferred to a person other than the responsible social services agency, but under the supervision of the responsible social services agency; or

(3) whenever a child is given physical or mental examinations or treatment under order of the court, and no provision is otherwise made by law for payment for the care, examination, or treatment of the child, ~~these costs are a charge upon the welfare funds of the county in which proceedings are held upon certification of the judge of juvenile court.~~

(b) The court may order, and the responsible social services agency may require, the parents or custodian of a child, while the child is under the age of 18, to use income and resources attributable to the child for the period of care, examination, or treatment, except for clothing and personal needs allowance as provided in section 256B.35, to reimburse the county for the cost of care, examination, or treatment. Income and resources attributable to the child include, but are not limited to, Social Security benefits, Supplemental Security Income (SSI), veterans benefits, railroad retirement benefits, and child support for the child. When the child is over the age of 18, and continues to receive care, examination, or treatment, the court may order, and the responsible social services agency may require, reimbursement from the child for the cost of care, examination, or treatment from the income and resources attributable to the child less the clothing and personal needs allowance. Income does not include earnings from a child over the age of 18 who is working as part of a plan under section 260C.212, subdivision 1, paragraph (c), clause (12), to transition from foster care, or the income and resources that are needed to complete the requirements listed in section 260C.203. The responsible social services agency shall determine whether requiring reimbursement, either through child support or parental fees, for the cost of care, examination, or treatment from the parents or custodian of a child is in the child's best interests. In determining whether to require reimbursement, the responsible social services agency shall consider:

490.1 (1) whether requiring reimbursement would compromise the parent's ability to meet the
490.2 requirements of the reunification plan;

490.3 (2) whether requiring reimbursement would compromise the parent's ability to meet the
490.4 child's needs after reunification; and

490.5 (3) whether redirecting existing child support payments or changing the representative
490.6 payee of ~~social security~~ federal benefits to the responsible social services agency would
490.7 limit the parent's ability to maintain financial stability for the child.

490.8 (c) If the income and resources attributable to the child are not enough to reimburse the
490.9 county for the full cost of the care, examination, or treatment, the court may inquire into
490.10 the ability of the parents to reimburse the county for the cost of care, examination, or
490.11 treatment and, after giving the parents a reasonable opportunity to be heard, the court may
490.12 order, and the responsible social services agency may require, the parents to contribute to
490.13 the cost of care, examination, or treatment of the child. When determining the amount to
490.14 be contributed by the parents, the court shall use a fee schedule based upon ability to pay
490.15 that is established by the responsible social services agency and approved by the
490.16 commissioner of children, youth, and families. The income of a stepparent who has not
490.17 adopted a child shall be excluded in calculating the parental contribution under this section.
490.18 In determining whether to require reimbursement, the responsible social services agency
490.19 shall consider:

490.20 (1) whether requiring reimbursement would compromise the parent's ability to meet the
490.21 requirements of the reunification plan;

490.22 (2) whether requiring reimbursement would compromise the parent's ability to meet the
490.23 child's needs after reunification; and

490.24 (3) whether requiring reimbursement would compromise the parent's ability to meet the
490.25 needs of the family.

490.26 (d) If the responsible social services agency determines that reimbursement is in the
490.27 child's best interests, the court shall order the amount of reimbursement attributable to the
490.28 parents or custodian, or attributable to the child, or attributable to both sources, withheld
490.29 under chapter 518A from the income of the parents or the custodian of the child. A parent
490.30 or custodian who fails to pay without good reason may be proceeded against for contempt,
490.31 or the court may inform the county attorney, who shall proceed to collect the unpaid sums,
490.32 or both procedures may be used.

(e) If the court orders a physical or mental examination for a child, the examination is a medically necessary service for purposes of determining whether the service is covered by a health insurance policy, health maintenance contract, or other health coverage plan. Court-ordered treatment shall be subject to policy, contract, or plan requirements for medical necessity. Nothing in this paragraph changes or eliminates benefit limits, conditions of coverage, co-payments or deductibles, provider restrictions, or other requirements in the policy, contract, or plan that relate to coverage of other medically necessary services.

(f) Notwithstanding paragraph (b), (c), or (d), a parent, custodian, or guardian of the child is not required to use income and resources attributable to the child to reimburse the county for costs of care and is not required to contribute to the cost of care of the child during any period of time when the child is returned to the home of that parent, custodian, or guardian pursuant to a trial home visit under section 260C.201, subdivision 1, paragraph (a).

(g) The responsible social services agency may only apply to be the representative payee for the child's federal benefits under paragraph (b) when the court has ordered the agency to develop a plan for the transfer of permanent legal and physical custody of the child to a relative or to file a termination of parental rights petition under section 260C.204, paragraph (e), clause (2) or (3); ordered the child permanently placed away from the parent under sections 260C.503 to 260C.521; or approved the continued voluntary foster care placement for the child under section 260D.07.

Sec. 26. Minnesota Statutes 2024, section 260C.452, subdivision 4, is amended to read:

Subd. 4. Administrative or court review of placements. (a) When the youth is 14 years of age or older, the court, in consultation with the youth, shall review the youth's independent living plan according to section 260C.203, paragraph (d).

(b) The responsible social services agency shall file a copy of the notification of foster care benefits for a youth who is 18 years of age or older according to section 260C.451, subdivision 1, with the court. If the responsible social services agency does not file the notice by the time the youth is 17-1/2 years of age, the court shall require the responsible social services agency to file the notice.

(c) When a youth is 18 years of age or older, the court shall ensure that the responsible social services agency assists the youth in obtaining the following documents before the youth leaves foster care: a Social Security card; an official or certified copy of the youth's birth certificate; a state identification card or driver's license, Tribal enrollment identification card, ~~green~~ permanent resident card, or school visa; health insurance information; the youth's

492.1 school, medical, and dental records; a contact list of the youth's medical, dental, and mental
492.2 health providers; and contact information for the youth's siblings, if the siblings are in foster
492.3 care.

492.4 (d) For a youth who will be discharged from foster care at 18 years of age or older
492.5 because the youth is not eligible for extended foster care benefits or chooses to leave foster
492.6 care, the responsible social services agency must develop a personalized transition plan as
492.7 directed by the youth during the 180-day period immediately prior to the expected date of
492.8 discharge. The transition plan must be as detailed as the youth elects and include specific
492.9 options, including but not limited to:

492.10 (1) affordable housing with necessary supports that does not include a homeless shelter;

492.11 (2) health insurance, including eligibility for medical assistance as defined in section
492.12 256B.055, subdivision 17;

492.13 (3) education, including application to the Education and Training Voucher Program;

492.14 (4) local opportunities for mentors and continuing support services;

492.15 (5) workforce supports and employment services;

492.16 (6) a copy of the youth's consumer credit report as defined in section 13C.001 and
492.17 assistance in interpreting and resolving any inaccuracies in the report, at no cost to the youth;

492.18 (7) information on executing a health care directive under chapter 145C and on the
492.19 importance of designating another individual to make health care decisions on behalf of the
492.20 youth if the youth becomes unable to participate in decisions;

492.21 (8) appropriate contact information through 21 years of age if the youth needs information
492.22 or help dealing with a crisis situation; and

492.23 (9) official documentation that the youth was previously in foster care.

492.24 Sec. 27. Minnesota Statutes 2024, section 260E.03, subdivision 15, is amended to read:

492.25 Subd. 15. **Neglect.** (a) "Neglect" means the commission or omission of any of the acts
492.26 specified under clauses (1) to (8), other than by accidental means:

492.27 (1) failure by a person responsible for a child's care to supply a child with necessary
492.28 food, clothing, shelter, health, medical, or other care required for the child's physical or
492.29 mental health when reasonably able to do so;

492.30 (2) failure to protect a child from conditions or actions that seriously endanger the child's
492.31 physical or mental health when reasonably able to do so, including a growth delay, which

493.1 may be referred to as a failure to thrive, that has been diagnosed by a physician and is due
493.2 to parental neglect;

493.3 (3) failure to provide for necessary supervision or child care arrangements appropriate
493.4 for a child after considering factors as the child's age, mental ability, physical condition,
493.5 length of absence, or environment, when the child is unable to care for the child's own basic
493.6 needs or safety, or the basic needs or safety of another child in their care;

493.7 (4) failure to ensure that the child is educated as defined in sections 120A.22 and
493.8 260C.163, subdivision 11, which does not include a parent's refusal to provide the parent's
493.9 child with sympathomimetic medications, consistent with section 125A.091, subdivision
493.10 5;

493.11 (5) prenatal exposure to a controlled substance, as defined in section 253B.02, subdivision
493.12 2, used by the mother for a nonmedical purpose, as evidenced by withdrawal symptoms in
493.13 the child at birth, results of a toxicology test performed on the mother at delivery or the
493.14 child at birth, medical effects or developmental delays during the child's first year of life
493.15 that medically indicate prenatal exposure to a controlled substance, or the presence of a
493.16 fetal alcohol spectrum disorder;

493.17 (6) medical neglect, as defined in section 260C.007, subdivision 6, clause (5);

493.18 (7) chronic and severe use of alcohol or a controlled substance by a person responsible
493.19 for the child's care that adversely affects the child's basic needs and safety; or

493.20 (8) emotional harm from a pattern of behavior that contributes to impaired emotional
493.21 functioning of the child which may be demonstrated by a substantial and observable effect
493.22 in the child's behavior, emotional response, or cognition that is not within the normal range
493.23 for the child's age and stage of development, with due regard to the child's culture.

493.24 (b) Nothing in this chapter shall be construed to mean that a child is neglected solely
493.25 because the child's parent, guardian, or other person responsible for the child's care in good
493.26 faith selects and depends upon spiritual means or prayer for treatment or care of disease or
493.27 remedial care of the child in lieu of medical care.

493.28 (c) This chapter does not impose upon persons not otherwise legally responsible for
493.29 providing a child with necessary food, clothing, shelter, education, or medical care a duty
493.30 to provide that care.

493.31 (d) Nothing in this chapter shall be construed to mean that a child who has a mental,
493.32 physical, or emotional condition is neglected solely because the child remains in an
493.33 emergency department or hospital setting because services, including residential treatment,

that are deemed necessary by the child's medical or mental health care professional or county case manager are not available to the child's parent, guardian, or other person responsible for the child's care, and the child cannot be safely discharged to the child's family.

Sec. 28. Minnesota Statutes 2024, section 260E.09, is amended to read:

260E.09 REPORTING REQUIREMENTS.

(a) An oral report shall be made immediately by telephone or otherwise. An oral report made by a person required under section 260E.06, subdivision 1, to report shall be followed within 72 hours, exclusive of weekends and holidays, by a report in writing to the appropriate police department, the county sheriff, the agency responsible for assessing or investigating the report, or the local welfare agency.

(b) Any report shall be of sufficient content to identify the child, any person believed to be responsible for the maltreatment of the child if the person is known, the nature and extent of the maltreatment, and the name and address of the reporter. The local welfare agency or agency responsible for assessing or investigating the report shall accept a report made under section 260E.06 notwithstanding refusal by a reporter to provide the reporter's name or address as long as the report is otherwise sufficient under this paragraph. The local welfare agency or agency responsible for assessing or investigating the report shall ask the reporter if the reporter is aware of the child's heritage, including the child's Tribal lineage pursuant to section 260.761 and the child's race, culture, and ethnicity pursuant to section 260.63, subdivision 10.

(c) Notwithstanding paragraph (a), upon implementation of the provider licensing and reporting hub, an individual who has an account with the provider licensing and reporting hub and is required to report suspected maltreatment at a licensed program under section 260E.06, subdivision 1, may submit a written report in the hub in a manner prescribed by the commissioner and is not required to make an oral report. A report submitted through the provider licensing and reporting hub must be made immediately.

Sec. 29. Minnesota Statutes 2024, section 260E.20, subdivision 1, is amended to read:

Subdivision 1. **General duties.** (a) The local welfare agency shall offer services to prevent future maltreatment, safeguarding and enhancing the welfare of the maltreated child, and supporting and preserving family life whenever possible.

(b) If the report alleges a violation of a criminal statute involving maltreatment or child endangerment under section 609.378, the local law enforcement agency and local welfare

495.1 agency shall coordinate the planning and execution of their respective investigation and
495.2 assessment efforts to avoid a duplication of fact-finding efforts and multiple interviews.
495.3 Each agency shall prepare a separate report of the results of the agency's investigation or
495.4 assessment.

495.5 (c) In cases of alleged child maltreatment resulting in death, the local agency may rely
495.6 on the fact-finding efforts of a law enforcement investigation to make a determination of
495.7 whether or not maltreatment occurred.

495.8 (d) When necessary, the local welfare agency shall seek authority to remove the child
495.9 from the custody of a parent, guardian, or adult with whom the child is living.

495.10 (e) In performing any of these duties, the local welfare agency shall maintain an
495.11 appropriate record.

495.12 (f) In conducting a family assessment, noncaregiver human trafficking assessment, or
495.13 investigation, the local welfare agency shall gather information on the existence of substance
495.14 abuse and domestic violence.

495.15 (g) If the family assessment, noncaregiver human trafficking assessment, or investigation
495.16 indicates there is a potential for abuse of alcohol or other drugs by the parent, guardian, or
495.17 person responsible for the child's care, the local welfare agency must coordinate a
495.18 comprehensive assessment pursuant to section 245G.05.

495.19 (h) The agency may use either a family assessment or investigation to determine whether
495.20 the child is safe when responding to a report resulting from birth match data under section
495.21 260E.03, subdivision 23, paragraph (c). If the child subject of birth match data is determined
495.22 to be safe, the agency shall consult with the county attorney to determine the appropriateness
495.23 of filing a petition alleging the child is in need of protection or services under section
495.24 260C.007, subdivision 6, clause (16), in order to deliver needed services. If the child is
495.25 determined not to be safe, the agency and the county attorney shall take appropriate action
495.26 as required under section 260C.503, subdivision 2.

495.27 (i) When conducting any family assessment, noncaregiver human trafficking assessment,
495.28 or investigation, the agency shall ask the child, if age appropriate; parents; extended family;
495.29 and reporter about the child's heritage, including the child's Tribal lineage pursuant to section
495.30 260.761 and the child's race, culture, and ethnicity pursuant to section 260.63, subdivision
495.31 10.

Sec. 30. Minnesota Statutes 2024, section 260E.24, subdivision 1, is amended to read:

Subdivision 1. **Timing.** The local welfare agency shall conclude the family assessment, the noncaregiver human trafficking assessment, or the investigation within 45 days of the receipt of a report. The conclusion of the assessment or investigation may be extended to permit the completion of a criminal investigation or the receipt of expert information requested within 45 days of the receipt of the report.

Sec. 31. Minnesota Statutes 2024, section 260E.24, subdivision 2, is amended to read:

Subd. 2. **Determination after family assessment or a noncaregiver human trafficking assessment.** After conducting a family assessment or a noncaregiver human trafficking assessment, the local welfare agency shall determine whether child protective services are needed to address the safety of the child and other family members and the risk of subsequent maltreatment. The local welfare agency must document the information collected under section 260E.20, subdivision 3, related to the completed family assessment or noncaregiver human trafficking assessment in the child's or family's case notes.

Sec. 32. **[260E.291] REPORTING OF SCHOOL ATTENDANCE CONCERNS.**

Subdivision 1. **Reports required.** (a) A person mandated to report under this chapter must immediately report to the local welfare agency, Tribal social services agency, or designated partner if the person knows or has reason to believe that a child required to be enrolled in school under section 120A.22 has at least seven unexcused absences in the current school year and is at risk of educational neglect under section 260C.163, subdivision 11.

(b) Any person may voluntarily report to the local welfare agency, Tribal social services agency, or designated partner if the person knows or has reason to believe that a child required to be enrolled in school under section 120A.22 has at least seven unexcused absences in the current school year and is at risk of educational neglect under section 260C.163, subdivision 11.

(c) An oral report must be made immediately by telephone or otherwise. An oral report made by a person required to report under paragraph (a) must be followed within 72 hours, exclusive of weekends and holidays, by a report in writing to the local welfare agency. A report must sufficiently identify the child and the child's parent or guardian, the actual or estimated number of the child's unexcused absences in the current school year, the efforts made by school officials to resolve attendance concerns with the family, and the name and address of the reporter. A voluntary reporter under paragraph (b) may refuse to provide

their name or address if the report is otherwise sufficient, and such a report must be accepted by the local welfare agency.

Subd. 2. **Local welfare agency.** (a) The local welfare agency or partner designated to provide child welfare services must provide a child welfare response for a report that alleges a child enrolled in school has seven or more unexcused absences. When providing a child welfare response under this paragraph, the local welfare agency or designated partner must offer services to the child and the child's family to address school attendance concerns or may partner with a county attorney's office, a community-based organization, or other community partner to provide the services. The services must be culturally and linguistically appropriate and tailored to the needs of the child and the child's family. This section is subject to all requirements of the Minnesota Indian Family Preservation Act under sections 260.751 to 260.835, and the Minnesota African American Family Preservation and Child Welfare Disproportionality Act under sections 260.61 to 260.693.

(b) If the child's unexcused absences continue and the family has not engaged with services under paragraph (a) after the local welfare agency, Tribal social services agency, or partner designated to provide child welfare services has made multiple varied attempts to engage the child's family, a report of educational neglect must be made regardless of the number of unexcused absences the child has accrued. The local welfare agency must determine the response path assignment pursuant to section 260E.17 and may proceed with the process outlined in section 260C.141.

Sec. 33. REVISOR INSTRUCTION.

The revisor of statutes shall change paragraphs to subdivisions, clauses to paragraphs, and items to clauses in Minnesota Statutes, sections 260C.203 and 260C.204. The revisor shall make any necessary grammatical changes or changes to sentence structure necessary to preserve the meaning of the text as a result of the changes. The revisor of statutes must correct any statutory cross-references consistent with the changes in this section.

ARTICLE 19

EARLY CARE AND LEARNING

Section 1. Minnesota Statutes 2024, section 142A.76, subdivision 2, is amended to read:

Subd. 2. Establishment. The Office of Restorative Practices is established within the Department of ~~Public Safety~~ Children, Youth, and Families. The Office of Restorative Practices shall have the powers and duties described in this section.

Sec. 2. Minnesota Statutes 2024, section 142A.76, subdivision 3, is amended to read:

Subd. 3. Director; other staff. (a) The commissioner of ~~public safety~~ children, youth, and families shall appoint a director of the Office of Restorative Practices. The director should have qualifications that include or are similar to the following:

(1) experience in the many facets of restorative justice and practices such as peacemaking circles, sentencing circles, community conferencing, community panels, and family group decision making;

(2) experience in victim-centered and trauma-informed practices;

(3) knowledge of the range of social problems that bring children and families to points of crisis such as poverty, racism, unemployment, and unequal opportunity;

(4) knowledge of the many ways youth become involved in other systems such as truancy, juvenile delinquency, and child protection; and

(5) understanding of educational barriers.

(b) The director shall hire additional staff to perform the duties of the Office of Restorative Practices. The staff shall be in the classified service of the state and their compensation shall be established pursuant to chapter 43A.

Sec. 3. Minnesota Statutes 2024, section 142B.16, subdivision 2, is amended to read:

Subd. 2. Reconsideration of correction orders. (a) If the applicant or license holder believes that the contents of the commissioner's correction order are in error, the applicant or license holder may ask the Department of Children, Youth, and Families to reconsider the parts of the correction order that are alleged to be in error. The request for reconsideration must be made in writing and must be postmarked and sent to the commissioner within 20 calendar days after receipt of the correction order by the applicant or license holder or submitted in the provider licensing and reporting hub within 20 calendar days from the date the commissioner issued the order through the hub, and:

(1) specify the parts of the correction order that are alleged to be in error;

(2) explain why they are in error; and

(3) include documentation to support the allegation of error.

(b) Upon implementation of the provider licensing and reporting hub, the provider must use the hub to request reconsideration. A request for reconsideration does not stay any

provisions or requirements of the correction order. The commissioner's disposition of a request for reconsideration is final and not subject to appeal under chapter 14.

~~(b)~~ (c) This paragraph applies only to licensed family child care providers. A licensed family child care provider who requests reconsideration of a correction order under paragraph (a) may also request, on a form and in the manner prescribed by the commissioner, that the commissioner expedite the review if:

(1) the provider is challenging a violation and provides a description of how complying with the corrective action for that violation would require the substantial expenditure of funds or a significant change to their program; and

(2) describes what actions the provider will take in lieu of the corrective action ordered to ensure the health and safety of children in care pending the commissioner's review of the correction order.

(d) The commissioner must not publicly post the correction order for licensed child care centers or licensed family child care providers on the department's website until:

(1) after the 20-calendar-day period for requesting reconsideration; or

(2) if the applicant or license holder requested reconsideration, after the commissioner's disposition of a request for reconsideration is provided to the applicant or license holder.

EFFECTIVE DATE. This section is effective January 1, 2026, or upon federal approval, whichever is later. The commissioner of children, youth, and families must notify the revisor of statutes when federal approval is obtained.

Sec. 4. **[142B.181] POSTING LICENSING ACTIONS ON DEPARTMENT WEBSITE.**

(a) The commissioner must post a summary document for each licensing action issued to a licensed child care center and family child care provider on the Licensing Information Lookup public website maintained by the Department of Children, Youth, and Families. The commissioner must not post any communication, including letters, from the commissioner to the center or provider.

(b) The commissioner must remove a summary document from the Licensing Information Lookup public website within ten days of the length of time that the document is required to be posted under Code of Federal Regulations, title 45, section 98.33.

EFFECTIVE DATE. This section is effective January 1, 2026, or upon federal approval, whichever is later. The commissioner of children, youth, and families must notify the revisor of statutes when federal approval is obtained.

Sec. 5. Minnesota Statutes 2024, section 142D.31, subdivision 2, is amended to read:

Subd. 2. **Program components.** (a) The nonprofit organization must use the grant for:

(1) tuition scholarships ~~up to \$10,000 per year~~ in amounts per year consistent with the national TEACH early childhood program requirements for courses leading to the nationally recognized child development associate credential or college-level courses leading to an associate's degree or bachelor's degree in early childhood development and school-age care; and

(2) education incentives of a minimum of \$250 to participants in the tuition scholarship program if they complete a year of working in the early care and education field.

(b) Applicants for the scholarship must be employed by a licensed or certified early childhood or child care program and working directly with children, a licensed family child care provider, employed by a public prekindergarten program, employed by a Head Start program, or an employee in a school-age program exempt from licensing under section 142B.05, subdivision 2, paragraph (a), clause (8). Lower wage earners must be given priority in awarding the tuition scholarships. Scholarship recipients must contribute at least ten percent of the total scholarship and must be sponsored by their employers, who must also contribute at least five percent of the total scholarship. Scholarship recipients who ~~are self-employed~~ work in licensed family child care under Minnesota Rules, chapter 9502, must contribute ~~20~~ at least ten percent of the total scholarship and are not required to receive employer sponsorship or employer match.

Sec. 6. Minnesota Statutes 2024, section 142E.03, subdivision 3, is amended to read:

Subd. 3. **Redeterminations.** (a) Notwithstanding Minnesota Rules, part 3400.0180, item A, the county shall conduct a redetermination according to paragraphs (b) and (c).

(b) The county shall use the redetermination form developed by the commissioner. The county must verify the factors listed in subdivision 1, paragraph (a), as part of the redetermination.

(c) An applicant's eligibility must be redetermined no more frequently than every 12 months. The following criteria apply:

501.1 (1) a family meets the eligibility redetermination requirements if a complete
501.2 redetermination form and all required verifications are received within 30 days after the
501.3 date the form was due;

501.4 (2) if the 30th day after the date the form was due falls on a Saturday, Sunday, or holiday,
501.5 the 30-day time period is extended to include the next day that is not a Saturday, Sunday,
501.6 or holiday. Assistance shall be payable retroactively from the redetermination due date;

501.7 (3) for a family where at least one parent is younger than 21 years of age, does not have
501.8 a high school degree or commissioner of education-selected high school equivalency
501.9 certification, and is a student in a school district or another similar program that provides
501.10 or arranges for child care, parenting, social services, career and employment supports, and
501.11 academic support to achieve high school graduation, the redetermination of eligibility may
501.12 be deferred beyond 12 months, to the end of the student's school year; ~~and~~

501.13 (4) starting May 25, 2026, if a new eligible child is added to the family and has care
501.14 authorized, the redetermination of eligibility must be extended 12 months from the eligible
501.15 child's arrival date; and

501.16 ~~(4)~~ (5) a family and the family's providers must be notified that the family's
501.17 redetermination is due at least 45 days before the end of the family's 12-month eligibility
501.18 period.

501.19 Sec. 7. Minnesota Statutes 2024, section 142E.11, subdivision 1, is amended to read:

501.20 Subdivision 1. **General authorization requirements.** (a) When authorizing the amount
501.21 of child care, the county agency must consider the amount of time the parent reports on the
501.22 application or redetermination form that the child attends preschool, a Head Start program,
501.23 or school while the parent is participating in an authorized activity.

501.24 (b) Care must be authorized and scheduled with a provider based on the applicant's or
501.25 participant's verified activity schedule when:

501.26 (1) the family requests care from more than one provider per child;

501.27 (2) the family requests care from a legal nonlicensed provider; or

501.28 (3) an applicant or participant is employed by any child care center that is licensed by
501.29 the Department of Children, Youth, and Families or has been identified as a high-risk
501.30 Medicaid-enrolled provider.

501.31 This paragraph expires March 2, 2026.

502.1 (c) If the family remains eligible at redetermination, a new authorization with fewer
502.2 hours, the same hours, or increased hours may be determined.

502.3 Sec. 8. Minnesota Statutes 2024, section 142E.11, subdivision 2, is amended to read:

502.4 Subd. 2. **Maintain steady child care authorizations.** (a) Notwithstanding Minnesota
502.5 Rules, chapter 3400, the amount of child care authorized under section 142E.12 for
502.6 employment, education, or an MFIP employment plan shall continue at the same number
502.7 of hours or more hours until redetermination, including:

502.8 (1) when the other parent moves in and is employed or has an education plan under
502.9 section 142E.12, subdivision 3, or has an MFIP employment plan; or

502.10 (2) when the participant's work hours are reduced or a participant temporarily stops
502.11 working or attending an approved education program. Temporary changes include, but are
502.12 not limited to, a medical leave, seasonal employment fluctuations, or a school break between
502.13 semesters.

502.14 (b) The county may increase the amount of child care authorized at any time if the
502.15 participant verifies the need for increased hours for authorized activities.

502.16 (c) The county may reduce the amount of child care authorized if a parent requests a
502.17 reduction or because of a change in:

502.18 (1) the child's school schedule;

502.19 (2) the custody schedule; or

502.20 (3) the provider's availability.

502.21 (d) The amount of child care authorized for a family subject to subdivision 1, paragraph
502.22 (b), must change when the participant's activity schedule changes. Paragraph (a) does not
502.23 apply to a family subject to subdivision 1, paragraph (b). This paragraph expires March 2,
502.24 2026.

502.25 (e) When a child reaches 13 years of age or a child with a disability reaches 15 years of
502.26 age, the amount of child care authorized shall continue at the same number of hours or more
502.27 hours until redetermination.

502.28 Sec. 9. Minnesota Statutes 2024, section 142E.13, subdivision 2, is amended to read:

502.29 Subd. 2. **Extended eligibility and redetermination.** (a) If the family received three
502.30 months of extended eligibility and redetermination is not due, to continue receiving child
502.31 care assistance the participant must be employed or have an education plan that meets the

503.1 requirements of section 142E.12, subdivision 3, or have an MFIP employment plan.
 503.2 Notwithstanding Minnesota Rules, part 3400.0110, if child care assistance continues, the
 503.3 amount of child care authorized shall continue at the same number or more hours until
 503.4 redetermination, unless a condition in section 142E.11, subdivision 2, paragraph (c), applies.
 503.5 ~~A family subject to section 142E.11, subdivision 1, paragraph (b), shall have child care~~
 503.6 ~~authorized based on a verified activity schedule.~~

503.7 (b) If the family's redetermination occurs before the end of the three-month extended
 503.8 eligibility period to continue receiving child care assistance, the participant must verify that
 503.9 the participant meets eligibility and activity requirements for child care assistance under
 503.10 this chapter. Notwithstanding Minnesota Rules, part 3400.0010, if child care assistance
 503.11 continues, the amount of child care authorized is based on section 142E.12. ~~A family subject~~
 503.12 ~~to section 142E.11, subdivision 1, paragraph (b), shall have child care authorized based on~~
 503.13 ~~a verified activity schedule.~~

503.14 **EFFECTIVE DATE.** This section is effective May 25, 2026.

503.15 Sec. 10. Minnesota Statutes 2024, section 142E.15, subdivision 1, is amended to read:

503.16 Subdivision 1. **Fee schedule.** All changes to parent fees must be implemented on the
 503.17 first Monday of the service period following the effective date of the change.

503.18 PARENT FEE SCHEDULE. The parent fee schedule is as follows, except as noted in
 503.19 subdivision 2:

Income Range (as a percent of the state median income, except at the start of the first tier)	Co-payment (as a percentage of adjusted gross income)
503.20 ~~0-74.99%~~ <u>0-99.99%</u> of federal poverty	
503.21 guidelines	\$0/biweekly
503.22 ~~75.00-99.99%~~ of federal poverty guidelines	~~\$2/biweekly~~
503.23 100.00% of federal poverty	
503.24 guidelines- ~~27.72%~~ <u>27.99%</u>	~~2.61%~~ <u>2.6%</u>
503.25 ~~27.73-29.04%~~	~~2.61%~~
503.26 ~~29.05-30.36%~~	~~2.61%~~
503.27 ~~30.37-31.68%~~	~~2.61%~~
503.28 ~~31.69-33.00%~~	~~2.91%~~
503.29 ~~33.01-34.32%~~	~~2.91%~~
503.30 ~~34.33-35.65%~~	~~2.91%~~
503.31 ~~35.66-36.96%~~	~~2.91%~~
503.32 ~~36.97-38.29%~~	~~3.21%~~
503.33 ~~38.30-39.61%~~	~~3.21%~~

504.1	~~39.62-40.93%~~	~~3.21%~~
504.2	~~40.94-42.25%~~	~~3.84%~~
504.3	~~42.26-43.57%~~	~~3.84%~~
504.4	~~43.58-44.89%~~	~~4.46%~~
504.5	~~44.90-46.21%~~	~~4.76%~~
504.6	~~46.22-47.53%~~	~~5.05%~~
504.7	~~47.54-48.85%~~	~~5.65%~~
504.8	~~48.86-50.17%~~	~~5.95%~~
504.9	~~50.18-51.49%~~	~~6.24%~~
504.10	~~51.50-52.81%~~	~~6.84%~~
504.11	~~52.82-54.13%~~	~~7.58%~~
504.12	~~54.14-55.45%~~	~~8.33%~~
504.13	~~55.46-56.77%~~	~~9.20%~~
504.14	~~56.78-58.09%~~	~~10.07%~~
504.15	~~58.10-59.41%~~	~~10.94%~~
504.16	~~59.42-60.73%~~	~~11.55%~~
504.17	~~60.74-62.06%~~	~~12.16%~~
504.18	~~62.07-63.38%~~	~~12.77%~~
504.19	~~63.39-64.70%~~	~~13.38%~~
504.20	~~64.71-67.00%~~	~~14.00%~~
504.21	<u>28.00-30.99%</u>	<u>2.6%</u>
504.22	<u>31.00-33.99%</u>	<u>2.6%</u>
504.23	<u>34.00-36.99%</u>	<u>2.9%</u>
504.24	<u>37.00-39.99%</u>	<u>3.2%</u>
504.25	<u>40.00-42.99%</u>	<u>3.8%</u>
504.26	<u>43.00-45.99%</u>	<u>4.4%</u>
504.27	<u>46.00-48.99%</u>	<u>5.0%</u>
504.28	<u>49.00-51.99%</u>	<u>5.6%</u>
504.29	<u>52.00-54.99%</u>	<u>6.2%</u>
504.30	<u>55.00-57.99%</u>	<u>6.8%</u>
504.31	<u>58.00-60.99%</u>	<u>6.9%</u>
504.32	<u>61.00-63.99%</u>	<u>6.9%</u>
504.33	<u>64.00-67.00%</u>	<u>6.9%</u>
504.34	Greater than 67.00%	ineligible

504.35 A family's biweekly co-payment fee is the fixed percentage established for the income
504.36 range multiplied by the ~~highest~~ lowest possible income within that income range.

504.37 **EFFECTIVE DATE.** This section is effective October 13, 2025.

Sec. 11. Minnesota Statutes 2024, section 142E.16, subdivision 3, is amended to read:

Subd. 3. Training required. (a) Prior to initial authorization as required in subdivision 1, a legal nonlicensed family child care provider must complete first aid and CPR training and provide the verification of first aid and CPR training to the commissioner. The training documentation must have valid effective dates as of the date the registration request is submitted to the commissioner. The training must have been provided by an individual approved to provide first aid and CPR instruction and have included CPR techniques for infants and children.

(b) Upon each reauthorization after the authorization period when the initial first aid and CPR training requirements are met, a legal nonlicensed family child care provider must provide verification of at least eight hours of additional training listed in the Minnesota Center for Professional Development Registry.

(c) Every 12 months, a legal nonlicensed family child care provider who is unrelated to the child they care for must complete two hours of training in caring for children approved by the commissioner.

~~(e)~~ (d) This subdivision only applies to legal nonlicensed family child care providers.

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

Sec. 12. Minnesota Statutes 2024, section 142E.16, subdivision 7, is amended to read:

Subd. 7. Record-keeping requirement. (a) As a condition of payment, all providers receiving child care assistance payments must:

(1) keep accurate and legible daily attendance records at the site where services are delivered for children receiving child care assistance; ~~and~~

(2) make those records available immediately to the county or the commissioner upon request. Any records not provided to a county or the commissioner at the date and time of the request are deemed inadmissible if offered as evidence by the provider in any proceeding to contest an overpayment or disqualification of the provider; and

(3) submit data on child enrollment and attendance in the form and manner specified by the commissioner.

(b) As a condition of payment, attendance records must be completed daily and include the date, the first and last name of each child in attendance, and the times when each child is dropped off and picked up. To the extent possible, the times that the child was dropped off to and picked up from the child care provider must be entered by the person dropping

506.1 off or picking up the child. The daily attendance records must be retained at the site where
506.2 services are delivered for six years after the date of service.

506.3 (c) When the county or the commissioner knows or has reason to believe that a current
506.4 or former provider has not complied with the record-keeping requirement in this subdivision:

506.5 (1) the commissioner may:

506.6 (i) deny or revoke a provider's authorization to receive child care assistance payments
506.7 under section 142E.17, subdivision 9, paragraph (d);

506.8 (ii) pursue an administrative disqualification under sections 142E.51, subdivision 5, and
506.9 256.98; or

506.10 (iii) take an action against the provider under ~~sections 142E.50 to 142E.58~~ section
506.11 142E.51; or

506.12 (2) a county or the commissioner may establish an attendance record overpayment under
506.13 paragraph (d).

506.14 (d) To calculate an attendance record overpayment under this subdivision, the
506.15 commissioner or county agency shall subtract the maximum daily rate from the total amount
506.16 paid to a provider for each day that a child's attendance record is missing, unavailable,
506.17 incomplete, inaccurate, or otherwise inadequate.

506.18 (e) The commissioner shall develop criteria for a county to determine an attendance
506.19 record overpayment under this subdivision.

506.20 **EFFECTIVE DATE.** This section is effective June 22, 2026.

506.21 Sec. 13. Minnesota Statutes 2024, section 245.0962, subdivision 1, is amended to read:

506.22 Subdivision 1. **Establishment.** The commissioner of ~~human services~~ children, youth,
506.23 and families must establish a quality parenting initiative grant program to implement quality
506.24 parenting initiative principles and practices to support children and families experiencing
506.25 foster care placements.

506.26 Sec. 14. Minnesota Statutes 2024, section 245.975, subdivision 1, is amended to read:

506.27 Subdivision 1. **Creation and appointment.** The Office of the Ombudsperson for Family
506.28 Child Care Providers is hereby created. The governor shall appoint an ombudsperson in the
506.29 unclassified service to assist family child care providers with licensing, compliance, and
506.30 other issues facing family child care providers. The ombudsperson must be selected without
506.31 regard to the person's political affiliation and must have been a licensed family child care

507.1 provider for at least three years. The ombudsperson shall serve a term of four years, which
507.2 may be renewed, and may be removed prior to the end of the term for just cause.

507.3 Sec. 15. Laws 2021, First Special Session chapter 7, article 2, section 81, is amended to
507.4 read:

507.5 Sec. 81. **FAMILY CHILD CARE REGULATION MODERNIZATION.**

507.6 (a) The commissioner of ~~human services shall~~ children, youth, and families must contract
507.7 with an experienced and independent organization or individual consultant to conduct the
507.8 work outlined in this section. If practicable, the commissioner must contract with the National
507.9 Association for Regulatory Administration.

507.10 (b) The consultant must develop a proposal for updated family child care licensing
507.11 standards and solicit input from stakeholders as described in paragraph (d). The proposed
507.12 new standards must protect the health and safety of children in family child care programs
507.13 and be child centered, family friendly, and fair to providers.

507.14 (c) The consultant must work with stakeholders and the Department of Children, Youth,
507.15 and Families, as described in paragraph (d), to develop a proposal for a risk-based model
507.16 for monitoring compliance with family child care licensing standards, grounded in national
507.17 regulatory best practices. Violations in the new model must be weighted to reflect the
507.18 potential risk they pose to children's health and safety, and licensing sanctions must be tied
507.19 to the potential risk. ~~The proposed new model must protect the health and safety of children~~
507.20 ~~in family child care programs and be child centered, family friendly, and fair to providers.~~

507.21 (d) The consultant ~~shall~~ must develop and implement a stakeholder engagement process
507.22 that solicits input from parents, licensed family child care providers, county licensors, staff
507.23 of the Department of ~~Human Services~~ Children, Youth, and Families, and experts in child
507.24 development about licensing standards, tiers for violations of the standards based on the
507.25 potential risk of harm that each violation poses, and licensing sanctions for each tier. The
507.26 consultant and commissioner must engage with working groups of licensed family child
507.27 care providers at least five times throughout the stakeholder engagement process, and include
507.28 both daytime and evening engagement opportunities as needed.

507.29 (e) The consultant shall solicit input from parents, licensed family child care providers,
507.30 county licensors, and staff of the Department of ~~Human Services~~ Children, Youth, and
507.31 Families about which family child care providers should be eligible for abbreviated
507.32 inspections that predict compliance with other licensing standards for licensed family child
507.33 care providers using key indicators previously identified by an empirically based statistical

508.1 methodology developed by the National Association for Regulatory Administration and the
508.2 Research Institute for Key Indicators.

508.3 (f) No later than ~~February~~ December 1, 2024 2025, the commissioner ~~shall~~ must submit
508.4 a report and proposed legislation required to implement the new licensing model and the
508.5 new licensing standards to the chairs and ranking minority members of the legislative
508.6 committees with jurisdiction over child care regulation. Throughout the drafting of the
508.7 report and proposed legislation required under this paragraph, the commissioner must engage
508.8 providers whose primary language is not English to have those providers review translated
508.9 drafts of the report and written materials provided at engagement sessions to provide feedback
508.10 on the draft standards. This engagement must occur within focus groups or meetings that
508.11 are held at convenient times for the providers, including both daytime and evening sessions.

508.12 (g) The proposals developed under paragraphs (b) and (c); any presentations, summary
508.13 documents, engagement invitations, surveys, and drafts of the report used in the stakeholder
508.14 engagement process under paragraph (d) or when soliciting input under paragraph (e); and
508.15 the report required under paragraph (f) must also be made available in Hmong, Somali, and
508.16 Spanish.

508.17 (h) The updated family child care licensing standards proposed under paragraph (b) and
508.18 the risk-based model for monitoring compliance with family child care licensing standards
508.19 proposed under paragraph (c) must not be implemented any earlier than January 1, 2027.

508.20 Sec. 16. **ELIMINATING SCHEDULE REPORTER DESIGNATION.**

508.21 Notwithstanding Minnesota Statutes, section 142E.04, subdivisions 6, 7, and 8, the
508.22 commissioner of children, youth, and families must allocate additional basic sliding fee
508.23 child care money for calendar years 2026 and 2027 to counties and Tribes to account for
508.24 eliminating the schedule reporter designation in the child care assistance program. In
508.25 allocating the additional money, the commissioner shall consider:

508.26 (1) the number of children who are in schedule reporter families; and

508.27 (2) the average basic sliding fee cost of care in the county or Tribe.

508.28 Sec. 17. **REVISOR INSTRUCTION.**

508.29 The revisor of statutes shall renumber Minnesota Statutes, section 245.0962, as Minnesota
508.30 Statutes, section 142A.47. The revisor shall also make necessary cross-reference changes
508.31 consistent with the renumbering.

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

509.1 Sec. 18. **REVISOR INSTRUCTION.**

509.2 The revisor of statutes shall renumber Minnesota Statutes, section 142D.12, subdivision
509.3 3, as Minnesota Statutes, section 120B.121. The revisor shall also make necessary
509.4 cross-reference changes consistent with the renumbering.

509.5 Sec. 19. **REVISOR INSTRUCTION.**

509.6 The revisor of statutes shall renumber Minnesota Statutes, section 124D.129, as
509.7 Minnesota Statutes, section 142A.48. The revisor shall also make necessary cross-reference
509.8 changes consistent with the renumbering.

509.9 **ARTICLE 20**

509.10 **CHILDREN AND FAMILIES LICENSING POLICY**

509.11 Section 1. Minnesota Statutes 2024, section 142B.10, subdivision 14, is amended to read:

509.12 Subd. 14. **Grant of license; license extension.** (a) If the commissioner determines that
509.13 the program complies with all applicable rules and laws, the commissioner shall issue a
509.14 license consistent with this section or, if applicable, a temporary change of ownership license
509.15 under section 142B.11. At minimum, the license shall state:

509.16 (1) the name of the license holder;

509.17 (2) the address of the program;

509.18 (3) the effective date and expiration date of the license;

509.19 (4) the type of license;

509.20 (5) the maximum number and ages of persons that may receive services from the program;

509.21 and

509.22 (6) any special conditions of licensure.

509.23 (b) The commissioner may issue a license for a period not to exceed two years if:

509.24 (1) the commissioner is unable to conduct the observation required by subdivision 11,
509.25 paragraph (a), clause (3), because the program is not yet operational;

509.26 (2) certain records and documents are not available because persons are not yet receiving
509.27 services from the program; and

509.28 (3) the applicant complies with applicable laws and rules in all other respects.

510.1 (c) A decision by the commissioner to issue a license does not guarantee that any person
510.2 or persons will be placed or cared for in the licensed program.

510.3 (d) Except as provided in paragraphs (i) and (j), the commissioner shall not issue a
510.4 license if the applicant, license holder, or an affiliated controlling individual has:

510.5 (1) been disqualified and the disqualification was not set aside and no variance has been
510.6 granted;

510.7 (2) been denied a license under this chapter or chapter 245A within the past two years;

510.8 (3) had a license issued under this chapter or chapter 245A revoked within the past five
510.9 years; or

510.10 (4) failed to submit the information required of an applicant under subdivision 1,
510.11 paragraph (f), (g), or (h), after being requested by the commissioner.

510.12 When a license issued under this chapter or chapter 245A is revoked, the license holder
510.13 and each affiliated controlling individual with a revoked license may not hold any license
510.14 under chapter 142B for five years following the revocation, and other licenses held by the
510.15 applicant or license holder or licenses affiliated with each controlling individual shall also
510.16 be revoked.

510.17 (e) Notwithstanding paragraph (d), the commissioner may elect not to revoke a license
510.18 affiliated with a license holder or controlling individual that had a license revoked within
510.19 the past five years if the commissioner determines that (1) the license holder or controlling
510.20 individual is operating the program in substantial compliance with applicable laws and rules
510.21 and (2) the program's continued operation is in the best interests of the community being
510.22 served.

510.23 (f) Notwithstanding paragraph (d), the commissioner may issue a new license in response
510.24 to an application that is affiliated with an applicant, license holder, or controlling individual
510.25 that had an application denied within the past two years or a license revoked within the past
510.26 five years if the commissioner determines that (1) the applicant or controlling individual
510.27 has operated one or more programs in substantial compliance with applicable laws and rules
510.28 and (2) the program's operation would be in the best interests of the community to be served.

510.29 (g) In determining whether a program's operation would be in the best interests of the
510.30 community to be served, the commissioner shall consider factors such as the number of
510.31 persons served, the availability of alternative services available in the surrounding
510.32 community, the management structure of the program, whether the program provides
510.33 culturally specific services, and other relevant factors.

511.1 (h) The commissioner shall not issue or reissue a license under this chapter if an individual
511.2 living in the household where the services will be provided as specified under section
511.3 245C.03, subdivision 1, has been disqualified and the disqualification has not been set aside
511.4 and no variance has been granted.

511.5 (i) Pursuant to section 142B.18, subdivision 1, paragraph (b), when a license issued
511.6 under this chapter has been suspended or revoked and the suspension or revocation is under
511.7 appeal, the program may continue to operate pending a final order from the commissioner.
511.8 If the license under suspension or revocation will expire before a final order is issued, a
511.9 temporary provisional license may be issued provided any applicable license fee is paid
511.10 before the temporary provisional license is issued.

511.11 (j) Notwithstanding paragraph (i), when a revocation is based on the disqualification of
511.12 a controlling individual or license holder, and the controlling individual or license holder
511.13 is ordered under section 245C.17 to be immediately removed from direct contact with
511.14 persons receiving services or is ordered to be under continuous, direct supervision when
511.15 providing direct contact services, the program may continue to operate only if the program
511.16 complies with the order and submits documentation demonstrating compliance with the
511.17 order. If the disqualified individual fails to submit a timely request for reconsideration, or
511.18 if the disqualification is not set aside and no variance is granted, the order to immediately
511.19 remove the individual from direct contact or to be under continuous, direct supervision
511.20 remains in effect pending the outcome of a hearing and final order from the commissioner.

511.21 (k) For purposes of reimbursement for meals only, under the Child and Adult Care Food
511.22 Program, Code of Federal Regulations, title 7, subtitle B, chapter II, subchapter A, part 226,
511.23 relocation within the same county by a licensed family day care provider, shall be considered
511.24 an extension of the license for a period of no more than 30 calendar days or until the new
511.25 license is issued, whichever occurs first, provided the county agency has determined the
511.26 family day care provider meets licensure requirements at the new location.

511.27 (l) Unless otherwise specified by statute, all licenses issued under this chapter expire at
511.28 12:01 a.m. on the day after the expiration date stated on the license. A license holder must
511.29 ~~apply for and be granted~~ comply with the requirements in section 142B.12 and be reissued
511.30 a new license to operate the program or the program must not be operated after the expiration
511.31 date. Child foster care license holders must apply for and be granted a new license to operate
511.32 the program or the program must not be operated after the expiration date. Upon
511.33 implementation of the provider licensing and reporting hub, licenses may be issued each
511.34 calendar year.

512.1 (m) The commissioner shall not issue or reissue a license under this chapter if it has
512.2 been determined that a tribal licensing authority has established jurisdiction to license the
512.3 program or service.

512.4 (n) The commissioner of children, youth, and families shall coordinate and share data
512.5 with the commissioner of human services to enforce this section.

512.6 Sec. 2. Minnesota Statutes 2024, section 142B.171, subdivision 2, is amended to read:

512.7 Subd. 2. **Documented technical assistance.** (a) In lieu of a correction order under section
512.8 142B.16, the commissioner shall provide documented technical assistance to a family child
512.9 care or child care center license holder if the commissioner finds that:

512.10 (1) the license holder has failed to comply with a requirement in this chapter or Minnesota
512.11 Rules, chapter 9502 or 9503, that the commissioner determines to be low risk as determined
512.12 by the child care weighted risk system;

512.13 (2) the noncompliance does not imminently endanger the health, safety, or rights of the
512.14 persons served by the program; and

512.15 (3) the license holder did not receive documented technical assistance or a correction
512.16 order for the same violation at the license holder's most recent annual licensing inspection.

512.17 (b) Documented technical assistance must include communication from the commissioner
512.18 to the license holder that:

512.19 (1) states the conditions that constitute a violation of a law or rule;

512.20 (2) references the specific law or rule violated; and

512.21 (3) explains remedies for correcting the violation.

512.22 ~~(c) The commissioner shall not publicly publish documented technical assistance on the~~
512.23 ~~department's website.~~

512.24 Sec. 3. Minnesota Statutes 2024, section 142B.30, subdivision 1, is amended to read:

512.25 Subdivision 1. **Delegation of authority to agencies.** (a) County agencies and private
512.26 agencies that have been designated or licensed by the commissioner to perform licensing
512.27 functions and activities under section 142B.10; to recommend denial of applicants under
512.28 section 142B.15; to issue correction orders, to issue variances, and to recommend a
512.29 conditional license under section 142B.16; or to recommend suspending or revoking a
512.30 license or issuing a fine under section 142B.18, shall comply with rules and directives of
512.31 the commissioner governing those functions and with this section. The following variances

513.1 are excluded from the delegation of variance authority and may be issued only by the
513.2 commissioner:

513.3 (1) dual licensure of family child care and family child foster care;

513.4 (2) child foster care maximum age requirement;

513.5 (3) variances regarding disqualified individuals;

513.6 (4) variances to requirements relating to chemical use problems of a license holder or a
513.7 household member of a license holder; and

513.8 (5) variances to section 142B.74 for a time-limited period. If the commissioner grants
513.9 a variance under this clause, the license holder must provide notice of the variance to all
513.10 parents and guardians of the children in care.

513.11 (b) The commissioners of human services and children, youth, and families must both
513.12 approve a variance for dual licensure of family child foster care and family adult foster care
513.13 or family adult foster care and family child care. Variances under this paragraph are excluded
513.14 from the delegation of variance authority and may be issued only by both commissioners.

513.15 (c) Except as provided in section 142B.41, subdivision 4, paragraph (e), a county agency
513.16 must not grant a license holder a variance to exceed the maximum allowable family child
513.17 care license capacity of 14 children.

513.18 (d) A county agency that has been designated by the commissioner to issue family child
513.19 care variances must:

513.20 (1) publish the county agency's policies and criteria for issuing variances on the county's
513.21 public website and update the policies as necessary; and

513.22 (2) annually distribute the county agency's policies and criteria for issuing variances to
513.23 all family child care license holders in the county.

513.24 (e) Before the implementation of NETStudy 2.0, county agencies must report information
513.25 about disqualification reconsiderations under sections 245C.25 and 245C.27, subdivision
513.26 2, paragraphs (a) and (b), and variances granted under paragraph (a), clause (5), to the
513.27 commissioner at least monthly in a format prescribed by the commissioner.

513.28 (f) For family child care programs, the commissioner shall require a county agency to
513.29 conduct one unannounced licensing review at least annually.

513.30 (g) A child foster care license issued under this section may be issued for up to two years
513.31 until implementation of the provider licensing and reporting hub. Upon implementation of
513.32 the provider licensing and reporting hub, licenses may be issued each calendar year.

514.1 (h) A county agency shall report to the commissioner, in a manner prescribed by the
514.2 commissioner, the following information for a licensed family child care program:

514.3 (1) the results of each licensing review completed, including the date of the review, and
514.4 any licensing correction order issued;

514.5 (2) any death, serious injury, or determination of substantiated maltreatment; and

514.6 (3) any fires that require the service of a fire department within 48 hours of the fire. The
514.7 information under this clause must also be reported to the state fire marshal within two
514.8 business days of receiving notice from a licensed family child care provider.

514.9 Sec. 4. Minnesota Statutes 2024, section 142B.41, is amended by adding a subdivision to
514.10 read:

514.11 Subd. 14. **Staff distribution.** Notwithstanding Minnesota Rules, part 9503.0040, subpart
514.12 2, item B, a child care aide in a licensed child care center may be substituted for a teacher
514.13 during morning arrival and afternoon departure times if the total arrival and departure time
514.14 does not exceed 25 percent of the center's daily hours of operation. For a child care aide to
514.15 be substituted for a teacher under this subdivision, the child care aide must:

514.16 (1) be 18 years of age or older;

514.17 (2) have been employed by the child care center for a minimum of 30 days; and

514.18 (3) have completed the training required under section 142B.65, including orientation
514.19 training and the training required within the first 90 days of employment.

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

514.21 Sec. 5. Minnesota Statutes 2024, section 142B.51, subdivision 2, is amended to read:

514.22 Subd. 2. **Child passenger restraint systems; training requirement.** (a) Programs
514.23 licensed by the Department of Human Services under chapter 245A or the Department of
514.24 Children, Youth, and Families under this chapter and Minnesota Rules, chapter 2960, that
514.25 serve a child or children under ~~eight~~ nine years of age must document training that fulfills
514.26 the requirements in this subdivision.

514.27 (b) Before a license holder, staff person, or caregiver transports a child or children under
514.28 age ~~eight~~ nine in a motor vehicle, the person transporting the child must satisfactorily
514.29 complete training on the proper use and installation of child restraint systems in motor
514.30 vehicles. Training completed under this section may be used to meet initial or ongoing
514.31 training under Minnesota Rules, part 2960.3070, subparts 1 and 2.

(c) Training required under this section must be completed at orientation or initial training and repeated at least once every five years. At a minimum, the training must address the proper use of child restraint systems based on the child's size, weight, and age, and the proper installation of a car seat or booster seat in the motor vehicle used by the license holder to transport the child or children.

(d) Training under paragraph (c) must be provided by individuals who are certified and approved by the Office of Traffic Safety within the Department of Public Safety. License holders may obtain a list of certified and approved trainers through the Department of Public Safety website or by contacting the agency.

~~(e) Notwithstanding paragraph (a), for an emergency relative placement under section 142B.06, the commissioner may grant a variance to the training required by this subdivision for a relative who completes a child seat safety check up. The child seat safety check up trainer must be approved by the Department of Public Safety, Office of Traffic Safety, and must provide one-on-one instruction on placing a child of a specific age in the exact child passenger restraint in the motor vehicle in which the child will be transported. Once granted a variance, and if all other licensing requirements are met, the relative applicant may receive a license and may transport a relative foster child younger than eight years of age. A child seat safety check up must be completed each time a child requires a different size car seat according to car seat and vehicle manufacturer guidelines. A relative license holder must complete training that meets the other requirements of this subdivision prior to placement of another foster child younger than eight years of age in the home or prior to the renewal of the child foster care license.~~

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

Sec. 6. Minnesota Statutes 2024, section 142B.65, subdivision 8, is amended to read:

Subd. 8. **Child passenger restraint systems; training requirement.** (a) Before a license holder transports a child or children under age ~~eight~~ nine in a motor vehicle, the person placing the child or children in a passenger restraint must satisfactorily complete training on the proper use and installation of child restraint systems in motor vehicles.

(b) Training required under this subdivision must be repeated at least once every five years. At a minimum, the training must address the proper use of child restraint systems based on the child's size, weight, and age, and the proper installation of a car seat or booster seat in the motor vehicle used by the license holder to transport the child or children.

516.1 (c) Training required under this subdivision must be provided by individuals who are
516.2 certified and approved by the Department of Public Safety, Office of Traffic Safety. License
516.3 holders may obtain a list of certified and approved trainers through the Department of Public
516.4 Safety website or by contacting the agency.

516.5 (d) Child care providers that only transport school-age children as defined in section
516.6 142B.01, subdivision 25, in child care buses as defined in section 169.448, subdivision 1,
516.7 paragraph (e), are exempt from this subdivision.

516.8 (e) Training completed under this subdivision may be used to meet in-service training
516.9 requirements under subdivision 9. Training completed within the previous five years is
516.10 transferable upon a staff person's change in employment to another child care center.

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

516.12 Sec. 7. Minnesota Statutes 2024, section 142B.65, subdivision 9, is amended to read:

516.13 Subd. 9. **In-service training.** (a) A license holder must ensure that the center director,
516.14 staff persons, substitutes, and unsupervised volunteers complete in-service training each
516.15 calendar year.

516.16 (b) The center director and staff persons who work more than 20 hours per week must
516.17 complete 24 hours of in-service training each calendar year. Staff persons who work 20
516.18 hours or less per week must complete 12 hours of in-service training each calendar year.
516.19 Substitutes and unsupervised volunteers must complete at least two hours of training each
516.20 year, and the training must include the requirements of paragraphs (d) to (g) ~~and do not~~
516.21 ~~otherwise have a minimum number of hours of training to complete.~~

516.22 (c) The number of in-service training hours may be prorated for ~~individuals~~ center
516.23 directors and staff persons not employed for an entire year.

516.24 (d) Each year, in-service training must include:

516.25 (1) the center's procedures for maintaining health and safety according to section 142B.66
516.26 and Minnesota Rules, part 9503.0140, and handling emergencies and accidents according
516.27 to Minnesota Rules, part 9503.0110;

516.28 (2) the reporting responsibilities under chapter 260E and Minnesota Rules, part
516.29 9503.0130;

516.30 (3) at least one-half hour of training on the standards under section 142B.46 and on
516.31 reducing the risk of sudden unexpected infant death as required under subdivision 6, if
516.32 applicable; and

517.1 (4) at least one-half hour of training on the risk of abusive head trauma from shaking
517.2 infants and young children as required under subdivision 7, if applicable.

517.3 (e) Each year, or when a change is made, whichever is more frequent, in-service training
517.4 must be provided on: (1) the center's risk reduction plan under section 142B.54, subdivision
517.5 2; and (2) a child's individual child care program plan as required under Minnesota Rules,
517.6 part 9503.0065, subpart 3.

517.7 (f) At least once every two calendar years, the in-service training must include:

517.8 (1) child development and learning training under subdivision 3;

517.9 (2) pediatric first aid that meets the requirements of subdivision 4;

517.10 (3) pediatric cardiopulmonary resuscitation training that meets the requirements of
517.11 subdivision 5;

517.12 (4) cultural dynamics training to increase awareness of cultural differences; and

517.13 (5) disabilities training to increase awareness of differing abilities of children.

517.14 (g) At least once every five years, in-service training must include child passenger
517.15 restraint training that meets the requirements of subdivision 8, if applicable.

517.16 (h) The remaining hours of the in-service training requirement must be met by completing
517.17 training in the following content areas of the Minnesota Knowledge and Competency
517.18 Framework:

517.19 (1) Content area I: child development and learning;

517.20 (2) Content area II: developmentally appropriate learning experiences;

517.21 (3) Content area III: relationships with families;

517.22 (4) Content area IV: assessment, evaluation, and individualization;

517.23 (5) Content area V: historical and contemporary development of early childhood
517.24 education;

517.25 (6) Content area VI: professionalism;

517.26 (7) Content area VII: health, safety, and nutrition; and

517.27 (8) Content area VIII: application through clinical experiences.

517.28 (i) For purposes of this subdivision, the following terms have the meanings given them.

(1) "Child development and learning training" means training in understanding how children develop physically, cognitively, emotionally, and socially and learn as part of the children's family, culture, and community.

(2) "Developmentally appropriate learning experiences" means creating positive learning experiences, promoting cognitive development, promoting social and emotional development, promoting physical development, and promoting creative development.

(3) "Relationships with families" means training on building a positive, respectful relationship with the child's family.

(4) "Assessment, evaluation, and individualization" means training in observing, recording, and assessing development; assessing and using information to plan; and assessing and using information to enhance and maintain program quality.

(5) "Historical and contemporary development of early childhood education" means training in past and current practices in early childhood education and how current events and issues affect children, families, and programs.

(6) "Professionalism" means training in knowledge, skills, and abilities that promote ongoing professional development.

(7) "Health, safety, and nutrition" means training in establishing health practices, ensuring safety, and providing healthy nutrition.

(8) "Application through clinical experiences" means clinical experiences in which a person applies effective teaching practices using a range of educational programming models.

(j) The license holder must ensure that documentation, as required in subdivision 10, includes the number of total training hours required to be completed, name of the training, the Minnesota Knowledge and Competency Framework content area, number of hours completed, and the director's approval of the training.

(k) In-service training completed by a staff person that is not specific to that child care center is transferable upon a staff person's change in employment to another child care program.

Sec. 8. Minnesota Statutes 2024, section 142B.66, subdivision 3, is amended to read:

Subd. 3. **Emergency preparedness.** (a) A licensed child care center must have a written emergency plan for emergencies that require evacuation, sheltering, or other protection of a child, such as fire, natural disaster, intruder, or other threatening situation that may pose

519.1 a health or safety hazard to a child. The plan must be written on a form developed by the
519.2 commissioner and must include:

519.3 (1) procedures for an evacuation, relocation, shelter-in-place, or lockdown;

519.4 (2) a designated relocation site and evacuation route;

519.5 (3) procedures for notifying a child's parent or legal guardian of the evacuation, relocation,
519.6 shelter-in-place, or lockdown, including procedures for reunification with families;

519.7 (4) accommodations for a child with a disability or a chronic medical condition;

519.8 (5) procedures for storing a child's medically necessary medicine that facilitates easy
519.9 removal during an evacuation or relocation;

519.10 (6) procedures for continuing operations in the period during and after a crisis;

519.11 (7) procedures for communicating with local emergency management officials, law
519.12 enforcement officials, or other appropriate state or local authorities; and

519.13 (8) accommodations for infants and toddlers.

519.14 (b) The license holder must train staff persons on the emergency plan at orientation,
519.15 when changes are made to the plan, and at least once each calendar year. Training must be
519.16 documented in each staff person's personnel file.

519.17 (c) The license holder must conduct drills according to the requirements in Minnesota
519.18 Rules, part 9503.0110, subpart 3. The date and time of the drills must be documented.

519.19 (d) The license holder must review and update the emergency plan ~~annually~~ each calendar
519.20 year. Documentation of the ~~annual~~ yearly emergency plan review shall be maintained in
519.21 the program's administrative records.

519.22 (e) The license holder must include the emergency plan in the program's policies and
519.23 procedures as specified under section 142B.10, subdivision 21. The license holder must
519.24 provide a physical or electronic copy of the emergency plan to the child's parent or legal
519.25 guardian upon enrollment.

519.26 (f) The relocation site and evacuation route must be posted in a visible place as part of
519.27 the written procedures for emergencies and accidents in Minnesota Rules, part 9503.0140,
519.28 subpart 21.

520.1 Sec. 9. Minnesota Statutes 2024, section 142B.70, subdivision 7, is amended to read:

520.2 Subd. 7. **Child passenger restraint systems; training requirement.** (a) A license
520.3 holder must comply with all seat belt and child passenger restraint system requirements
520.4 under section 169.685.

520.5 (b) Family and group family child care programs licensed by the Department of Children,
520.6 Youth, and Families that serve a child or children under ~~eight~~ nine years of age must
520.7 document training that fulfills the requirements in this subdivision.

520.8 (1) Before a license holder, second adult caregiver, substitute, or helper transports a
520.9 child or children under age ~~eight~~ nine in a motor vehicle, the person placing the child or
520.10 children in a passenger restraint must satisfactorily complete training on the proper use and
520.11 installation of child restraint systems in motor vehicles. Training completed under this
520.12 subdivision may be used to meet initial training under subdivision 1 or ongoing training
520.13 under subdivision 8.

520.14 (2) Training required under this subdivision must be at least one hour in length, completed
520.15 at initial training, and repeated at least once every five years. At a minimum, the training
520.16 must address the proper use of child restraint systems based on the child's size, weight, and
520.17 age, and the proper installation of a car seat or booster seat in the motor vehicle used by the
520.18 license holder to transport the child or children.

520.19 (3) Training under this subdivision must be provided by individuals who are certified
520.20 and approved by the Department of Public Safety, Office of Traffic Safety. License holders
520.21 may obtain a list of certified and approved trainers through the Department of Public Safety
520.22 website or by contacting the agency.

520.23 (c) Child care providers that only transport school-age children as defined in section
520.24 142B.01, subdivision 13, paragraph (f), in child care buses as defined in section 169.448,
520.25 subdivision 1, paragraph (e), are exempt from this subdivision.

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

520.27 Sec. 10. Minnesota Statutes 2024, section 142B.70, subdivision 8, is amended to read:

520.28 Subd. 8. **Training requirements for family and group family child care.** (a) For
520.29 purposes of family and group family child care, the license holder and each second adult
520.30 caregiver must complete 16 hours of ongoing training each year. Repeat of topical training
520.31 requirements in subdivisions 3 to 9 shall count toward the annual 16-hour training
520.32 requirement. Additional ongoing training subjects to meet the annual 16-hour training
520.33 requirement must be selected from the following areas:

521.1 (1) child development and learning training in understanding how a child develops
521.2 physically, cognitively, emotionally, and socially, and how a child learns as part of the
521.3 child's family, culture, and community;

521.4 (2) developmentally appropriate learning experiences, including training in creating
521.5 positive learning experiences, promoting cognitive development, promoting social and
521.6 emotional development, promoting physical development, promoting creative development;
521.7 and behavior guidance;

521.8 (3) relationships with families, including training in building a positive, respectful
521.9 relationship with the child's family;

521.10 (4) assessment, evaluation, and individualization, including training in observing,
521.11 recording, and assessing development; assessing and using information to plan; and assessing
521.12 and using information to enhance and maintain program quality;

521.13 (5) historical and contemporary development of early childhood education, including
521.14 training in past and current practices in early childhood education and how current events
521.15 and issues affect children, families, and programs;

521.16 (6) professionalism, including training in knowledge, skills, and abilities that promote
521.17 ongoing professional development; and

521.18 (7) health, safety, and nutrition, including training in establishing healthy practices;
521.19 ensuring safety; and providing healthy nutrition.

521.20 (b) A provider who is approved as a trainer through the Develop data system may count
521.21 up to two hours of training instruction toward the annual 16-hour training requirement in
521.22 paragraph (a). The provider may only count training instruction hours for the first instance
521.23 in which they deliver a particular content-specific training during each licensing year. Hours
521.24 counted as training instruction must be approved through the Develop data system with
521.25 attendance verified on the trainer's individual learning record and must be in Knowledge
521.26 and Competency Framework content area VII A (Establishing Healthy Practices) or B
521.27 (Ensuring Safety).

521.28 (c) Substitutes and adult caregivers who provide care for 500 or fewer hours per year
521.29 must complete a minimum of one hour of training each calendar year, and the training must
521.30 include the requirements in subdivisions 3, 4, 5, 6, and 9.

522.1 Sec. 11. Minnesota Statutes 2024, section 142C.06, is amended by adding a subdivision
522.2 to read:

522.3 Subd. 4. **Requirement to post conditional certification.** Upon receipt of any order of
522.4 conditional certification issued by the commissioner under this section, and notwithstanding
522.5 a pending request for reconsideration of the order of conditional certification by the
522.6 certification holder, the certification holder shall post the order of conditional certification
522.7 in a place that is conspicuous to the people receiving services and all visitors to the facility
522.8 for the duration of the conditional certification. When the order of conditional certification
522.9 is accompanied by a maltreatment investigation memorandum prepared under chapter 260E,
522.10 the investigation memoranda must be posted with the order of conditional certification.

522.11 Sec. 12. Minnesota Statutes 2024, section 142C.11, subdivision 8, is amended to read:

522.12 Subd. 8. **Required policies.** A certified center must have written policies for health and
522.13 safety items in subdivisions 1 to 6, 9, and 10.

522.14 Sec. 13. Minnesota Statutes 2024, section 142C.12, subdivision 1, is amended to read:

522.15 Subdivision 1. **First aid and cardiopulmonary resuscitation.** (a) Before having
522.16 unsupervised direct contact with a child, but within 90 days after the first date of direct
522.17 contact with a child, the director, all staff persons, substitutes, and unsupervised volunteers
522.18 must successfully complete pediatric first aid and pediatric cardiopulmonary resuscitation
522.19 (CPR) training, unless the training has been completed within the previous two calendar
522.20 years. Staff must complete the pediatric first aid and pediatric CPR training at least every
522.21 other calendar year and the center must document the training in the staff person's personnel
522.22 record.

522.23 (b) Training completed under this subdivision may be used to meet the in-service training
522.24 requirements under subdivision 6.

522.25 (c) Training must include CPR and techniques for providing immediate care to people
522.26 experiencing life-threatening cardiac emergencies, choking, bleeding, fractures and sprains,
522.27 head injuries, poisoning, and burns. Training developed by the American Heart Association,
522.28 the American Red Cross, or another organization that uses nationally recognized,
522.29 evidence-based guidelines meets these requirements.

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

523.1 Sec. 14. Minnesota Statutes 2024, section 142C.12, subdivision 6, is amended to read:

523.2 Subd. 6. **In-service training.** (a) The certified center must ensure that the director and
523.3 all staff persons, including substitutes and unsupervised volunteers, are trained at least once
523.4 each calendar year on health and safety requirements in this section and sections 142C.10,
523.5 142C.11, and 142C.13.

523.6 (b) The director and each staff person, not including substitutes, must complete at least
523.7 six hours of training each calendar year. Substitutes must complete at least two hours of
523.8 training each calendar year. Training required under paragraph (a) may be used toward the
523.9 hourly training requirements of this subdivision.

523.10 Sec. 15. Minnesota Statutes 2024, section 245A.18, subdivision 1, is amended to read:

523.11 Subdivision 1. **Seat belt and child passenger restraint system use.** All license holders
523.12 that transport children must comply with the requirements of section 142B.51, subdivision
523.13 1, and license holders that transport a child or children under ~~eight~~ nine years of age must
523.14 document training that fulfills the requirements in section 142B.51, subdivision 2.

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

523.16 **ARTICLE 21**

523.17 **MISCELLANEOUS**

523.18 Section 1. Minnesota Statutes 2024, section 62E.23, subdivision 1, is amended to read:

523.19 Subdivision 1. **Administration of plan.** (a) The association is Minnesota's reinsurance
523.20 entity to administer the state-based reinsurance program referred to as the Minnesota premium
523.21 security plan.

523.22 (b) The association may apply for any available federal funding for the plan. All funds
523.23 received by or appropriated to the association shall be deposited in the premium security
523.24 plan account in section 62E.25, subdivision 1. The association shall notify the chairs and
523.25 ranking minority members of the legislative committees with jurisdiction over health and
523.26 human services and insurance within ten days of receiving any federal funds.

523.27 (c) The association must collect or access data from an eligible health carrier that are
523.28 necessary to determine reinsurance payments, according to the data requirements under
523.29 subdivision 5, paragraph (c).

(d) The board must not use any funds allocated to the plan for staff retreats, promotional giveaways, excessive executive compensation, or promotion of federal or state legislative or regulatory changes.

(e) For each applicable benefit year, the association must notify eligible health carriers of reinsurance payments to be made for the applicable benefit year no later than June 30 of the year following the applicable benefit year.

(f) On a quarterly basis during the applicable benefit year, the association must provide each eligible health carrier with the calculation of total reinsurance payment requests.

(g) By August 15 of the year following the applicable benefit year, through August 15, 2026, the association must disburse all applicable reinsurance payments to an eligible health carrier.

(h) The association must disburse applicable reinsurance payments for claims costs incurred by eligible health carriers through December 31, 2025. Reinsurance payments are not available to eligible health carriers for claims costs incurred after December 31, 2025.

Sec. 2. **[62V.15] DEFINITIONS; PREMIUM SUBSIDY PROGRAM.**

Subdivision 1. **Scope.** For purposes of sections 62V.15 to 62V.18, the following terms have the meanings given.

Subd. 2. **Assessment.** "Assessment" means the amount a health plan company must pay for operational costs, administrative costs, and premium subsidy payments for the premium subsidy program established under section 62V.16.

Subd. 3. **Commissioner.** "Commissioner" means the commissioner of management and budget.

Subd. 4. **Eligible individual.** (a) "Eligible individual" means a Minnesota resident who:
(1) is not eligible for an advance premium tax credit under Code of Federal Regulations, title 26, part 1.36B-2, in a month in which the eligible individual's coverage is effective;
(2) is not enrolled in public program coverage under chapters 256B and 256L; and
(3) purchased an individual health plan, as defined in section 62A.011.

(b) "Eligible individual" includes a person required to repay an advanced premium tax credit because the person's income was subsequently determined to exceed the maximum permissible amount to qualify as an applicable taxpayer under Code of Federal Regulations, title 26, part 1.36B-2.

525.1 Subd. 5. **Gross premium.** "Gross premium" means the amount billed for a health plan
525.2 purchased by an eligible individual prior to a premium subsidy in a calendar year.

525.3 Subd. 6. **Health plan company.** "Health plan company" means a health plan company,
525.4 as defined in section 62Q.01, that offers, issues, sells, or renews a health plan, as defined
525.5 in section 62Q.01, in Minnesota.

525.6 Subd. 7. **Net premium.** "Net premium" means the gross premium less the premium
525.7 subsidy.

525.8 Subd. 8. **Premium subsidy.** "Premium subsidy" means a payment (1) made on behalf
525.9 of an eligible individual to promote general welfare, and (2) that is not compensation for a
525.10 service rendered.

525.11 Sec. 3. **[62V.16] PAYMENT TO HEALTH CARRIERS ON BEHALF OF ELIGIBLE**
525.12 **INDIVIDUALS.**

525.13 Subdivision 1. **Program established.** Beginning January 1, 2026, the board of directors
525.14 of MNsure, in consultation with the commissioners of commerce and human services, must
525.15 establish and administer the premium subsidy program authorized by this section to help
525.16 eligible individuals pay for coverage in the individual market.

525.17 Subd. 2. **Premium subsidy provided.** (a) A health carrier must provide a premium
525.18 subsidy to each eligible individual who purchases an individual health plan from the health
525.19 carrier. The premium subsidy must be provided for each month the net premium is paid.
525.20 An eligible individual must pay the net premium amount to the health carrier.

525.21 (b) Each premium subsidy must be equal to 20 percent of the monthly gross premium
525.22 otherwise paid by or on behalf of the eligible individual for coverage purchased in the
525.23 individual market that covers the eligible individual and the eligible individual's spouse and
525.24 dependents.

525.25 (c) The premium subsidy must be excluded from a calculation used to determine eligibility
525.26 for a Department of Human Services or Department of Children, Youth, and Families
525.27 program.

525.28 Subd. 3. **Payments to health carriers.** (a) The commissioner must make payments by
525.29 September 30 to health carriers on behalf of eligible individuals for the months during the
525.30 prior calendar year for which the individual has paid the net premium amount to the health
525.31 carrier. The amount of the commissioner's payments to health carriers must be in the amounts
525.32 provided to the commissioner by the board under paragraph (c). The commissioner must

526.1 not withhold payment because a health carrier cannot prove an enrollee is an eligible
526.2 individual.

526.3 (b) In order to be eligible for payment, a health carrier seeking reimbursement from the
526.4 board must submit an invoice and supporting information to the board, using a form
526.5 developed by the board. The form must require the health carrier to identify the number of
526.6 eligible individuals for which the health carrier is seeking reimbursement, the average gross
526.7 premium for eligible individuals, and the aggregate amount of reimbursement claimed by
526.8 the health carrier for premium subsidies under this section. The board must finalize the form
526.9 by November 1, 2025.

526.10 (c) The board must provide the commissioner, based on the information received by the
526.11 board from the health carriers pursuant to paragraph (b), the payment amount owed to each
526.12 health carrier.

526.13 (d) The board must consider a health carrier as a vendor under section 16A.124,
526.14 subdivision 3, and each monthly invoice must represent the services that have been completed
526.15 or delivered.

526.16 (e) The commissioner, in consultation with the board, may withhold payments and charge
526.17 back payments to recover from health carriers premium subsidies provided but that do not
526.18 comply with the applicable legal requirements of this section.

526.19 Subd. 4. **Assessment.** (a) An annual assessment is imposed on health plan companies
526.20 for each calendar year beginning in calendar year 2026. The commissioner of commerce
526.21 must establish the annual assessment for each health plan company in an amount such that
526.22 the aggregate assessment amount collected from health plan companies under this subdivision
526.23 equals the amount necessary for the premium subsidy program established under subdivision
526.24 1.

526.25 (b) By March 1 each year, the commissioner of commerce must consult with the board
526.26 of directors of MNsure and provide each health plan company with an estimate of the
526.27 company assessment for the current calendar year.

526.28 (c) By May 31 each year, the commissioner of commerce, in consultation with the board
526.29 of directors of MNsure, must notify each health plan company of the company's assessment
526.30 for the current calendar year.

526.31 (d) By June 30 each year, the commissioner of commerce must collect assessments from
526.32 health plan companies to pay for the premium subsidy program established under this
526.33 section.

- 527.1 Subd. 5. **Data practices.** (a) The definitions in section 13.02 apply to this subdivision.
- 527.2 (b) Government data on an enrollee or health carrier under this section are private data
- 527.3 on individuals or nonpublic data, except that the total reimbursement requested by a health
- 527.4 carrier and the total state payment to the health carrier are public data.
- 527.5 Sec. 4. **[62V.17] APPLICABILITY OF GROSS PREMIUM.**
- 527.6 Notwithstanding premium subsidies provided under section 62V.16, subdivision 2, the
- 527.7 premium base to calculate any applicable premium taxes under chapter 297I is the gross
- 527.8 premium for health plans purchased by eligible individuals in the individual market.
- 527.9 Sec. 5. **[62V.18] PREMIUM SUBSIDY PROGRAM ACCOUNT.**
- 527.10 Subdivision 1. **Account established.** The premium subsidy program account is created
- 527.11 in the special revenue fund in the state treasury.
- 527.12 Subd. 2. **Collected assessments.** The commissioner of commerce must deposit the
- 527.13 assessments collected under section 62V.16, subdivision 4, in the premium subsidy program
- 527.14 account created under subdivision 1.
- 527.15 Subd. 3. **Appropriations.** Money in the premium subsidy program account is annually
- 527.16 appropriated:
- 527.17 (1) to the commissioner of management and budget for the payments to health carriers
- 527.18 on behalf of eligible individuals under section 62V.16, subdivision 3; and
- 527.19 (2) to the board of directors of MNsure for operational and administrative costs for the
- 527.20 premium subsidy program established under section 62V.16.
- 527.21 Sec. 6. Minnesota Statutes 2024, section 149A.02, is amended by adding a subdivision to
- 527.22 read:
- 527.23 Subd. 42. **Green burial.** "Green burial" means a method of burial that emphasizes
- 527.24 environmental sustainability without interfering with natural decomposition and:
- 527.25 (1) the body is not embalmed;
- 527.26 (2) a biodegradable casket or shroud is used; and
- 527.27 (3) no vault or outer burial container is employed for a casket or shroud.
- 527.28 **EFFECTIVE DATE.** This section is effective July 1, 2025.

528.1 Sec. 7. Minnesota Statutes 2024, section 151.741, subdivision 5, is amended to read:

528.2 Subd. 5. **Insulin repayment account; annual transfer from health care access fund.** (a)

528.3 The insulin repayment account is established in the special revenue fund in the state treasury.

528.4 Money in the account is appropriated each fiscal year to the commissioner of administration

528.5 to reimburse manufacturers for insulin dispensed under the insulin safety net program in

528.6 section 151.74, in accordance with section 151.74, subdivisions 3, paragraph (h), and 6,

528.7 paragraph (h), and to cover costs incurred by the commissioner in providing these

528.8 reimbursement payments.

528.9 (b) By June 30, 2025, and each June 30 thereafter, the commissioner of administration

528.10 shall certify to the commissioner of management and budget the total amount expended in

528.11 the prior fiscal year for:

528.12 (1) reimbursement to manufacturers for insulin dispensed under the insulin safety net

528.13 program in section 151.74, in accordance with section 151.74, subdivisions 3, paragraph

528.14 (h), and 6, paragraph (h); and

528.15 (2) costs incurred by the commissioner of administration in providing the reimbursement

528.16 payments described in clause (1).

528.17 (c) The commissioner of management and budget shall transfer from the health care

528.18 access fund to the ~~special revenue fund~~ insulin repayment account, beginning July 1, 2025,

528.19 and each July 1 thereafter, an amount equal to the amount to which the commissioner of

528.20 administration certified pursuant to paragraph (b).

528.21 Sec. 8. Minnesota Statutes 2024, section 256.01, is amended by adding a subdivision to

528.22 read:

528.23 Subd. 44. **Notification of federal approval; report.** (a) For any provision over which

528.24 the commissioner has jurisdiction and that has an effective date contingent upon federal

528.25 approval, whether the contingency is expressed in an effective date, in the text of a statutory

528.26 provision, or in the text of an uncodified section of session law, the commissioner must

528.27 notify the revisor of statutes of which enacted provisions contain such contingent federal

528.28 approval and when federal approval is obtained for any such provision according to

528.29 paragraphs (b) and (c).

528.30 (b) By July 1 of each year, the commissioner must provide the revisor of statutes; the

528.31 director of the House Research Department; and the director of Senate Counsel, Research

528.32 and Fiscal Analysis with a report containing a complete list of all provisions enacted since

528.33 the preceding July 1 with an effective date contingent on federal approval.

529.1 (c) By September 1 of each year, the commissioner must provide the revisor of statutes;
 529.2 the director of the House Research Department; and the director of Senate Counsel, Research
 529.3 and Fiscal Analysis with a report containing a complete list of all statutory provisions
 529.4 previously enacted with an effective date contingent on federal approval. The commissioner
 529.5 must identify in the report which, if any, provisions received federal approval since the
 529.6 preceding September 1 and the date that federal approval for each provision was received.
 529.7 If no provisions have received federal approval since the preceding September 1, the report
 529.8 must state that fact. The revisor of statutes may authorize the commissioner to remove
 529.9 federally approved provisions from subsequent reports submitted.

529.10 (d) The reports in paragraphs (b) and (c) must be provided in a form prescribed by the
 529.11 revisor of statutes.

529.12 (e) An employee in the Department of Human Services who is responsible for identifying
 529.13 and tracking federal approval of provisions must attest to the accuracy of the reports in a
 529.14 manner prescribed by the revisor of statutes.

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

529.16 Sec. 9. Minnesota Statutes 2024, section 256B.051, subdivision 3, is amended to read:

529.17 Subd. 3. **Eligibility.** An individual with a disability is eligible for housing stabilization
 529.18 services if the individual:

529.19 (1) is 18 years of age or older;

529.20 (2) is enrolled in medical assistance;

529.21 (3) has income at or below 150 percent of the federal poverty level;

529.22 (4) has an assessment of functional need that determines a need for services due to
 529.23 limitations caused by the individual's disability;

529.24 ~~(4)~~ (5) resides in or plans to transition to a community-based setting as defined in Code
 529.25 of Federal Regulations, title 42, section 441.301 (c); and

529.26 ~~(5)~~ (6) has housing instability evidenced by:

529.27 (i) being homeless or at-risk of homelessness;

529.28 (ii) being in the process of transitioning from, or having transitioned in the past six
 529.29 months from, an institution or licensed or registered setting;

529.30 (iii) being eligible for waiver services under chapter 256S or section 256B.092 or
 529.31 256B.49; or

530.1 (iv) having been identified by a long-term care consultation under section 256B.0911
530.2 as at risk of institutionalization.

530.3 Sec. 10. **[306.991] GREEN BURIALS IN PUBLIC CEMETERIES.**

530.4 **Subdivision 1. Definitions.** (a) For purposes of this section, the following terms have
530.5 the meanings given.

530.6 (b) "Drainage system" has the meaning given in section 103E.005, subdivision 12.

530.7 (c) "Green burial" has the meaning given in section 149A.02, subdivision 42.

530.8 (d) "Natural watercourse" has the meaning given in section 103G.005, subdivision 13.

530.9 (e) "Ordinary high-water level" has the meaning given in section 103G.005, subdivision
530.10 14.

530.11 (f) "Water supply well" has the meaning given in section 103I.005, subdivision 20a.

530.12 **Subd. 2. Green burial requirements.** A municipality, town, or other cemetery governed
530.13 by this chapter that allows for green burials must comply with the requirements of this
530.14 section.

530.15 **Subd. 3. Green burial plot locations.** (a) Green burial plots must meet the following
530.16 criteria:

530.17 (1) be set back 50 feet from property lines;

530.18 (2) maintain at least three and one-half feet clearance above the ordinary high-water
530.19 level;

530.20 (3) not be in standing water;

530.21 (4) not be within zone 1 groundwater source protection zones around a spring, water
530.22 supply well, or a shaft drilled into the ground meant to extract water; and

530.23 (5) not be within flood-prone areas.

530.24 (b) Green burial plot locations must be a certain distance from water sources. Green
530.25 burial plot locations must be:

530.26 (1) 50 feet from water supply wells and shafts drilled into the ground used to extract
530.27 water;

530.28 (2) 100 feet from other springs or watercourses; and

530.29 (3) 33 feet from drainage systems.

531.1 Subd. 4. **Exception.** A property with green burial plots in a designated location on or
531.2 before July 1, 2025, does not need to comply with the requirement of subdivision 3, paragraph
531.3 (a), clause (1).

531.4 Subd. 5. **Burial depth.** (a) Green burial plots must be at a minimum depth of three and
531.5 one-half feet from the base of the grave to the soil horizon.

531.6 (b) Green burials must have three and one-half feet of cover.

531.7 Subd. 6. **Burial density.** Green burial plots must be a maximum of 300 burials per acre
531.8 over a 100 year period.

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

531.10 Sec. 11. **[306.992] SCATTERING OF HYDROLYZED OR CREMATED REMAINS.**

531.11 Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have
531.12 the meanings given.

531.13 (b) "Cremated remains" has the meaning given in section 149A.02, subdivision 7.

531.14 (c) "Hydrolyzed remains" has the meaning given in section 149A.02, subdivision 24a.

531.15 Subd. 2. **Designated location.** A municipality, town, or other cemetery governed by
531.16 this chapter that allows for scattering of hydrolyzed remains or cremated remains must
531.17 designate a location within the cemetery for the scattering of hydrolyzed remains or cremated
531.18 remains.

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

531.20 Sec. 12. **[307.14] GREEN BURIALS IN PRIVATE CEMETERIES.**

531.21 Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have
531.22 the meanings given.

531.23 (b) "Drainage system" has the meaning given in section 103E.005, subdivision 12.

531.24 (c) "Green burial" has the meaning given in section 149A.02, subdivision 42.

531.25 (d) "Natural watercourse" has the meaning given in section 103G.005, subdivision 13.

531.26 (e) "Ordinary high-water level" has the meaning given in section 103G.005, subdivision
531.27 14.

531.28 (f) "Water supply well" has the meaning given in section 103I.005, subdivision 20a.

532.1 Subd. 2. **Green burial requirements.** A person who owns a cemetery governed by this
532.2 chapter that allows for green burials must comply with the requirements of this section.

532.3 Subd. 3. **Green burial plot locations.** (a) Green burial plots must meet the following
532.4 criteria:

532.5 (1) be set back 50 feet from property lines;

532.6 (2) maintain at least three and one-half feet clearance above the ordinary high-water
532.7 level;

532.8 (3) not be in standing water;

532.9 (4) not be within zone 1 groundwater source protection zones around a spring, water
532.10 supply well, or a shaft drilled into the ground meant to extract water; and

532.11 (5) not be within flood-prone areas.

532.12 (b) Green burial plot locations must be a certain distance from water sources. Green
532.13 burial plot locations must be:

532.14 (1) 50 feet from water supply wells and shafts drilled into the ground used to extract
532.15 water;

532.16 (2) 100 feet from other springs or watercourses; and

532.17 (3) 33 feet from drainage systems.

532.18 Subd. 4. **Exception.** A property with green burial plots in a designated location on or
532.19 before July 1, 2025, does not need to comply with the requirement of subdivision 3, paragraph
532.20 (a), clause (1).

532.21 Subd. 5. **Burial depth.** (a) Green burial plots must be at a minimum depth of three and
532.22 one-half feet from the base of the grave to the soil horizon.

532.23 (b) Green burials must have three and one-half feet of cover.

532.24 Subd. 6. **Burial density.** Green burial plots must be a maximum of 300 burials per acre
532.25 over a 100 year period.

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

532.27 Sec. 13. **[307.15] SCATTERING OF HYDROLYZED OR CREMATED REMAINS.**

532.28 Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have
532.29 the meanings given.

532.30 (b) "Cremated remains" has the meaning given in section 149A.02, subdivision 7.

533.1 (c) "Hydrolyzed remains" has the meaning given in section 149A.02, subdivision 24a.

533.2 Subd. 2. **Designated location.** A person who owns a cemetery governed by this chapter
533.3 that allows for scattering of hydrolyzed remains or cremated remains must designate a
533.4 location within the cemetery for the scattering of hydrolyzed or cremated remains.

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

533.6 Sec. 14. Laws 2024, chapter 127, article 67, section 6, is amended to read:

533.7 Sec. 6. **COMMISSIONER OF MANAGEMENT**
533.8 **AND BUDGET**

533.9	Appropriations by Fund		
533.10		2024	2025
533.11	General	-0-	(232,000)
533.12	Health Care Access	-0-	100,000

533.13 (a) **Insulin safety net program.** \$100,000 in
533.14 fiscal year 2025 is from the health care access
533.15 fund for the insulin safety net program in
533.16 Minnesota Statutes, section 151.74.

533.17 (b) **Transfer.** The commissioner must transfer
533.18 from the health care access fund to the insulin
533.19 ~~safety-net program~~ repayment account in the
533.20 special revenue fund the amount certified by
533.21 the commissioner of administration under
533.22 Minnesota Statutes, section 151.741,
533.23 subdivision 5, paragraph (b), estimated to be
533.24 \$100,000 in fiscal year 2025, for
533.25 reimbursement to manufacturers for insulin
533.26 dispensed under the insulin safety net program
533.27 in Minnesota Statutes, section 151.74. The
533.28 base for this transfer is estimated to be
533.29 \$100,000 in fiscal year 2026 and \$100,000 in
533.30 fiscal year 2027.

533.31 (c) **Base Level Adjustment.** The health care
533.32 access fund base is increased by \$100,000 in

534.1 fiscal year 2026 and increased by \$100,000 in
534.2 fiscal year 2027.

534.3 **Sec. 15. TRANSFERS TO THE DEPARTMENT OF CHILDREN, YOUTH, AND**
534.4 **FAMILIES IN UNCODIFIED LAW.**

534.5 Any power, duty, or responsibility given to the commissioner of human services or the
534.6 Department of Human Services in an uncoded section of Laws of Minnesota that is a part
534.7 of, necessary for, or in service of a power, duty, or responsibility transferred in Laws 2023,
534.8 chapter 70, article 12, section 30, or Laws 2024, chapter 80, transfers to the commissioner
534.9 of children, youth, and families or the Department of Children, Youth, and Families upon
534.10 the notice of transfer of the underlying power, duty, or responsibility required in Laws 2023,
534.11 chapter 70, article 12, section 30, subdivision 1. This section applies to uncoded sections
534.12 of Laws of Minnesota enacted before and after Laws 2023, chapter 70, including but not
534.13 limited to Laws 2024, chapter 117, sections 16 to 22.

534.14 **Sec. 16. OPERATION WITHIN EXISTING RESOURCES.**

534.15 The board of directors of MNsure may, if necessary, operate and administer the premium
534.16 subsidy program established under Minnesota Statutes, section 62V.16, in nonconformance
534.17 with that section to the minimum extent necessary, using existing resources and available
534.18 processes until January 1, 2027.

534.19 **Sec. 17. DIRECTION TO THE COMMISSIONER OF CHILDREN, YOUTH, AND**
534.20 **FAMILIES; CHILD CARE AND DEVELOPMENT BLOCK GRANT**
534.21 **ALLOCATIONS.**

534.22 (a) The commissioner of children, youth, and families shall allocate \$1,000,000 in fiscal
534.23 year 2026 and \$1,000,000 in fiscal year 2027 from the child care and development block
534.24 grant for child care improvement grants under Minnesota Statutes, section 142D.20,
534.25 subdivision 3, paragraph (a), clause (7). This is a onetime allocation.

534.26 (b) The commissioner of children, youth, and families shall allocate \$55,000 in fiscal
534.27 year 2026, \$639,000 in fiscal year 2027, \$1,639,000 in fiscal year 2028, and \$1,638,000 in
534.28 fiscal year 2029 from the child care and development block grant for the development of a
534.29 statewide electronic attendance and record keeping system for the child care assistance
534.30 program.

534.31 (c) The commissioner of children, youth, and families shall allocate \$1,419,000 in fiscal
534.32 year 2026, \$4,221,000 in fiscal year 2027, \$4,791,000 in fiscal year 2028, and \$4,885,000

535.1 in fiscal year 2029 from the child care and development block grant for MFIP child care
535.2 assistance to comply with federal requirements.

535.3 (d) The commissioner of children, youth, and families shall allocate \$2,662,000 in fiscal
535.4 year 2026, \$5,479,000 in fiscal year 2027, \$5,482,000 in fiscal year 2028, and \$5,196,000
535.5 in fiscal year 2029 from the child care and development block grant for basic sliding fee
535.6 child care assistance to comply with federal requirements.

535.7 Sec. 18. **DIRECTION TO COMMISSIONER OF CHILDREN, YOUTH, AND**
535.8 **FAMILIES; ALLOCATION OF TANF-ELIGIBLE GENERAL FUND**
535.9 **EXPENDITURES.**

535.10 The commissioner of children, youth, and families must identify \$4,000,000 in fiscal
535.11 year 2026, \$4,000,000 in fiscal year 2027, \$4,000,000 in fiscal year 2028, and \$4,000,000
535.12 in fiscal year 2029 of general fund expenditures attributable to eligible activities under
535.13 Minnesota Statutes, chapter 142G, and reduce general fund expenditures by the same
535.14 amounts. The commissioner must allocate \$4,000,000 in fiscal year 2026, \$4,000,000 in
535.15 fiscal year 2027, \$4,000,000 in fiscal year 2028, and \$4,000,000 in fiscal year 2029 to
535.16 eligible activities under Minnesota Statutes, chapter 142G, to the TANF fund.

535.17 Sec. 19. **DIRECTION TO THE COMMISSIONERS OF HEALTH; HUMAN**
535.18 **SERVICES; AND CHILDREN, YOUTH, AND FAMILIES; REPORTS ON GRANT**
535.19 **FUNDING.**

535.20 (a) Beginning January 15, 2026, and each odd-numbered year thereafter, the
535.21 commissioners of health; human services; and children, youth, and families must each
535.22 submit a report that contains an accurate list of all grants with money appropriated in the
535.23 preceding fiscal year and appropriated for the current biennium and the following biennium
535.24 that are administered by each commissioner and must include for each grant:

535.25 (1) the name of the grant;

535.26 (2) a description of the grant, including the eligibility criteria of grantees and the purpose
535.27 of the grant;

535.28 (3) the amount appropriated in each fiscal year that supports the total appropriation for
535.29 each grant budget activity for the November forecast in each even-numbered year; and

535.30 (4) the accurate and complete statutory or Minnesota Laws citation for the authority for
535.31 the grant.

(b) The commissioner of health must submit the report in paragraph (a) to the chairs and ranking minority members of the legislative committees with jurisdiction over health, and to the director of the House Research Department, the chief fiscal analyst of the House Fiscal Analysis Department, and the director and principal fiscal analyst of Senate Counsel, Research and Fiscal Analysis.

(c) The commissioner of human services must submit the report in paragraph (a) to the chairs and ranking minority members of the legislative committees with jurisdiction over human services, and to the director of the House Research Department, the chief fiscal analyst of the House Fiscal Analysis Department, and the director and principal fiscal analyst of Senate Counsel, Research and Fiscal Analysis.

(d) The commissioner of children, youth, and families must submit the report in paragraph (a) to the chairs and ranking minority members of the legislative committees with jurisdiction over children, youth, and families, and to the director of the House Research Department, the chief fiscal analyst of the House Fiscal Analysis Department, and the director and principal fiscal analyst of Senate Counsel, Research and Fiscal Analysis.

(e) The reports provided under this section expire on June 30, 2036.

Sec. 20. **REVISOR INSTRUCTION.**

By February 1, 2026, the revisor of statutes must identify any changes to Minnesota Statutes and Minnesota Rules necessary to reflect the expiration of the Minnesota premium security plan and the premium security account. The revisor of statutes may submit to the chairs and ranking minority members of the legislative committees with jurisdiction over commerce finance and policy draft legislation with the statutory changes necessary to implement the identified changes.

Sec. 21. **REPEALER.**

Minnesota Statutes 2024, sections 62E.21; 62E.22; 62E.23; 62E.24; and 62E.25, are repealed.

EFFECTIVE DATE. This section is effective August 16, 2026.

ARTICLE 22

HUMAN SERVICES FORECAST ADJUSTMENTS

Section 1. **DEPARTMENT OF HUMAN SERVICES FORECAST ADJUSTMENT.**

537.1 The dollar amounts shown in the columns marked "Appropriations" are added to or, if
 537.2 shown in parentheses, are subtracted from the appropriations in Laws 2023, chapter 70,
 537.3 article 20, from the general fund, or any other fund named, to the commissioner of human
 537.4 services for the purposes specified in this article, to be available for the fiscal year indicated
 537.5 for each purpose. The figure "2025" used in this article means that the appropriations listed
 537.6 are available for the fiscal year ending June 30, 2025.

537.7 **APPROPRIATIONS**
 537.8 **Available for the Year**
 537.9 **Ending June 30**
 537.10 **2025**

537.11 **Sec. 2. COMMISSIONER OF HUMAN**
 537.12 **SERVICES**

537.13 **Subdivision 1. Total Appropriation** \$ **114,527,000**

537.14 Appropriations by Fund

537.15 2025

537.16 General 136,895,000

537.17 Health Care Access (16,968,000)

537.18 Federal TANF (5,400,000)

537.19 **Subd. 2. Forecasted Programs**

537.20 **(a) Minnesota Family**

537.21 **Investment Program**

537.22 **(MFIP)/Diversionary Work**

537.23 **Program (DWP)**

537.24 Appropriations by Fund

537.25 2025

537.26 General (5,951,000)

537.27 Federal TANF (5,400,000)

537.28 **(b) MFIP Child Care Assistance** (62,336,000)

537.29 **(c) General Assistance** 3,737,000

537.30 **(d) Minnesota Supplemental Aid** 3,428,000

537.31 **(e) Housing Support** 11,923,000

537.32 **(f) MinnesotaCare** (16,525,000)

537.33 This appropriation is from the health care

537.34 access fund.

538.1	<u>(g) Medical Assistance</u>	
538.2	<u>Appropriations by Fund</u>	
538.3	<u>2025</u>	
538.4	<u>General</u>	<u>59,692,000</u>
538.5	<u>Health Care Access</u>	<u>(443,000)</u>
538.6	<u>(h) Behavioral Health Fund</u>	<u>135,928,000</u>
538.7	<u>(i) Northstar Care for Children</u>	<u>(9,526,000)</u>

538.8 Sec. 3. EFFECTIVE DATE.

538.9 Sections 1 and 2 are effective the day following final enactment.

538.10 **ARTICLE 23**

538.11 **DEPARTMENT OF HUMAN SERVICES APPROPRIATIONS**

538.12 Section 1. **HUMAN SERVICES APPROPRIATIONS.**

538.13 The sums shown in the columns marked "Appropriations" are appropriated to the
538.14 commissioner of human services for the purposes specified in this article. The appropriations
538.15 are from the general fund, or another named fund, and are available for the fiscal years
538.16 indicated for each purpose. The figures "2026" and "2027" used in this article mean that
538.17 the appropriations listed under them are available for the fiscal year ending June 30, 2026,
538.18 or June 30, 2027, respectively. "The first year" is fiscal year 2026. "The second year" is
538.19 fiscal year 2027. "The biennium" is fiscal years 2026 and 2027.

538.20	<u>APPROPRIATIONS</u>	
538.21	<u>Available for the Year</u>	
538.22	<u>Ending June 30</u>	
538.23	<u>2026</u>	<u>2027</u>
538.24	Sec. 2. <u>COMMISSIONER OF HUMAN</u>	
538.25	<u>SERVICES</u>	\$ <u>3,270,735,000</u> \$ <u>3,436,450,000</u>

538.26 Subdivision 1. **Total Appropriation**

538.27	<u>Appropriations by Fund</u>	
538.28	<u>2026</u>	<u>2027</u>
538.29	<u>General</u>	<u>1,954,922,000</u> <u>2,172,448,000</u>
538.30	<u>State Government</u>	
538.31	<u>Special Revenue</u>	<u>4,273,000</u> <u>4,273,000</u>

539.1	<u>Health Care Access</u>	<u>1,311,183,000</u>	<u>1,259,372,000</u>
539.2	<u>Lottery Prize</u>	<u>163,000</u>	<u>163,000</u>
539.3	<u>Family and Medical</u>		
539.4	<u>Benefit Insurance</u>	<u>194,000</u>	<u>194,000</u>

539.5 The amounts that may be spent for each
539.6 purpose are specified in this article.

539.7 Subd. 2. **Information Technology Appropriations**

539.8 (a) **IT appropriations generally.** This
539.9 appropriation includes money for information
539.10 technology projects, services, and support.
539.11 Funding for information technology project
539.12 costs must be incorporated into the
539.13 service-level agreement and paid to Minnesota
539.14 IT Services by the Department of Human
539.15 Services under the rates and mechanism
539.16 specified in that agreement.

539.17 (b) **Receipts for systems project.**
539.18 Appropriations and federal receipts for
539.19 information technology systems projects for
539.20 MMIS and METS must be deposited in the
539.21 state systems account authorized in Minnesota
539.22 Statutes, section 256.014. Money appropriated
539.23 for information technology projects approved
539.24 by the commissioner of Minnesota IT
539.25 Services, funded by the legislature, and
539.26 approved by the commissioner of management
539.27 and budget may be transferred from one
539.28 project to another and from development to
539.29 operations as the commissioner of human
539.30 services deems necessary. Any unexpended
539.31 balance in the appropriation for these projects
539.32 does not cancel and is available for ongoing
539.33 development and operations.

539.34 Sec. 3. **CENTRAL OFFICE; OPERATIONS**

539.35	<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>167,050,000</u>	<u>\$</u>	<u>172,312,000</u>

540.1	<u>Appropriations by Fund</u>		
540.2	<u>General</u>	<u>145,200,000</u>	<u>148,935,000</u>
540.3	<u>State Government</u>		
540.4	<u>Special Revenue</u>	<u>248,000</u>	<u>248,000</u>
540.5	<u>Health Care Access</u>	<u>21,408,000</u>	<u>22,935,000</u>
540.6	<u>Family and Medical</u>		
540.7	<u>Benefits Insurance</u>	<u>194,000</u>	<u>194,000</u>
540.8	<u>Subd. 2. Administrative Recovery; Set-Aside</u>		
540.9	<u>The commissioner may invoice local entities</u>		
540.10	<u>through the SWIFT accounting system as an</u>		
540.11	<u>alternative means to recover the actual cost of</u>		
540.12	<u>administering the following provisions:</u>		
540.13	<u>(1) the statewide data management system</u>		
540.14	<u>authorized in Minnesota Statutes, section</u>		
540.15	<u>125A.744, subdivision 3;</u>		
540.16	<u>(2) repayment of the special revenue</u>		
540.17	<u>maximization account as provided under</u>		
540.18	<u>Minnesota Statutes, section 245.495,</u>		
540.19	<u>paragraph (b);</u>		
540.20	<u>(3) repayment of the special revenue</u>		
540.21	<u>maximization account as provided under</u>		
540.22	<u>Minnesota Statutes, section 256B.0625,</u>		
540.23	<u>subdivision 20, paragraph (k);</u>		
540.24	<u>(4) targeted case management under</u>		
540.25	<u>Minnesota Statutes, section 256B.0924,</u>		
540.26	<u>subdivision 6, paragraph (g);</u>		
540.27	<u>(5) residential services for children with severe</u>		
540.28	<u>emotional disturbance under Minnesota</u>		
540.29	<u>Statutes, section 256B.0945, subdivision 4,</u>		
540.30	<u>paragraph (d); and</u>		
540.31	<u>(6) repayment of the special revenue</u>		
540.32	<u>maximization account as provided under</u>		
540.33	<u>Minnesota Statutes, section 256F.10,</u>		
540.34	<u>subdivision 6, paragraph (b).</u>		

541.1	<u>Subd. 3. Family and Medical Benefit Insurance</u>			
541.2	<u>\$194,000 in fiscal year 2026 and \$194,000 in</u>			
541.3	<u>fiscal year 2027 are from the family and</u>			
541.4	<u>medical benefit insurance fund for systems</u>			
541.5	<u>costs to administer Minnesota Statutes, chapter</u>			
541.6	<u>268B.</u>			
541.7	<u>Subd. 4. Base Level Adjustment</u>			
541.8	<u>The general fund base for this section is</u>			
541.9	<u>\$149,621,000 in fiscal year 2028 and</u>			
541.10	<u>\$150,581,000 in fiscal year 2029.</u>			
541.11	<u>Sec. 4. CENTRAL OFFICE; HEALTH CARE</u>			
541.12	<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>66,827,000</u>	<u>\$ 62,780,000</u>
541.13	<u>Appropriations by Fund</u>			
541.14	<u>General</u>	<u>38,659,000</u>	<u>34,612,000</u>	
541.15	<u>Health Care Access</u>	<u>28,168,000</u>	<u>28,168,000</u>	
541.16	<u>Subd. 2. Base Level Adjustment</u>			
541.17	<u>The general fund base for this section is</u>			
541.18	<u>\$34,639,000 in fiscal year 2028 and</u>			
541.19	<u>\$34,639,000 in fiscal year 2029.</u>			
541.20	<u>Sec. 5. CENTRAL OFFICE; AGING AND</u>			
541.21	<u>DISABILITY SERVICES</u>	<u>\$</u>	<u>49,290,000</u>	<u>\$ 49,194,000</u>
541.22	<u>Appropriations by Fund</u>			
541.23	<u>General</u>	<u>49,165,000</u>	<u>49,069,000</u>	
541.24	<u>State Government</u>			
541.25	<u>Special Revenue</u>	<u>125,000</u>	<u>125,000</u>	
541.26	<u>Sec. 6. CENTRAL OFFICE; BEHAVIORAL</u>			
541.27	<u>HEALTH</u>			
541.28	<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>22,563,000</u>	<u>\$ 22,159,000</u>
541.29	<u>Appropriations by Fund</u>			
541.30	<u>General</u>	<u>22,400,000</u>	<u>21,996,000</u>	
541.31	<u>Lottery Prize</u>	<u>163,000</u>	<u>163,000</u>	

542.1 Subd. 2. **Psychiatric Residential Treatment**
542.2 **Facility Report**

542.3 \$288,000 in fiscal year 2026 is from the
542.4 general fund for the development of the
542.5 psychiatric residential treatment facility report
542.6 and proposed legislation. This is a onetime
542.7 appropriation and is available until June 30,
542.8 2027.

542.9 Subd. 3. **Online Behavioral Health Program**
542.10 **Locator**

542.11 (a) \$959,000 in fiscal year 2026 and \$959,000
542.12 in fiscal year 2027 are from the general fund
542.13 for an online behavioral health program
542.14 locator.

542.15 (b) Any vendor selected to administer the
542.16 online behavioral health program locator under
542.17 paragraph (a) must be based in Minnesota.
542.18 Notwithstanding section 25, this paragraph
542.19 does not expire.

542.20 Sec. 7. **CENTRAL OFFICE; HOMELESSNESS,**
542.21 **HOUSING, AND SUPPORT SERVICES** \$ 7,065,000 \$ 6,421,000

542.22 Sec. 8. **CENTRAL OFFICE; OFFICE OF**
542.23 **INSPECTOR GENERAL**

542.24 Subdivision 1. **Total Appropriation** \$ 36,262,000 \$ 37,456,000

542.25 Appropriations by Fund

542.26 General 31,421,000 32,615,000

542.27 State Government

542.28 Special Revenue 3,900,000 3,900,000

542.29 Health Care Access 941,000 941,000

542.30 Subd. 2. **Base Level Adjustment**

542.31 The general fund base for this section is
542.32 \$32,671,000 in fiscal year 2028 and
542.33 \$32,617,000 in fiscal year 2029.

542.34 Sec. 9. **FORECASTED PROGRAMS;**
542.35 **GENERAL ASSISTANCE** \$ 84,138,000 \$ 86,462,000

543.1	<u>Emergency General Assistance</u>			
543.2	<u>(a) The amount appropriated for emergency</u>			
543.3	<u>general assistance is up to \$6,729,812 in fiscal</u>			
543.4	<u>year 2026 and up to \$6,729,812 in fiscal year</u>			
543.5	<u>2027.</u>			
543.6	<u>(b) Money to counties for emergency general</u>			
543.7	<u>assistance shall be allocated by the</u>			
543.8	<u>commissioner using the allocation method</u>			
543.9	<u>under Minnesota Statutes, section 256D.06,</u>			
543.10	<u>subdivision 2, paragraph (c).</u>			
543.11	<u>Sec. 10. FORECASTED PROGRAMS;</u>			
543.12	<u>MINNESOTA SUPPLEMENTAL</u>			
543.13	<u>ASSISTANCE</u>	\$	<u>67,113,000</u>	\$ <u>69,089,000</u>
543.14	<u>Sec. 11. FORECASTED PROGRAMS;</u>			
543.15	<u>HOUSING SUPPORT</u>	\$	<u>269,258,000</u>	\$ <u>279,703,000</u>
543.16	<u>Sec. 12. FORECASTED PROGRAMS;</u>			
543.17	<u>MINNESOTACARE</u>	\$	<u>106,426,000</u>	\$ <u>170,050,000</u>
543.18	<u>This appropriation is from the health care</u>			
543.19	<u>access fund.</u>			
543.20	<u>Sec. 13. FORECASTED PROGRAMS;</u>			
543.21	<u>MEDICAL ASSISTANCE</u>	\$	<u>2,138,140,000</u>	\$ <u>2,222,830,000</u>
543.22	<u>Appropriations by Fund</u>			
543.23	<u>General</u>		<u>987,365,000</u>	<u>1,189,017,000</u>
543.24	<u>Health Care Access</u>		<u>1,150,775,000</u>	<u>1,033,813,000</u>
543.25	<u>The health care access fund base for this</u>			
543.26	<u>section is \$1,005,182,000 in fiscal year 2028</u>			
543.27	<u>and \$1,007,298,000 in fiscal year 2029.</u>			
543.28	<u>Sec. 14. GRANT PROGRAMS; CHILD AND</u>			
543.29	<u>COMMUNITY SERVICES GRANTS</u>	\$	<u>5,655,000</u>	\$ <u>5,655,000</u>
543.30	<u>Sec. 15. GRANT PROGRAMS; REFUGEE</u>			
543.31	<u>SERVICES GRANTS</u>	\$	<u>100,000</u>	\$ <u>100,000</u>
543.32	<u>Sec. 16. GRANT PROGRAMS; HEALTH</u>			
543.33	<u>CARE GRANTS</u>	\$	<u>8,176,000</u>	\$ <u>8,176,000</u>

544.1	<u>Appropriations by Fund</u>			
544.2	<u>General</u>	<u>4,711,000</u>	<u>4,711,000</u>	
544.3	<u>Health Care Access</u>	<u>3,465,000</u>	<u>3,465,000</u>	
544.4	<u>Sec. 17. GRANT PROGRAMS; DISABILITIES</u>			
544.5	<u>GRANTS</u>	<u>\$</u>	<u>(2,220,000)</u>	<u>\$ (2,220,000)</u>
544.6	<u>Sec. 18. GRANT PROGRAMS; HOUSING AND</u>			
544.7	<u>SUPPORT SERVICES GRANTS</u>	<u>\$</u>	<u>89,570,000</u>	<u>\$ 92,911,000</u>
544.8	<u>Subdivision 1. Family Supportive Housing Grant</u>			
544.9	<u>Program</u>			
544.10	<u>\$700,000 in fiscal year 2026 is for the family</u>			
544.11	<u>supportive housing grant program. This is a</u>			
544.12	<u>onetime appropriation and is available until</u>			
544.13	<u>June 30, 2027.</u>			
544.14	<u>Subd. 2. Grant for Catholic Charities Homeless</u>			
544.15	<u>Elders Program</u>			
544.16	<u>\$959,000 in fiscal year 2026 is for a grant to</u>			
544.17	<u>Catholic Charities of St. Paul and Minneapolis</u>			
544.18	<u>for the homeless elders program that helps</u>			
544.19	<u>homeless, isolated, and low-income older</u>			
544.20	<u>adults to move into stable housing. This is a</u>			
544.21	<u>onetime appropriation and is available until</u>			
544.22	<u>June 30, 2027.</u>			
544.23	<u>Sec. 19. GRANT PROGRAMS; ADULT</u>			
544.24	<u>MENTAL HEALTH GRANTS</u>	<u>\$</u>	<u>110,977,000</u>	<u>\$ 110,977,000</u>
544.25	<u>Early Episode of Bipolar Disorder Grants.</u>			
544.26	<u>\$125,000 in fiscal year 2026 and \$125,000 in</u>			
544.27	<u>fiscal year 2027 are for early episode of</u>			
544.28	<u>bipolar disorder grants under Minnesota</u>			
544.29	<u>Statutes, section 245.4905.</u>			
544.30	<u>Sec. 20. GRANT PROGRAMS; CHILD</u>			
544.31	<u>MENTAL HEALTH GRANTS</u>	<u>\$</u>	<u>37,625,000</u>	<u>\$ 35,675,000</u>
544.32	<u>Subdivision 1. Grant to Mental Health</u>			
544.33	<u>Collaboration Hub Innovation Pilot Program</u>			
544.34	<u>\$750,000 in fiscal year 2026 is for a grant to</u>			
544.35	<u>the Mental Health Collaboration Hub for the</u>			

545.1 Mental Health Collaboration Hub innovation
545.2 pilot program. This is a onetime appropriation
545.3 and is available until June 30, 2027.

545.4 Subd. 2. **Psychiatric Residential Treatment**
545.5 **Start-Up and Capacity-Building Grants**

545.6 \$200,000 in fiscal year 2026 is for a grant to
545.7 Clay County under Minnesota Statutes, section
545.8 256B.0941, subdivision 5, for a new 18-bed
545.9 psychiatric residential treatment facility in
545.10 Clay County. This is a onetime appropriation
545.11 and is available until June 30, 2029.

545.12 Subd. 3. **Grant to Clay County for Psychiatric**
545.13 **Residential Treatment Facility**

545.14 \$1,000,000 in fiscal year 2026 is for a grant
545.15 to Clay County for the purchase of equipment
545.16 and final redesign and remodeling for the
545.17 conversion of the West Central Regional
545.18 Juvenile Center nonsecure unit into an 18-bed
545.19 psychiatric residential treatment facility for
545.20 persons younger than 21 years of age, under
545.21 Minnesota Statutes, section 256B.0941. This
545.22 is a onetime appropriation.

545.23 Subd. 4. **School-Linked Behavioral Health**
545.24 **Grants**

545.25 \$22,576,000 in fiscal year 2026 and
545.26 \$22,576,000 in fiscal year 2027 are from the
545.27 general fund for school-linked behavioral
545.28 health grants under Minnesota Statutes, section
545.29 245.4901.

545.30 Sec. 21. **GRANT PROGRAMS; HIV GRANTS** \$ 6,720,000 \$ 6,720,000

545.31 **Grants to Community-Based HIV/AIDS**

545.32 **Support Services Providers.** \$4,500,000 in
545.33 fiscal year 2026 and \$4,500,000 in fiscal year
545.34 2027 are for grants to community-based
545.35 HIV/AIDS support services providers.

Sec. 22. **TRANSFERS.**

Subdivision 1. Grants. The commissioner of human services, with the advance approval of the commissioner of management and budget, may transfer unencumbered appropriation balances for the biennium ending June 30, 2027, within fiscal years among general assistance, medical assistance, MinnesotaCare, the Minnesota supplemental aid program, the housing support program, and the entitlement portion of the behavioral health fund between fiscal years of the biennium. The commissioner shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services quarterly 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 commissioner deems necessary, with the advance approval of the commissioner of management and budget. The commissioner 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. Temporary authority for interagency transfers with Department of Children, Youth, and Families. Beginning July 1, 2025, and until September 30, 2025, administrative money may be transferred between the Department of Human Services and Department of Children, Youth, and Families 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 children and families quarterly about transfers made under this section.

Sec. 23. **CANCELLATIONS.**

Subdivision 1. School-linked behavioral health grants. \$3,000,000 of the fiscal year 2025 general fund appropriation in Laws 2024, chapter 127, article 67, section 2, subdivision 9, paragraph (a), is canceled to the general fund.

Subd. 2. New American legal, social services, and long-term care workforce grant program. \$7,000,000 of the fiscal year 2024 general fund appropriation in Laws 2023, chapter 70, article 20, section 2, subdivision 25, is canceled to the general fund.

Subd. 3. Mobile crisis grants. \$1,672,000 of the fiscal year 2025 general fund appropriation in Laws 2023, chapter 70, article 20, section 2, subdivision 29, paragraph (e), is canceled to the general fund.

547.1 Subd. 4. **Child mental health grants.** \$250,000 of the fiscal year 2025 general fund
547.2 appropriation in Laws 2023, chapter 70, article 20, section 2, subdivision 30, is canceled to
547.3 the general fund.

547.4 Subd. 5. **Emergency medical assistance legal referral costs.** \$100,000 of the 2025
547.5 general fund appropriation in Laws 2023, chapter 70, article 20, section 2, subdivision 26,
547.6 is canceled to the general fund.

547.7 Subd. 6. **Grants to navigators.** \$800,000 of the fiscal year 2024 health care access fund
547.8 appropriation in Laws 2023, chapter 22, section 4, subdivision 2, is canceled to the health
547.9 care access fund.

547.10 Subd. 7. **Mille Lacs Band of Ojibwe American Indian child welfare**
547.11 **initiative.** \$5,294,000 of the fiscal year 2025 general fund appropriation in Laws 2023,
547.12 chapter 70, article 20, section 2, subdivision 22, paragraph (b), is canceled to the general
547.13 fund.

547.14 Subd. 8. **Transition grant program.** \$293,000 of the fiscal year 2024 general fund
547.15 appropriation in Laws 2023, chapter 70, article 20, section 2, subdivision 20, paragraph (b),
547.16 is canceled to the general fund.

547.17 Subd. 9. **Grant to administer pool of qualified individuals for assessments.** \$250,000
547.18 of the fiscal year 2025 general fund appropriation in Laws 2023, chapter 70, article 20,
547.19 section 2, subdivision 22, paragraph (k), is canceled to the general fund.

547.20 Subd. 10. **IT systems improvements for children and families.** \$10,000,000 of the
547.21 fiscal year 2024 general fund appropriation in Laws 2023, chapter 70, article 20, section 2,
547.22 subdivision 4, paragraph (g), is canceled to the general fund.

547.23 **EFFECTIVE DATE.** This section is effective the day following final enactment or
547.24 retroactively from June 30, 2025, whichever is earlier.

547.25 Sec. 24. **GRANT ADMINISTRATION COSTS.**

547.26 The administrative costs retention requirement under Minnesota Statutes, section 16B.98,
547.27 subdivision 14, is inapplicable to any appropriation in this article for a grant.

547.28 Sec. 25. **EXPIRATION OF UNCODIFIED LANGUAGE.**

547.29 All uncodified language contained in this article expires June 30, 2027, unless a different
547.30 expiration date is explicit or an appropriation is made available beyond June 30, 2027.

548.1 Sec. 26. Laws 2023, chapter 70, article 20, section 2, subdivision 30, is amended to read:

548.2	Subd. 30. Grant Programs; Child Mental Health		37,934,000
548.3	Grants	44,487,000	37,734,000

548.3	Grants	44,487,000	37,734,000

548.4 (a) **Psychiatric residential treatment facility**

548.5 **start-up grants.** \$1,000,000 in fiscal year

548.6 2024 and ~~\$1,000,000~~ \$800,000 in fiscal year

548.7 2025 are for psychiatric residential treatment

548.8 facility start-up grants under Minnesota

548.9 Statutes, section 256B.0941, subdivision 5.

548.10 This is a onetime appropriation and is

548.11 available until June 30, 2027.

548.12 (b) **African American Child Wellness**

548.13 **Institute.** \$2,000,000 in fiscal year 2024 is

548.14 for a grant to the African American Child

548.15 Wellness Institute to provide culturally

548.16 specific mental health and substance use

548.17 disorder services under Minnesota Statutes,

548.18 section 245.0961. This is a onetime

548.19 appropriation and is available until June 30,

548.20 2027.

548.21 (c) **Base level adjustment.** The general fund

548.22 base is \$34,648,000 in fiscal year 2026 and

548.23 \$34,648,000 in fiscal year 2027.

548.24 **ARTICLE 24**

548.25 DEPARTMENT OF CHILDREN, YOUTH, AND FAMILIES APPROPRIATIONS

548.26 Section 1. **CHILDREN, YOUTH, AND FAMILIES APPROPRIATIONS.**

548.27 The sums shown in the columns marked "Appropriations" are appropriated to the agencies

548.28 and for the purposes specified in this article. The appropriations are from the general fund,

548.29 or another named fund, and are available for the fiscal years indicated for each purpose.

548.30 The figures "2026" and "2027" used in this article mean that the appropriations listed under

548.31 they are available for the fiscal year ending June 30, 2026, or June 30, 2027, respectively.

548.32 "The first year" is fiscal year 2026. "The second year" is fiscal year 2027. "The biennium"

548.33 is fiscal years 2026 and 2027.

549.1	<u>APPROPRIATIONS</u>		
549.2	<u>Available for the Year</u>		
549.3	<u>Ending June 30</u>		
549.4		<u>2026</u>	<u>2027</u>
549.5	Sec. 2. <u>COMMISSIONER OF CHILDREN,</u>		
549.6	<u>YOUTH, AND FAMILIES</u>	\$ <u>1,353,351,000</u>	\$ <u>1,419,413,000</u>
549.7	<u>Appropriations by Fund</u>		
549.8		<u>2026</u>	<u>2027</u>
549.9	<u>General</u>	<u>1,049,362,000</u>	<u>1,094,962,000</u>
549.10	<u>State Government</u>		
549.11	<u>Special Revenue</u>	<u>732,000</u>	<u>732,000</u>
549.12	<u>Federal TANF</u>	<u>302,921,000</u>	<u>323,383,000</u>
549.13	<u>Family and Medical</u>		
549.14	<u>Benefit Insurance</u>	<u>336,000</u>	<u>336,000</u>
549.15	<u>The amounts that may be spent for each</u>		
549.16	<u>purpose are specified in the following sections.</u>		
549.17	Sec. 3. <u>TANF MAINTENANCE OF EFFORT</u>		
549.18	<u>Subdivision 1. Nonfederal Expenditures</u>		
549.19	<u>The commissioner shall ensure that sufficient</u>		
549.20	<u>qualified nonfederal expenditures are made</u>		
549.21	<u>each year to meet the state's maintenance of</u>		
549.22	<u>effort requirements of the TANF block grant</u>		
549.23	<u>specified under Code of Federal Regulations,</u>		
549.24	<u>title 45, section 263.1. In order to meet these</u>		
549.25	<u>basic TANF maintenance of effort</u>		
549.26	<u>requirements, the commissioner may report</u>		
549.27	<u>as TANF maintenance of effort expenditures</u>		
549.28	<u>only nonfederal money expended for allowable</u>		
549.29	<u>activities listed in the following clauses:</u>		
549.30	<u>(1) MFIP cash, diversionary work program,</u>		
549.31	<u>and food assistance benefits under Minnesota</u>		
549.32	<u>Statutes, chapter 142G;</u>		

550.1 (2) the child care assistance programs under
550.2 Minnesota Statutes, sections 142E.04 and
550.3 142E.08, and county child care administrative
550.4 costs under Minnesota Statutes, section
550.5 142E.02, subdivision 9;

550.6 (3) state and county MFIP administrative costs
550.7 under Minnesota Statutes, chapters 142G and
550.8 256K;

550.9 (4) state, county, and Tribal MFIP
550.10 employment services under Minnesota
550.11 Statutes, chapters 142G and 256K;

550.12 (5) expenditures made on behalf of legal
550.13 noncitizen MFIP recipients who qualify for
550.14 the MinnesotaCare program under Minnesota
550.15 Statutes, chapter 256L;

550.16 (6) qualifying working family credit
550.17 expenditures under Minnesota Statutes, section
550.18 290.0671, and child tax credit expenditures
550.19 under Minnesota Statutes, section 290.0661;

550.20 (7) qualifying Minnesota education credit
550.21 expenditures under Minnesota Statutes, section
550.22 290.0674; and

550.23 (8) qualifying Head Start expenditures under
550.24 Minnesota Statutes, section 142D.12.

550.25 **Subd. 2. Nonfederal Expenditures; Reporting**

550.26 For the activities listed in subdivision 1,
550.27 clauses (2) to (8), the commissioner may
550.28 report only expenditures that are excluded
550.29 from the definition of assistance under Code
550.30 of Federal Regulations, title 45, section
550.31 260.31.

551.1 Subd. 3. **Supplemental Expenditures**

551.2 The commissioner may supplement the
551.3 maintenance of effort claim with working
551.4 family credit expenditures or other qualified
551.5 expenditures to the extent such expenditures
551.6 are otherwise available after considering the
551.7 expenditures allowed in this section.

551.8 Subd. 4. **Reduction of Appropriations; Exception**

551.9 The requirement in Minnesota Statutes, section
551.10 142A.06, subdivision 3, that federal grants or
551.11 aids secured or obtained under that subdivision
551.12 be used to reduce any direct appropriations
551.13 provided by law does not apply if the grants
551.14 or aids are federal TANF funds.

551.15 Subd. 5. **IT Appropriations Generally**

551.16 This appropriation includes funds for
551.17 information technology projects, services, and
551.18 support. Funding for information technology
551.19 project costs must be incorporated into the
551.20 service level agreement and paid to Minnesota
551.21 IT Services by the Department of Children,
551.22 Youth, and Families under the rates and
551.23 mechanism specified in that agreement.

551.24 Subd. 6. **Receipts for Systems Project**

551.25 Appropriations and federal receipts for
551.26 information technology systems projects for
551.27 MAXIS, PRISM, ISDS, and SSIS must be
551.28 deposited in the state systems account
551.29 authorized in Minnesota Statutes, section
551.30 142A.04. Money appropriated for information
551.31 technology projects approved by the
551.32 commissioner of Minnesota IT Services,
551.33 funded by the legislature, and approved by the
551.34 commissioner of management and budget may

552.1 be transferred from one project to another and
552.2 from development to operations as the
552.3 commissioner of children, youth, and families
552.4 considers necessary. Any unexpended balance
552.5 in the appropriation for these projects does not
552.6 cancel and is available for ongoing
552.7 development and operations.

552.8 **Subd. 7. Federal SNAP Education and Training**
552.9 **Grants**

552.10 Federal funds available during fiscal years
552.11 2026 and 2027 for Supplemental Nutrition
552.12 Assistance Program Education and Training
552.13 and SNAP Quality Control Performance
552.14 Bonus grants are appropriated to the
552.15 commissioner of human services for the
552.16 purposes allowable under the terms of the
552.17 federal award. This subdivision is effective
552.18 the day following final enactment.

552.19 **Sec. 4. OPERATIONS AND**
552.20 **ADMINISTRATION; AGENCY-WIDE**
552.21 **SUPPORTS**

552.22	Subdivision 1. Total Appropriation	\$	110,319,000	\$	103,807,000

552.23 Appropriations by Fund

552.24		<u>2026</u>	<u>2027</u>
552.25	<u>General</u>	<u>109,151,000</u>	<u>102,639,000</u>
552.26	<u>State Government</u>		
552.27	<u>Special Revenue</u>	<u>732,000</u>	<u>732,000</u>
552.28	<u>Federal TANF</u>	<u>100,000</u>	<u>100,000</u>
552.29	<u>Family and Medical</u>		
552.30	<u>Benefit Insurance</u>	336,000	336,000

552.31 Subd. 2. **Information Technology**

552.32 \$10,000,000 in fiscal year 2026 is from the
552.33 general fund for information technology
552.34 improvements to SSIS. This is a onetime
552.35 appropriation.

553.1 Subd. 3. **Child Welfare Fiscal Analysis**

553.2 \$250,000 in fiscal year 2026 is from the
553.3 general fund to contract with a third-party
553.4 consultant to conduct an independent fiscal
553.5 analysis of the child welfare system in
553.6 Minnesota. This is a onetime appropriation
553.7 and is available until June 30, 2029.

553.8 Subd. 4. **Family and Medical Benefit Insurance**

553.9 \$336,000 in fiscal year 2026 and \$336,000 in
553.10 fiscal year 2027 are from the family and
553.11 medical benefit insurance fund for systems
553.12 costs to administer Minnesota Statutes, chapter
553.13 268B.

553.14 Subd. 5. **Base Level Adjustment**

553.15 The general fund base for this section is
553.16 \$102,534,000 in fiscal year 2028 and
553.17 \$102,172,000 in fiscal year 2029.

553.18 Sec. 5. **OPERATIONS AND**
553.19 **ADMINISTRATION; CHILD SAFETY AND**
553.20 **PERMANENCY**

\$	<u>17,232,000</u>	\$	<u>16,945,000</u>

553.21 Sec. 6. **OPERATIONS AND**
553.22 **ADMINISTRATION; EARLY CHILDHOOD**

\$	<u>17,166,000</u>	\$	<u>12,698,000</u>

553.23 Subdivision 1. **Child Care Attendance and**
553.24 **Record-Keeping System**

553.25 \$5,500,000 in fiscal year 2026 and \$1,000,000
553.26 in fiscal year 2027 are to develop a statewide
553.27 electronic attendance and record-keeping
553.28 system for the child care assistance program.
553.29 This is a onetime appropriation.

553.30 Subd. 2. **Base Level Adjustment**

553.31 The general fund base for this section is
553.32 \$11,698,000 in fiscal year 2028 and
553.33 \$11,698,000 in fiscal year 2029.

554.1	Sec. 7. OPERATIONS AND					
554.2	ADMINISTRATION; ECONOMIC					
554.3	<u>OPPORTUNITY AND YOUTH SERVICES</u>	\$		<u>4,182,000</u>	\$	<u>3,646,000</u>
554.4	Subdivision 1. <u>Scan of and Report on</u>					
554.5	<u>Out-of-School and Youth Programming</u>					
554.6	<u>\$402,000 in fiscal year 2026 is to conduct the</u>					
554.7	<u>scan of and prepare the out-of-school and</u>					
554.8	<u>youth programming report. This is a onetime</u>					
554.9	<u>appropriation.</u>					
554.10	Subd. 2. <u>Base Level Adjustment</u>					
554.11	<u>The general fund base for this section is</u>					
554.12	<u>\$3,562,000 in fiscal year 2028 and \$3,562,000</u>					
554.13	<u>in fiscal year 2029.</u>					
554.14	Sec. 8. OPERATIONS AND					
554.15	<u>ADMINISTRATION; FAMILY WELL-BEING</u>	\$		<u>14,147,000</u>	\$	<u>14,147,000</u>
554.16	<u>Appropriations by Fund</u>					
554.17		<u>2026</u>	<u>2027</u>			
554.18	<u>General</u>	<u>10,471,000</u>	<u>10,471,000</u>			
554.19	<u>Federal TANF</u>	<u>3,676,000</u>	<u>3,676,000</u>			
554.20	Sec. 9. FORECASTED PROGRAMS;					
554.21	<u>MFIP/DWP</u>	\$		<u>230,473,000</u>	\$	<u>268,167,000</u>
554.22	<u>Appropriations by Fund</u>					
554.23		<u>2026</u>	<u>2027</u>			
554.24	<u>General</u>	<u>99,272,000</u>	<u>116,504,000</u>			
554.25	<u>Federal TANF</u>	<u>131,201,000</u>	<u>151,663,000</u>			
554.26	Sec. 10. FORECASTED PROGRAMS; MFIP					
554.27	<u>CHILD CARE ASSISTANCE</u>	\$		<u>100,244,000</u>	\$	<u>137,333,000</u>
554.28	Sec. 11. FORECASTED PROGRAMS;					
554.29	<u>NORTHSTAR CARE FOR CHILDREN</u>	\$		<u>110,214,000</u>	\$	<u>116,160,000</u>
554.30	Sec. 12. GRANT PROGRAMS; SUPPORT					
554.31	<u>SERVICES GRANTS</u>	\$		<u>111,359,000</u>	\$	<u>111,359,000</u>
554.32	<u>Appropriations by Fund</u>					
554.33		<u>2026</u>	<u>2027</u>			
554.34	<u>General</u>	<u>14,908,000</u>	<u>14,908,000</u>			
554.35	<u>Federal TANF</u>	<u>96,451,000</u>	<u>96,451,000</u>			

555.1	Sec. 13. <u>GRANT PROGRAMS; BASIC</u>			
555.2	<u>SLIDING FEE CHILD ASSISTANCE CARE</u>			
555.3	<u>GRANTS</u>	\$	<u>137,768,000</u>	\$ <u>135,212,000</u>
555.4	Sec. 14. <u>GRANT PROGRAMS; CHILD CARE</u>			
555.5	<u>DEVELOPMENT GRANTS</u>	\$	<u>139,120,000</u>	\$ <u>138,819,000</u>
555.6	Subdivision 1. <u>St. Cloud Area School District</u>			
555.7	<u>Preschool Programs Grant</u>			
555.8	<u>\$301,000 in fiscal year 2026 is for a grant to</u>			
555.9	<u>Independent School District No. 742 for the</u>			
555.10	<u>Preschool 4 Success program operated with</u>			
555.11	<u>the Rotary Club of St. Cloud. This is a onetime</u>			
555.12	<u>appropriation and is available until June 30,</u>			
555.13	<u>2027.</u>			
555.14	Subd. 2. <u>Great Start Compensation Support</u>			
555.15	<u>Payments</u>			
555.16	<u>\$129,887,000 in fiscal year 2026 and</u>			
555.17	<u>\$129,887,000 in fiscal year 2027 are for the</u>			
555.18	<u>Great Start Compensation Support Payments</u>			
555.19	<u>under Minnesota Statutes, section 142D.21.</u>			
555.20	Sec. 15. <u>GRANT PROGRAMS; CHILD</u>			
555.21	<u>SUPPORT ENFORCEMENT GRANTS</u>	\$	<u>50,000</u>	\$ <u>50,000</u>
555.22	Sec. 16. <u>GRANT PROGRAMS; CHILDREN'S</u>			
555.23	<u>SERVICES GRANTS</u>	\$	<u>41,704,000</u>	\$ <u>41,705,000</u>
555.24	Subdivision 1. <u>Restorative Practices Initiatives</u>			
555.25	<u>Grants</u>			
555.26	<u>The base funding for restorative practices</u>			
555.27	<u>initiatives grants under Minnesota Statutes,</u>			
555.28	<u>section 142A.76, subdivision 5, is reduced by</u>			
555.29	<u>\$1,500,000 in fiscal year 2026 and \$1,500,000</u>			
555.30	<u>in fiscal year 2027.</u>			
555.31	Subd. 2. <u>Fostering Connections to Success and</u>			
555.32	<u>Increasing Adoptions Act</u>			
555.33	<u>The commissioner shall allocate funds from</u>			
555.34	<u>the state's savings from the Fostering</u>			
555.35	<u>Connections to Success and Increasing</u>			
555.36	<u>Adoptions Act's expanded eligibility for Title</u>			

556.1 IV-E adoption assistance as required in
 556.2 Minnesota Statutes, section 142A.61, and as
 556.3 allowable under federal law. Additional
 556.4 savings to the state as a result of the Fostering
 556.5 Connections to Success and Increasing
 556.6 Adoptions Act's expanded eligibility for Title
 556.7 IV-E adoption assistance is for postadoption,
 556.8 foster care, adoption, and kinship services,
 556.9 including a parent-to-parent support network
 556.10 and as allowable under federal law.

556.11	Sec. 17. <u>GRANT PROGRAMS; CHILD AND</u>				
556.12	<u>COMMUNITY SERVICE GRANTS</u>	\$	<u>87,984,000</u>	\$	<u>87,984,000</u>

556.13	Sec. 18. <u>GRANT PROGRAMS; CHILD AND</u>				
556.14	<u>ECONOMIC SUPPORT GRANTS</u>	\$	<u>18,167,000</u>	\$	<u>18,159,000</u>

556.15 **Subdivision 1. Regional Food Bank Grants**
 556.16 \$2,980,000 in fiscal year 2026 and \$2,977,000
 556.17 in fiscal year 2027 are for regional food bank
 556.18 grants under Minnesota Statutes, section
 556.19 142F.16. This is a onetime appropriation and
 556.20 is available until June 30, 2027.

556.21 **Subd. 2. Minnesota Food Shelf Programs**
 556.22 \$2,000,000 in fiscal year 2026 and \$2,000,000
 556.23 in fiscal year 2027 are for food shelf programs
 556.24 grants under Minnesota Statutes, section
 556.25 142F.14. This is a onetime appropriation and
 556.26 is available until June 30, 2027.

556.27 **Subd. 3. Prepared Meals Food Relief Grants**
 556.28 \$971,000 in fiscal year 2026 and \$966,000 in
 556.29 fiscal year 2027 are for prepared meals food
 556.30 relief grants under Minnesota Statutes, section
 556.31 142F.141. This is a onetime appropriation and
 556.32 is available until June 30, 2027.

557.1 Subd. 4. **Base Level Adjustment**

557.2 The general fund base for this section is

557.3 \$12,216,000 in fiscal year 2028 and

557.4 \$12,216,000 in fiscal year 2029.

557.5 Sec. 19. **GRANT PROGRAMS; EARLY**
557.6 **LEARNING GRANTS**

\$ 132,838,000 \$ 132,838,000

557.7 Subdivision 1. **Early Childhood Literacy**
557.8 **Programs**

557.9 The base funding for early childhood literacy

557.10 programs under Minnesota Statutes, section

557.11 142D.12, subdivision 3, is reduced by

557.12 \$7,950,000 in fiscal year 2026 and \$7,950,000

557.13 in fiscal year 2027.

557.14 Subd. 2. **Grants for Early Learning Scholarships**

557.15 \$97,290,000 in fiscal year 2026 and

557.16 \$97,290,000 in fiscal year 2027 are from the

557.17 general fund for early learning scholarships

557.18 grants under Minnesota Statutes, section

557.19 142D.25.

557.20 Subd. 3. **Head Start Program Grants**

557.21 \$34,398,000 in fiscal year 2026 and

557.22 \$34,398,000 in fiscal year 2027 are from the

557.23 general fund for head start program grants

557.24 under Minnesota Statutes, section 142D.12.

557.25 Subd. 4. **School Readiness Plus Program Grants**

557.26 \$900,000 in fiscal year 2026 and \$900,000 in

557.27 fiscal year 2027 are from the general fund for

557.28 school readiness plus program grants under

557.29 Minnesota Statutes, section 142D.07.

557.30 Subd. 5. **Reach Out and Read Minnesota Grant**

557.31 \$250,000 in fiscal year 2026 and \$250,000 in

557.32 fiscal year 2027 are for a grant to Reach Out

557.33 and Read Minnesota to establish a statewide

558.1	<u>plan that encourages early childhood</u>			
558.2	<u>development through a network of health care</u>			
558.3	<u>clinics under Laws 2023, chapter 54, section</u>			
558.4	<u>20, subdivision 20.</u>			
558.5	<u>Sec. 20. GRANT PROGRAMS; YOUTH</u>			
558.6	<u>SERVICES GRANTS</u>	<u>\$</u>	<u>8,891,000</u>	<u>\$</u>
558.7	<u>Subdivision 1. Grants-in-Aid to Youth</u>			
558.8	<u>Intervention Programs</u>			
558.9	<u>\$6,036,000 in fiscal year 2026 and \$6,036,000</u>			
558.10	<u>in fiscal year 2027 are for grants to youth</u>			
558.11	<u>intervention programs under Minnesota</u>			
558.12	<u>Statutes, section 142A.43, subdivision 1.</u>			
558.13	<u>Subd. 2. Youth Intervention Programs</u>			
558.14	<u>Association Grant</u>			
558.15	<u>Notwithstanding the percentage requirement</u>			
558.16	<u>under Minnesota Statutes, section 142A.43,</u>			
558.17	<u>subdivision 3, \$355,000 in fiscal year 2026</u>			
558.18	<u>and \$355,000 in fiscal year 2027 are for a</u>			
558.19	<u>grant to the Minnesota Youth Intervention</u>			
558.20	<u>Programs Association for collaboration,</u>			
558.21	<u>program development, professional</u>			
558.22	<u>development training, technical assistance,</u>			
558.23	<u>tracking, and analyzing and reporting outcome</u>			
558.24	<u>data for the community-based grantees of the</u>			
558.25	<u>program.</u>			
558.26	<u>Subd. 3. Office of Restorative Practices</u>			
558.27	<u>\$2,500,000 in fiscal year 2026 and \$2,500,000</u>			
558.28	<u>in fiscal year 2027 are from the general fund</u>			
558.29	<u>for the Office of Restorative Practices under</u>			
558.30	<u>Minnesota Statutes, section 142A.76.</u>			
558.31	<u>Sec. 21. TECHNICAL ACTIVITIES</u>	<u>\$</u>	<u>71,493,000</u>	<u>\$</u>
558.32	<u>This appropriation is from the federal TANF</u>			
558.33	<u>fund.</u>			

Sec. 22. **TRANSFERS.**

Subdivision 1. Programs and grants. The commissioner of children, youth, and families, with the advance approval of the commissioner of management and budget, may transfer unencumbered appropriation balances for the biennium ending June 30, 2027, within fiscal years among MFIP; MFIP child care assistance under Minnesota Statutes, section 142E.08; the entitlement portion of Northstar Care for Children under Minnesota Statutes, sections 142A.60 to 142A.612; and early childhood family education under Minnesota Statutes, section 142D.11, between fiscal years of the biennium. The commissioner shall inform the chairs and ranking minority members of the legislative committees with jurisdiction over children and families finance and policy quarterly about transfers made under this subdivision.

Subd. 2. Administration. Positions, salary money, and nonsalary administrative money may be transferred within the Department of Children, Youth, and Families as the commissioner deems necessary, with the advance approval of the commissioner of management and budget. The commissioner shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over children and families finance quarterly about transfers made under this subdivision.

Subd. 3. Temporary authority for interagency transfers with Department of Human Services. Beginning July 1, 2025, and until September 30, 2025, administrative money may be transferred between the Department of Children, Youth, and Families and the Department of Human Services or the Department of Education 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 children and families finance and policy quarterly about transfers made under this subdivision.

Sec. 23. **CANCELLATION; ESTABLISHING THE DEPARTMENT OF CHILDREN, YOUTH, AND FAMILIES.**

\$8,500,000 of the fiscal year 2024 general fund appropriation in Laws 2023, chapter 70, article 20, section 12, paragraph (b), is canceled to the general fund.

EFFECTIVE DATE. This section is effective the day following final enactment or retroactively from June 30, 2025, whichever is earlier.

Sec. 24. GRANT ADMINISTRATION COSTS.

The administrative costs retention requirement under Minnesota Statutes, section 16B.98, subdivision 14, is inapplicable to any appropriation in this article for a grant.

Sec. 25. EXPIRATION OF UNCODIFIED LANGUAGE.

All uncodified language contained in this article expires June 30, 2027, unless a different expiration date is explicit or an appropriation is made available beyond June 30, 2027.

ARTICLE 25

DEPARTMENT OF HEALTH APPROPRIATIONS

Section 1. HEALTH APPROPRIATIONS.

The sums shown in the columns marked "Appropriations" are appropriated to the commissioner of health 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.

APPROPRIATIONS

Available for the Year

Ending June 30

	<u>2026</u>	<u>2027</u>

Sec. 2. <u>COMMISSIONER OF HEALTH</u>	<u>\$ 434,610,000</u>	<u>\$ 430,946,000</u>

Appropriations by Fund

	<u>2026</u>	<u>2027</u>
<u>General</u>	<u>271,895,000</u>	<u>269,645,000</u>
<u>State Government</u>		
<u>Special Revenue</u>	<u>96,237,000</u>	<u>95,769,000</u>
<u>Health Care Access</u>	<u>54,765,000</u>	<u>53,819,000</u>
<u>Federal TANF</u>	<u>11,713,000</u>	<u>11,713,000</u>

The amounts that may be spent for each purpose are specified in this article.

Sec. 3. HEALTH IMPROVEMENT

561.1	<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>291,627,000</u>	<u>\$</u>	<u>286,428,000</u>
561.2	<u>Appropriations by Fund</u>				
561.3	<u>General</u>	<u>217,302,000</u>	<u>214,495,000</u>		
561.4	<u>State Government</u>				
561.5	<u>Special Revenue</u>	<u>9,258,000</u>	<u>9,258,000</u>		
561.6	<u>Health Care Access</u>	<u>53,354,000</u>	<u>50,962,000</u>		
561.7	<u>Federal TANF</u>	<u>11,713,000</u>	<u>11,713,000</u>		
561.8	<u>Subd. 2. Substance Use Treatment, Recovery,</u>				
561.9	<u>and Prevention Grants</u>				
561.10	<u>\$3,000,000 in fiscal year 2026 and \$3,000,000</u>				
561.11	<u>in fiscal year 2027 are from the general fund</u>				
561.12	<u>for substance use treatment, recovery, and</u>				
561.13	<u>prevention grants under Minnesota Statutes,</u>				
561.14	<u>section 342.72.</u>				
561.15	<u>Subd. 3. Local and Tribal Public Health</u>				
561.16	<u>Cannabis Grants</u>				
561.17	<u>\$7,756,000 in fiscal year 2026 and \$7,756,000</u>				
561.18	<u>in fiscal year 2027 are from the general fund</u>				
561.19	<u>for grants under Minnesota Statutes, section</u>				
561.20	<u>144.197, subdivision 4.</u>				
561.21	<u>Subd. 4. Cannabis and Substance Misuse</u>				
561.22	<u>Prevention and Education Programs; Youth</u>				
561.23	<u>Prevention and Education Program</u>				
561.24	<u>\$4,534,000 in fiscal year 2026 and \$4,470,000</u>				
561.25	<u>in fiscal year 2027 are from the general fund</u>				
561.26	<u>for the youth prevention and education</u>				
561.27	<u>program under the cannabis and substance</u>				
561.28	<u>misuse prevention and education programs</u>				
561.29	<u>under Minnesota Statutes, section 144.197,</u>				
561.30	<u>subdivision 1.</u>				
561.31	<u>Subd. 5. Cannabis and Substance Misuse</u>				
561.32	<u>Prevention and Education Programs; Prevention</u>				
561.33	<u>and Education Program for Pregnant and</u>				
561.34	<u>Breastfeeding Individuals and Individuals Who</u>				
561.35	<u>May Become Pregnant</u>				
561.36	<u>\$1,834,000 in fiscal year 2026 and \$1,834,000</u>				
561.37	<u>in fiscal year 2027 are from the general fund</u>				

562.1 for the prevention and education program for
562.2 pregnant and breastfeeding individuals and
562.3 individuals who may become pregnant under
562.4 the cannabis and substance misuse prevention
562.5 and education programs under Minnesota
562.6 Statutes, section 144.197, subdivision 2. The
562.7 base for this subdivision is \$721,000 in fiscal
562.8 year 2028 and \$721,000 in fiscal year 2029.

562.9 **Subd. 6. Cannabis Data Collection and Biennial**
562.10 **Reports**

562.11 \$493,000 in fiscal year 2026 and \$493,000 in
562.12 fiscal year 2027 are from the general fund for
562.13 cannabis data collection and biennial reports
562.14 under Minnesota Statutes, section 144.196.

562.15 **Subd. 7. Administration of Expungement Orders**

562.16 \$71,000 in fiscal year 2026 and \$71,000 in
562.17 fiscal year 2027 are from the general fund for
562.18 the administration of expungement orders
562.19 under Laws 2023, chapter 63, article 9, section
562.20 10, subdivision 6.

562.21 **Subd. 8. Grant for "Treat Yourself First"**
562.22 **Campaign**

562.23 \$237,000 is from the general fund for a grant
562.24 to the Minnesota Medical Association for the
562.25 "Treat Yourself First" campaign. The
562.26 campaign must be an awareness and education
562.27 campaign focused on burnout and well-being
562.28 of health care workers designed to:

562.29 (1) reduce the stigma of receiving mental
562.30 health services;

562.31 (2) encourage health care workers who are
562.32 experiencing workplace-related fatigue to
562.33 receive the care they need; and

562.34 (3) normalize the process for seeking help.

563.1 The campaign must be targeted to health care
563.2 professionals, including but not limited to
563.3 physicians, nurses, dentists, pharmacists, and
563.4 other members of the health care team. The
563.5 campaign must include resources for health
563.6 care professionals seeking help to address
563.7 burnout and well-being. This is a onetime
563.8 appropriation and is available until June 30,
563.9 2029.

563.10 **Subd. 9. Grant for African American-Focused**
563.11 **Homeplace Program**

563.12 \$475,000 in fiscal year 2026 is from the
563.13 general fund for a grant to the Birth Justice
563.14 Collaborative to strengthen and implement the
563.15 current model of the African
563.16 American-focused Homeplace in Hennepin
563.17 County. This is a onetime appropriation and
563.18 is available until June 30, 2029.

563.19 **Subd. 10. TANF Appropriations**

563.20 TANF funds must be used as follows:

563.21 (1) \$3,579,000 in fiscal year 2026 and
563.22 \$3,579,000 in fiscal year 2027 are from the
563.23 TANF fund for home visiting and nutritional
563.24 services listed under Minnesota Statutes,
563.25 section 145.882, subdivision 7, clauses (6) and
563.26 (7). Funds must be distributed to community
563.27 health boards according to Minnesota Statutes,
563.28 section 145A.131, subdivision 1;

563.29 (2) \$2,000,000 in fiscal year 2026 and
563.30 \$2,000,000 in fiscal year 2027 are from the
563.31 TANF fund for decreasing racial and ethnic
563.32 disparities in infant mortality rates under
563.33 Minnesota Statutes, section 145.928,
563.34 subdivision 7;

564.1 (3) \$4,978,000 in fiscal year 2026 and
564.2 \$4,978,000 in fiscal year 2027 are from the
564.3 TANF fund for the family home visiting grant
564.4 program under Minnesota Statutes, section
564.5 145A.17. Of these amounts, \$4,000,000 in
564.6 fiscal year 2026 and \$4,000,000 in fiscal year
564.7 2027 must be distributed to community health
564.8 boards under Minnesota Statutes, section
564.9 145A.131, subdivision 1; and \$978,000 in
564.10 fiscal year 2026 and \$978,000 in fiscal year
564.11 2027 must be distributed to Tribal
564.12 governments under Minnesota Statutes, section
564.13 145A.14, subdivision 2a;

564.14 (4) \$1,156,000 in fiscal year 2026 and
564.15 \$1,156,000 in fiscal year 2027 are from the
564.16 TANF fund for sexual and reproductive health
564.17 services grants under Minnesota Statutes,
564.18 section 145.925; and

564.19 (5) the commissioner may use up to 6.23
564.20 percent of the funds appropriated from the
564.21 TANF fund each fiscal year to conduct the
564.22 ongoing evaluations required under Minnesota
564.23 Statutes, section 145A.17, subdivision 7, and
564.24 training and technical assistance required
564.25 under Minnesota Statutes, section 145A.17,
564.26 subdivisions 4 and 5.

564.27 **Subd. 11. TANF Carryforward**

564.28 Any unexpended balance of the TANF
564.29 appropriation in the first year does not cancel
564.30 but is available in the second year.

564.31 **Subd. 12. Base Level Adjustment**

564.32 The general fund base for this section is
564.33 \$213,562,000 in fiscal year 2028 and
564.34 \$213,562,000 in fiscal year 2029.

565.1	Sec. 4. <u>HEALTH PROTECTION</u>			
565.2	<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>121,207,000</u>	<u>\$ 120,269,000</u>
565.3	<u>Appropriations by Fund</u>			
565.4	<u>General</u>	<u>34,228,000</u>	<u>33,758,000</u>	
565.5	<u>State Government</u>			
565.6	<u>Special Revenue</u>	<u>86,979,000</u>	<u>86,511,000</u>	
565.7	<u>Subd. 2. Speech Language Pathology Assistants</u>			
565.8	<u>Fee Adjustment</u>			
565.9	<u>\$95,000 in fiscal year 2026 is from the general</u>			
565.10	<u>fund for onetime costs incurred in fiscal year</u>			
565.11	<u>2025 to implement Minnesota Statutes,</u>			
565.12	<u>sections 148.511 to 148.5198.</u>			
565.13	<u>Subd. 3. Infectious Disease Prevention, Early</u>			
565.14	<u>Detection, and Outbreak Response</u>			
565.15	<u>\$1,300,000 in fiscal year 2026 and \$1,300,000</u>			
565.16	<u>in fiscal year 2027 are from the general fund</u>			
565.17	<u>for infectious disease prevention, early</u>			
565.18	<u>detection, and outbreak response activities</u>			
565.19	<u>under Minnesota Statutes, section 144.05,</u>			
565.20	<u>subdivision 1.</u>			
565.21	<u>Subd. 4. Asbestos Abatement</u>			
565.22	<u>\$176,000 in fiscal year 2026 and \$176,000 in</u>			
565.23	<u>fiscal year 2027 are from the state government</u>			
565.24	<u>special revenue fund for asbestos abatement</u>			
565.25	<u>under Minnesota Statutes, section 326.75.</u>			
565.26	<u>Subd. 5. Food, Pools, and Lodging Services</u>			
565.27	<u>\$5,483,000 in fiscal year 2026 and \$5,483,000</u>			
565.28	<u>in fiscal year 2027 are from the state</u>			
565.29	<u>government special revenue fund for food,</u>			
565.30	<u>pools, and lodging services program activities</u>			
565.31	<u>under Minnesota Statutes, chapters 144, 157,</u>			
565.32	<u>and 327.</u>			

- 566.1 Subd. 6. **Public Water Supply**
- 566.2 \$7,827,000 in fiscal year 2026 and \$7,827,000
- 566.3 in fiscal year 2027 are from the state
- 566.4 government special revenue fund to administer
- 566.5 the drinking water protection program,
- 566.6 including implementing the Safe Drinking
- 566.7 Water Act and providing services to regulated
- 566.8 parties, partners, and the public under
- 566.9 Minnesota Statutes, sections 144.381 to
- 566.10 144.383.
- 566.11 Subd. 7. **Radioactive Materials**
- 566.12 \$200,000 in fiscal year 2026 and \$200,000 in
- 566.13 fiscal year 2027 are from the state government
- 566.14 special revenue fund for radioactive materials
- 566.15 program activities under Minnesota Statutes,
- 566.16 section 144.1205.
- 566.17 Subd. 8. **Ionizing Radiation**
- 566.18 \$993,000 in fiscal year 2026 and \$828,000 in
- 566.19 fiscal year 2027 are from the state government
- 566.20 special revenue fund to administer new
- 566.21 regulatory activities for x-ray service
- 566.22 providers, ongoing inspections of licensed
- 566.23 facilities, and data analysis for program
- 566.24 planning and implementation under Minnesota
- 566.25 Statutes, section 144.121.
- 566.26 Subd. 9. **Engineering Plan Reviews**
- 566.27 \$224,000 in fiscal year 2026 and \$224,000 in
- 566.28 fiscal year 2027 are from the state government
- 566.29 special revenue fund to conduct engineering
- 566.30 plan reviews under Minnesota Statutes, section
- 566.31 144.554.

Sec. 9. **EXPIRATION OF UNCODIFIED LANGUAGE.**

All uncodified language contained in this article expires on June 30, 2027, unless a different expiration date is explicit or an appropriation is made available after June 30, 2027.

ARTICLE 26
OTHER AGENCY APPROPRIATIONS

Section 1. **OTHER AGENCY APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies 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.

APPROPRIATIONS

Available for the Year

Ending June 30

	<u>2026</u>	<u>2027</u>

Sec. 2. **HEALTH-RELATED BOARDS**

Subdivision 1. <u>Total Appropriation</u>	<u>\$ 35,374,000</u>	<u>\$ 35,255,000</u>

Appropriations by Fund

	<u>2026</u>	<u>2027</u>
<u>General</u>	<u>1,387,000</u>	<u>1,387,000</u>
<u>State Government</u>		
<u>Special Revenue</u>	<u>33,987,000</u>	<u>33,868,000</u>

These amounts are appropriated from the state government special revenue fund, unless specified otherwise, for the purposes specified in the following subdivisions.

<u>Subd. 2. Board of Behavioral Health and Therapy</u>	<u>1,289,000</u>	<u>1,289,000</u>
<u>Subd. 3. Board of Chiropractic Examiners</u>	<u>890,000</u>	<u>890,000</u>

569.1	<u>Subd. 4. Board of Dentistry</u>	<u>4,308,000</u>	<u>4,310,000</u>
569.2	<u>(a) Administrative services unit; operating</u>		
569.3	<u>costs. Of this appropriation, \$1,936,000 in</u>		
569.4	<u>fiscal year 2026 and \$1,936,000 in fiscal year</u>		
569.5	<u>2027 are for operating costs of the</u>		
569.6	<u>administrative services unit. The</u>		
569.7	<u>administrative services unit may receive and</u>		
569.8	<u>expend reimbursements for services it</u>		
569.9	<u>performs for other agencies.</u>		
569.10	<u>(b) Administrative services unit; volunteer</u>		
569.11	<u>health care provider program. Of this</u>		
569.12	<u>appropriation, \$150,000 in fiscal year 2026</u>		
569.13	<u>and \$150,000 in fiscal year 2027 are to pay</u>		
569.14	<u>for medical professional liability coverage</u>		
569.15	<u>required under Minnesota Statutes, section</u>		
569.16	<u>214.40.</u>		
569.17	<u>(c) Administrative services unit; retirement</u>		
569.18	<u>costs. Of this appropriation, \$237,000 in fiscal</u>		
569.19	<u>year 2026 and \$237,000 in fiscal year 2027</u>		
569.20	<u>are for the administrative services unit to pay</u>		
569.21	<u>for the retirement costs of health-related board</u>		
569.22	<u>employees. This funding may be transferred</u>		
569.23	<u>to the health board incurring retirement costs.</u>		
569.24	<u>Any board that has an unexpended balance for</u>		
569.25	<u>an amount transferred under this paragraph</u>		
569.26	<u>shall transfer the unexpended amount to the</u>		
569.27	<u>administrative services unit. If the amount</u>		
569.28	<u>appropriated in the first year of the biennium</u>		
569.29	<u>is not sufficient, the amount from the second</u>		
569.30	<u>year of the biennium is available.</u>		
569.31	<u>(d) Administrative services unit; contested</u>		
569.32	<u>cases and other legal proceedings. Of this</u>		
569.33	<u>appropriation, \$200,000 in fiscal year 2026</u>		
569.34	<u>and \$200,000 in fiscal year 2027 are for costs</u>		
569.35	<u>of contested case hearings and other</u>		

570.1 unanticipated costs of legal proceedings
570.2 involving health-related boards under this
570.3 section. Upon certification by a health-related
570.4 board to the administrative services unit that
570.5 unanticipated costs for legal proceedings will
570.6 be incurred and that available appropriations
570.7 are insufficient to pay for the unanticipated
570.8 costs for that board, the administrative services
570.9 unit is authorized to transfer money from this
570.10 appropriation to the board for payment of costs
570.11 for contested case hearings and other
570.12 unanticipated costs of legal proceedings with
570.13 the approval of the commissioner of
570.14 management and budget. The commissioner
570.15 of management and budget must require any
570.16 board that has an unexpended balance or an
570.17 amount transferred under this paragraph to
570.18 transfer the unexpended amount to the
570.19 administrative services unit to be deposited in
570.20 the state government special revenue fund.

570.21 Subd. 5. **Board of Dietetics and Nutrition**
570.22 **Practice**

277,000

277,000

570.23 Subd. 6. **Board of Executives for Long-term**
570.24 **Services and Supports**

736,000

736,000

570.25 Subd. 7. **Board of Marriage and Family Therapy**

457,000

457,000

570.26 Subd. 8. **Board of Medical Practice**

6,196,000

6,141,000

570.27 **Base Level Adjustment.** The state
570.28 government special revenue fund base for this
570.29 subdivision is \$6,121,000 in fiscal year 2028
570.30 and \$6,121,000 in fiscal year 2029.

570.31 Subd. 9. **Board of Nursing**

6,275,000

6,275,000

570.32 Subd. 10. **Board of Occupational Therapy**
570.33 **Practice**

560,000

560,000

570.34 Subd. 11. **Board of Optometry**

280,000

280,000

570.35 Subd. 12. **Board of Pharmacy**

571.1	<u>Appropriations by Fund</u>		
571.2	<u>General</u>	<u>1,387,000</u>	<u>1,387,000</u>
571.3	<u>State Government</u>		
571.4	<u>Special Revenue</u>	<u>6,280,000</u>	<u>6,280,000</u>
571.5	<u>Medication Repository Program. \$900,000</u>		
571.6	<u>in fiscal year 2026 and \$900,000 in fiscal year</u>		
571.7	<u>2027 are from the general fund for the</u>		
571.8	<u>medication repository program to purchase</u>		
571.9	<u>prescription drugs under Minnesota Statutes,</u>		
571.10	<u>section 151.555, subdivision 6, paragraph (g).</u>		
571.11	<u>Subd. 13. Board of Physical Therapy</u>	<u>789,000</u>	<u>789,000</u>
571.12	<u>Subd. 14. Board of Podiatric Medicine</u>	<u>257,000</u>	<u>257,000</u>
571.13	<u>Subd. 15. Board of Psychology</u>	<u>2,781,000</u>	<u>2,781,000</u>
571.14	<u>Health Professional Service Program.</u>		
571.15	<u>\$1,324,000 in fiscal year 2026 and \$1,324,000</u>		
571.16	<u>in fiscal year 2027 are for the health</u>		
571.17	<u>professionals services program.</u>		
571.18	<u>Subd. 16. Board of Social Work</u>	<u>2,068,000</u>	<u>2,002,000</u>
571.19	<u>Subd. 17. Board of Veterinary Medicine</u>	<u>544,000</u>	<u>544,000</u>
571.20	<u>Sec. 3. OFFICE OF EMERGENCY MEDICAL</u>		
571.21	<u>SERVICES</u>	<u>\$ 25,613,000</u>	<u>\$ 6,048,000</u>
571.22	<u>Subdivision 1. Ambulance Service Training and</u>		
571.23	<u>Staffing Grant Program</u>		
571.24	<u>\$500,000 in fiscal year 2026 and \$500,000 in</u>		
571.25	<u>fiscal year 2027 are for the ambulance service</u>		
571.26	<u>training and staffing grant program under</u>		
571.27	<u>Minnesota Statutes, section 144E.38.</u>		
571.28	<u>Subd. 2. EMR/EMT Education Reimbursement</u>		
571.29	<u>\$100,000 in fiscal year 2026 and \$100,000 in</u>		
571.30	<u>fiscal year 2027 are for EMR/EMT education</u>		
571.31	<u>reimbursements under Minnesota Statutes,</u>		
571.32	<u>section 144E.35.</u>		

572.1 Subd. 3. **Emergency Ambulance Service Grants**

572.2 \$18,000,000 in fiscal year 2026 is for
572.3 emergency ambulance service grants. This is
572.4 a onetime appropriation and is available until
572.5 June 30, 2029.

572.6 Sec. 4. **OMBUDSPERSON FOR FAMILIES** \$ **792,000** \$ **808,000**

572.7 Sec. 5. **OMBUDSPERSON FOR AMERICAN**
572.8 **INDIAN FAMILIES** \$ **344,000** \$ **347,000**

572.9 Sec. 6. **RARE DISEASE ADVISORY**
572.10 **COUNCIL** \$ **674,000** \$ **679,000**

572.11 Sec. 7. **OFFICE OF THE FOSTER YOUTH**
572.12 **OMBUDSPERSON** \$ **1,012,000** \$ **1,025,000**

572.13 Sec. 8. **BOARD OF DIRECTORS OF MNSURE** \$ **70,000** \$ **70,000**

572.14 Sec. 9. **COMMISSIONER OF EDUCATION** \$ **7,950,000** \$ **7,950,000**

572.15 **Early Childhood Literacy Programs.**
572.16 \$7,950,000 in fiscal year 2026 and \$7,950,000
572.17 in fiscal year 2027 are for early childhood
572.18 literacy grants under Minnesota Statutes,
572.19 section 142D.12, subdivision 3.

572.20 Sec. 10. **GRANT ADMINISTRATION COSTS.**

572.21 The administrative costs retention requirement under Minnesota Statutes, section 16B.98,
572.22 subdivision 14, is inapplicable to any appropriation in this article for a grant.

572.23 Sec. 11. **EXPIRATION OF UNCODIFIED LANGUAGE.**

572.24 All uncodedified language contained in this article expires June 30, 2027, unless a different
572.25 expiration date is explicit or an appropriation is made available after June 30, 2027.

572.26 Sec. 12. Laws 2024, chapter 127, article 67, section 4, is amended to read:

572.27 Sec. 4. **BOARD OF PHARMACY**

572.28	Appropriations by Fund		
572.29	General	1,500,000	-0-
572.30	State Government		
572.31	Special Revenue	-0-	27,000

- 573.1 (a) **Legal Costs.** \$1,500,000 in fiscal year
- 573.2 2024 is from the general fund for legal costs.
- 573.3 This is a onetime appropriation and is
- 573.4 available until June 30, 2027.

- 573.5 (b) **Base Level Adjustment.** The state
- 573.6 government special revenue fund base is
- 573.7 increased by \$27,000 in fiscal year 2026 and
- 573.8 increased by \$27,000 in fiscal year 2027.

- 573.9 **EFFECTIVE DATE.** This section is effective June 30, 2025.

APPENDIX
Article locations for UEH2435-1

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ARTICLE 2	DEPARTMENT OF HEALTH POLICY.....	Page.Ln 68.11
ARTICLE 3	HEALTH LICENSING BOARDS.....	Page.Ln 101.12
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ARTICLE 4	AUTHORITY.....	Page.Ln 173.25
ARTICLE 5	PHARMACY BENEFITS.....	Page.Ln 191.1
ARTICLE 6	HUMAN SERVICES HEALTH CARE FINANCE.....	Page.Ln 209.1
ARTICLE 7	HUMAN SERVICES HEALTH CARE POLICY.....	Page.Ln 261.11
ARTICLE 8	BEHAVIORAL HEALTH.....	Page.Ln 264.20
ARTICLE 9	BEHAVIORAL HEALTH POLICY.....	Page.Ln 279.24
ARTICLE 10	CHILDREN'S MENTAL HEALTH TERMINOLOGY.....	Page.Ln 306.21
	ASSERTIVE COMMUNITY TREATMENT AND INTENSIVE	
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ARTICLE 12	CONFORMING CHANGES.....	Page.Ln 401.15
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ARTICLE 15	INSPECTOR GENERAL POLICY.....	Page.Ln 430.18
ARTICLE 16	ECONOMIC SUPPORTS.....	Page.Ln 448.1
ARTICLE 17	CHILD PROTECTION AND WELFARE.....	Page.Ln 452.11
ARTICLE 18	CHILD PROTECTION AND WELFARE POLICY.....	Page.Ln 463.1
ARTICLE 19	EARLY CARE AND LEARNING.....	Page.Ln 497.27
ARTICLE 20	CHILDREN AND FAMILIES LICENSING POLICY.....	Page.Ln 509.9
ARTICLE 21	MISCELLANEOUS.....	Page.Ln 523.16
ARTICLE 22	HUMAN SERVICES FORECAST ADJUSTMENTS.....	Page.Ln 536.28
ARTICLE 23	DEPARTMENT OF HUMAN SERVICES APPROPRIATIONS.....	Page.Ln 538.10
	DEPARTMENT OF CHILDREN, YOUTH, AND FAMILIES	
ARTICLE 24	APPROPRIATIONS.....	Page.Ln 548.24
ARTICLE 25	DEPARTMENT OF HEALTH APPROPRIATIONS.....	Page.Ln 560.7
ARTICLE 26	OTHER AGENCY APPROPRIATIONS.....	Page.Ln 568.4

62E.21 DEFINITIONS.

Subdivision 1. **Application.** For the purposes of sections 62E.21 to 62E.25, the terms defined in this section have the meanings given them.

Subd. 2. **Affordable Care Act.** "Affordable Care Act" means the federal act as defined in section 62A.011, subdivision 1a.

Subd. 3. **Attachment point.** "Attachment point" means an amount as provided in section 62E.23, subdivision 2, paragraph (b).

Subd. 4. **Benefit year.** "Benefit year" means the calendar year for which an eligible health carrier provides coverage through an individual health plan.

Subd. 5. **Board.** "Board" means the board of directors of the Minnesota Comprehensive Health Association created under section 62E.10.

Subd. 6. **Coinsurance rate.** "Coinsurance rate" means the rate as provided in section 62E.23, subdivision 2, paragraph (c).

Subd. 7. **Commissioner.** "Commissioner" means the commissioner of commerce.

Subd. 8. **Eligible health carrier.** "Eligible health carrier" means all of the following that offer individual health plans and incur claims costs for an individual enrollee's covered benefits in the applicable benefit year:

(1) an insurance company licensed under chapter 60A to offer, sell, or issue a policy of accident and sickness insurance as defined in section 62A.01;

(2) a nonprofit health service plan corporation operating under chapter 62C; or

(3) a health maintenance organization operating under chapter 62D.

Subd. 9. **Individual health plan.** "Individual health plan" means a health plan as defined in section 62A.011, subdivision 4, that is not a grandfathered plan as defined in section 62A.011, subdivision 1b.

Subd. 10. **Individual market.** "Individual market" has the meaning given in section 62A.011, subdivision 5.

Subd. 11. **Minnesota Comprehensive Health Association or association.** "Minnesota Comprehensive Health Association" or "association" has the meaning given in section 62E.02, subdivision 14.

Subd. 12. **Minnesota premium security plan or plan.** "Minnesota premium security plan" or "plan" means the state-based reinsurance program authorized under section 62E.23.

Subd. 13. **Payment parameters.** "Payment parameters" means the attachment point, reinsurance cap, and coinsurance rate for the plan.

Subd. 14. **Reinsurance cap.** "Reinsurance cap" means the threshold amount as provided in section 62E.23, subdivision 2, paragraph (d).

Subd. 15. **Reinsurance payments.** "Reinsurance payments" means an amount paid by the association to an eligible health carrier under the plan.

62E.22 DUTIES OF COMMISSIONER.

The commissioner shall require eligible health carriers to calculate the premium amount the eligible health carrier would have charged for the benefit year if the Minnesota premium security plan had not been established. The eligible health carrier must submit this information as part of its rate filing. The commissioner must consider this information as part of the rate review.

62E.23 MINNESOTA PREMIUM SECURITY PLAN.

Subdivision 1. **Administration of plan.** (a) The association is Minnesota's reinsurance entity to administer the state-based reinsurance program referred to as the Minnesota premium security plan.

(b) The association may apply for any available federal funding for the plan. All funds received by or appropriated to the association shall be deposited in the premium security plan account in section 62E.25, subdivision 1. The association shall notify the chairs and ranking minority members

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of the legislative committees with jurisdiction over health and human services and insurance within ten days of receiving any federal funds.

(c) The association must collect or access data from an eligible health carrier that are necessary to determine reinsurance payments, according to the data requirements under subdivision 5, paragraph (c).

(d) The board must not use any funds allocated to the plan for staff retreats, promotional giveaways, excessive executive compensation, or promotion of federal or state legislative or regulatory changes.

(e) For each applicable benefit year, the association must notify eligible health carriers of reinsurance payments to be made for the applicable benefit year no later than June 30 of the year following the applicable benefit year.

(f) On a quarterly basis during the applicable benefit year, the association must provide each eligible health carrier with the calculation of total reinsurance payment requests.

(g) By August 15 of the year following the applicable benefit year, the association must disburse all applicable reinsurance payments to an eligible health carrier.

Subd. 2. **Payment parameters.** (a) The board must design and adjust the payment parameters to ensure the payment parameters:

- (1) will stabilize or reduce premium rates in the individual market;
- (2) will increase participation in the individual market;
- (3) will improve access to health care providers and services for those in the individual market;
- (4) mitigate the impact high-risk individuals have on premium rates in the individual market;
- (5) take into account any federal funding available for the plan; and
- (6) take into account the total amount available to fund the plan.

(b) The attachment point for the plan is the threshold amount for claims costs incurred by an eligible health carrier for an enrolled individual's covered benefits in a benefit year, beyond which the claims costs for benefits are eligible for reinsurance payments. The attachment point shall be set by the board at \$50,000 or more, but not exceeding the reinsurance cap.

(c) The coinsurance rate for the plan is the rate at which the association will reimburse an eligible health carrier for claims incurred for an enrolled individual's covered benefits in a benefit year above the attachment point and below the reinsurance cap. The coinsurance rate shall be set by the board at a rate between 50 and 80 percent.

(d) The reinsurance cap is the threshold amount for claims costs incurred by an eligible health carrier for an enrolled individual's covered benefits, after which the claims costs for benefits are no longer eligible for reinsurance payments. The reinsurance cap shall be set by the board at \$250,000 or less.

(e) The board may adjust the payment parameters to the extent necessary to secure federal approval of the state innovation waiver request in Laws 2017, chapter 13, article 1, section 8.

Subd. 3. **Operation.** (a) The board shall propose to the commissioner the payment parameters for the next benefit year by January 15 of the year before the applicable benefit year. The commissioner shall approve or reject the payment parameters no later than 14 days following the board's proposal. If the commissioner fails to approve or reject the payment parameters within 14 days following the board's proposal, the proposed payment parameters are final and effective.

(b) If the amount in the premium security plan account in section 62E.25, subdivision 1, is not anticipated to be adequate to fully fund the approved payment parameters as of July 1 of the year before the applicable benefit year, the board, in consultation with the commissioner and the commissioner of management and budget, shall propose payment parameters within the available appropriations. The commissioner must permit an eligible health carrier to revise an applicable rate filing based on the final payment parameters for the next benefit year.

(c) Notwithstanding paragraph (a), the payment parameters for benefit years 2023 through 2027 are:

- (1) an attachment point of \$50,000;

(2) a coinsurance rate of 80 percent; and

(3) a reinsurance cap of \$250,000.

Subd. 4. Calculation of reinsurance payments. (a) Each reinsurance payment must be calculated with respect to an eligible health carrier's incurred claims costs for an individual enrollee's covered benefits in the applicable benefit year. If the claims costs do not exceed the attachment point, the reinsurance payment is \$0. If the claims costs exceed the attachment point, the reinsurance payment shall be calculated as the product of the coinsurance rate and the lesser of:

(1) the claims costs minus the attachment point; or

(2) the reinsurance cap minus the attachment point.

(b) The board must ensure that reinsurance payments made to eligible health carriers do not exceed the total amount paid by the eligible health carrier for any eligible claim. "Total amount paid of an eligible claim" means the amount paid by the eligible health carrier based upon the allowed amount less any deductible, coinsurance, or co-payment, as of the time the data are submitted or made accessible under subdivision 5, paragraph (c).

Subd. 5. Eligible carrier requests for reinsurance payments. (a) An eligible health carrier may request reinsurance payments from the association when the eligible health carrier meets the requirements of this subdivision and subdivision 4.

(b) An eligible health carrier must make requests for reinsurance payments in accordance with any requirements established by the board.

(c) An eligible health carrier must provide the association with access to the data within the dedicated data environment established by the eligible health carrier under the federal risk adjustment program under United States Code, title 42, section 18063. Eligible health carriers must submit an attestation to the board asserting compliance with the dedicated data environments, data requirements, establishment and usage of masked enrollee identification numbers, and data submission deadlines.

(d) An eligible health carrier must provide the access described in paragraph (c) for the applicable benefit year by April 30 of each year of the year following the end of the applicable benefit year.

(e) An eligible health carrier must maintain documents and records, whether paper, electronic, or in other media, sufficient to substantiate the requests for reinsurance payments made pursuant to this section for a period of at least six years. An eligible health carrier must also make those documents and records available upon request from the commissioner for purposes of verification, investigation, audit, or other review of reinsurance payment requests.

(f) An eligible health carrier may follow the appeals procedure under section 62E.10, subdivision 2a.

(g) The association may have an eligible health carrier audited to assess the health carrier's compliance with the requirements of this section. The eligible health carrier must ensure that its contractors, subcontractors, or agents cooperate with any audit under this section. If an audit results in a proposed finding of material weakness or significant deficiency with respect to compliance with any requirement of this section, the eligible health carrier may provide a response to the proposed finding within 30 days. Within 30 days of the issuance of a final audit report that includes a finding of material weakness or significant deficiency, the eligible health carrier must:

(1) provide a written corrective action plan to the association for approval;

(2) implement the approved plan; and

(3) provide the association with written documentation of the corrective action once taken.

Subd. 6. Data. Government data of the association under this section are private data on individuals, or nonpublic data, as defined under section 13.02, subdivision 9 or 12.

62E.24 ACCOUNTING, REPORTS, AND AUDITS OF THE ASSOCIATION.

Subdivision 1. Accounting. The board must keep an accounting for each benefit year of all:

(1) funds appropriated for reinsurance payments and administrative and operational expenses;

(2) requests for reinsurance payments received from eligible health carriers;

(3) reinsurance payments made to eligible health carriers; and

(4) administrative and operational expenses incurred for the plan.

Subd. 2. **Reports.** (a) The board must submit to the commissioner and to the chairs and ranking minority members of the legislative committees with jurisdiction over commerce and health and make available to the public quarterly reports on plan operations and an annual report summarizing the plan operations for each benefit year. All reports must be made public by posting the report on the Minnesota Comprehensive Health Association website. The annual summary must be made available by November 1 of the year following the applicable benefit year or 60 calendar days following the final disbursement of reinsurance payments for the applicable benefit year, whichever is later.

(b) The reports must include information about:

(1) the reinsurance parameters used;

(2) the metal levels affected;

(3) the number of claims payments estimated and submitted for payment per products offered on-exchange and off-exchange and per eligible health carrier;

(4) the estimated reinsurance payments by plan type based on carrier-submitted templates;

(5) funds appropriated for reinsurance payments and administrative and operational expenses for each year, including the federal and state contributions received, investment income, and any other revenue or funds received;

(6) the total amount of reinsurance payments made to each eligible health carrier; and

(7) administrative and operational expenses incurred for the plan, including the total amount incurred and as a percentage of the plan's operational budget.

Subd. 3. **Legislative auditor.** The Minnesota premium security plan is subject to audit by the legislative auditor. The board must ensure that its contractors, subcontractors, or agents cooperate with the audit.

Subd. 4. **Independent external audit.** (a) The board must engage and cooperate with an independent certified public accountant or CPA firm licensed or permitted under chapter 326A to perform an audit for each benefit year of the plan, in accordance with generally accepted auditing standards. The audit must at a minimum:

(1) assess compliance with the requirements of sections 62E.21 to 62E.25; and

(2) identify any material weaknesses or significant deficiencies and address manners in which to correct any such material weaknesses or deficiencies.

(b) The board, after receiving the completed audit, must:

(1) provide the commissioner the results of the audit;

(2) identify to the commissioner any material weakness or significant deficiency identified in the audit and address in writing to the commissioner how the board intends to correct any such material weakness or significant deficiency in compliance with subdivision 5; and

(3) make public the results of the audit, to the extent the audit contains government data that is public, including any material weakness or significant deficiency and how the board intends to correct the material weakness or significant deficiency, by posting the audit results on the Minnesota Comprehensive Health Association website and making the audit results otherwise available.

Subd. 5. **Actions on audit findings.** (a) If an audit results in a finding of material weakness or significant deficiency with respect to compliance by the association with any requirement under sections 62E.21 to 62E.25, the board must:

(1) provide a written corrective action plan to the commissioner for approval within 60 days of the completed audit;

(2) implement the corrective action plan; and

(3) provide the commissioner with written documentation of the corrective actions taken.

(b) By December 1 of each year, the board must submit a report to the standing committees of the legislature having jurisdiction over health and human services and insurance regarding any finding of material weakness or significant deficiency found in an audit.

62E.25 ACCOUNTS.

Subdivision 1. **Premium security plan account.** The premium security plan account is created in the special revenue fund of the state treasury. Funds in the account are appropriated annually to the commissioner of commerce for grants to the Minnesota Comprehensive Health Association for the operational and administrative costs and reinsurance payments relating to the start-up and operation of the Minnesota premium security plan. Notwithstanding section 11A.20, all investment income and all investment losses attributable to the investment of the premium security plan account shall be credited to the premium security plan account.

Subd. 2. **Deposits.** Except as provided in subdivision 3, funds received by the commissioner of commerce or other state agency pursuant to the state innovation waiver request in Laws 2017, chapter 13, article 1, section 8, shall be deposited in the premium security plan account in subdivision 1.

Subd. 3. **Basic health plan trust account.** Funds received by the commissioner of commerce or other state agency pursuant to the state innovation waiver request in Laws 2017, chapter 13, article 1, section 8, that are attributable to the basic health program shall be deposited in the basic health plan trust account in the federal fund.

62J.824 FACILITY FEE DISCLOSURE.

(a) Prior to the delivery of nonemergency services, a provider-based clinic that charges a facility fee shall provide notice to any patient, including patients served by telehealth as defined in section 62A.673, subdivision 2, paragraph (h), stating that the clinic is part of a hospital and the patient may receive a separate charge or billing for the facility component, which may result in a higher out-of-pocket expense.

(b) Each health care facility must post prominently in locations easily accessible to and visible by patients, including on its website, a statement that the provider-based clinic is part of a hospital and the patient may receive a separate charge or billing for the facility, which may result in a higher out-of-pocket expense.

(c) This section does not apply to laboratory services, imaging services, or other ancillary health services that are provided by staff who are not employed by the health care facility or clinic.

(d) For purposes of this section:

(1) "facility fee" means any separate charge or billing by a provider-based clinic in addition to a professional fee for physicians' services that is intended to cover building, electronic medical records systems, billing, and other administrative and operational expenses; and

(2) "provider-based clinic" means the site of an off-campus clinic or provider office, located at least 250 yards from the main hospital buildings or as determined by the Centers for Medicare and Medicaid Services, that is owned by a hospital licensed under chapter 144 or a health system that operates one or more hospitals licensed under chapter 144, and is primarily engaged in providing diagnostic and therapeutic care, including medical history, physical examinations, assessment of health status, and treatment monitoring. This definition does not include clinics that are exclusively providing laboratory, x-ray, testing, therapy, pharmacy, or educational services and does not include facilities designated as rural health clinics.

62K.10 GEOGRAPHIC ACCESSIBILITY; PROVIDER NETWORK ADEQUACY.

Subd. 3. **Other health services.** The maximum travel distance or time shall be the lesser of 60 miles or 60 minutes to the nearest provider of specialty physician services, ancillary services, specialized hospital services, and all other health services not listed in subdivision 2.

103I.550 LIMITED PUMP, PITLESS, OR DUG WELL/DRIVE POINT CONTRACTOR.

Subdivision 1. **Limited pump or pitless license or certification.** A person with a limited well/boring contractor's license or certification to install well pumps and pumping equipment; or a person with a limited well/boring contractor's license or certification to install, repair, and modify pitless units and pitless adapters, well casings above the pitless unit or pitless adapter, and well screens and well diameters, will be issued a combined license or certification to: (1) install well pumps and pumping equipment; and (2) install, repair, and modify pitless units and pitless adapters, well casings above the pitless unit or pitless adapter, well screens, and well diameters.

Subd. 2. **Limited dug well/drive point license or certification.** A person with a limited well/boring contractor's license or certification to construct, repair, and seal drive point wells and dug wells will be issued a well contractor's license or certification.

136A.29 POWERS; DUTIES.

Subd. 4. **Mutual agreement; staff, equipment, office space.** By mutual agreement between the authority and the office, authority staff employees may also be members of the office staff. By mutual agreement, authority employees may be provided office space in the office of the Office of Higher Education, and said employees may make use of equipment, supplies, and office space, provided that the authority fully reimburses the office for salaries and for space, equipment, supplies, and materials used. In the absence of such mutual agreement between the authority and the office, the authority may maintain an office at such place or places as it may designate.

138.912 HEALTHY EATING, HERE AT HOME.

Subd. 7. **Grocery inclusion.** The commissioner of children, youth, and families must submit a waiver request to the federal United States Department of Agriculture seeking approval for the inclusion of Minnesota grocery stores in this program so that SNAP participants may use the vouchers for healthy produce at grocery stores. Grocery store participation is voluntary and a grocery store's associated administrative costs will not be reimbursed.

148.108 FEES.

Subd. 2. **Annual renewal of inactive acupuncture registration.** The annual renewal of an inactive acupuncture registration fee is \$25.

Subd. 3. **Acupuncture reinstatement.** The acupuncture reinstatement fee is \$50.

Subd. 4. **Animal chiropractic.** (a) Animal chiropractic registration fee is \$125.

(b) Animal chiropractic registration renewal fee is \$75.

(c) Animal chiropractic inactive renewal fee is \$25.

148.6402 DEFINITIONS.

Subd. 22a. **Limited license.** "Limited license" means a license issued according to section 148.6425, subdivision 3, paragraph (c), to persons who for two years or more did not apply for a license after meeting the requirements in section 148.6408 or 148.6410 or who allowed their license to lapse for four years or more.

148.6420 APPLICATION REQUIREMENTS.

Subd. 2. **Persons applying for licensure under section 148.6408 or 148.6410.** Persons applying for licensure under section 148.6408 or 148.6410 must submit the materials required in subdivision 1 and the following:

(1) a certificate of successful completion of the requirements in section 148.6408, subdivision 1, or 148.6410, subdivision 1; and

(2) the applicant's test results from the examining agency, as evidence that the applicant received a qualifying score on a credentialing examination meeting the requirements of section 148.6408, subdivision 2, or 148.6410, subdivision 2.

Subd. 3. **Applicants certified by National Board for Certification in Occupational Therapy.** An applicant who is certified by the National Board for Certification in Occupational Therapy must provide the materials required in subdivision 1 and the following:

(1) verified documentation from the National Board for Certification in Occupational Therapy stating that the applicant is certified as an occupational therapist, registered or certified occupational therapy assistant, the date certification was granted, and the applicant's certification number. The document must also include a statement regarding disciplinary actions. The applicant is responsible for obtaining this documentation by sending a form provided by the board to the National Board for Certification in Occupational Therapy; and

(2) a waiver authorizing the board to obtain access to the applicant's records maintained by the National Board for Certification in Occupational Therapy.

Subd. 4. **Applicants credentialed in another jurisdiction.** In addition to providing the materials required in subdivision 1, an applicant credentialed in another jurisdiction must request that the

appropriate government body in each jurisdiction in which the applicant holds or held an occupational therapy credential provide documentation to the board that verifies the applicant's credentials. Except as provided in section 148.6418, a license must not be issued until the board receives verification of each of the applicant's credentials. Each verification must include the applicant's name and date of birth, credential number and date of issuance, a statement regarding investigations pending and disciplinary actions taken or pending against the applicant, current status of the credential, and the terms under which the credential was issued.

148.6423 LICENSURE RENEWAL.

Subd. 4. **License renewal cycle conversion.** The license renewal cycle for occupational therapy licensees is converted to a two-year cycle where renewal is due on the last day of the licensee's month of birth. Conversion pursuant to this section begins January 1, 2021. This section governs license renewal procedures for licensees who were licensed before December 31, 2020. The conversion renewal cycle is the renewal cycle following the first license renewal after January 1, 2020. The conversion license period is the license period for the conversion renewal cycle. The conversion license period is between 13 and 24 months and ends on the last day of the licensee's month of birth in either 2022 or 2023, as described in subdivision 5.

Subd. 5. **Conversion of license renewal cycle for current licensees.** For a licensee whose license is current as of December 31, 2020, the licensee's conversion license period begins on January 1, 2021, and ends on the last day of the licensee's month of birth in 2023, except that for licensees whose month of birth is January, February, March, April, May, or June, the licensee's renewal cycle ends on the last day of the licensee's month of birth in 2022.

Subd. 7. **Subsequent renewal cycles.** After the licensee's conversion renewal cycle under subdivision 5 or 6, subsequent renewal cycles are biennial and begin on the first day of the month following the licensee's birth month.

Subd. 8. **Conversion period and fees.** (a) A licensee who holds a license issued before January 1, 2021, and who renews that license pursuant to subdivision 5 or 6, must pay a renewal fee as required in this subdivision.

(b) A licensee must be charged the biennial license fee listed in section 148.6445 for the conversion license period.

(c) For a licensee whose conversion license period is 13 to 24 months, the first biennial license fee charged after the conversion license period must be adjusted to credit the excess fee payment made during the conversion license period. The credit is calculated by:

- (1) subtracting the number of months of the licensee's conversion license period from 24; and
- (2) multiplying the result of clause (1) by 1/24 of the biennial fee rounded up to the next dollar.

(d) For a licensee whose conversion license period is 24 months, the first biennial license fee charged after the conversion license period must not be adjusted.

(e) For the second and all subsequent license renewals made after the conversion license period, the licensee's biennial license fee is as listed in section 148.6445.

Subd. 9. **Expiration.** Subdivisions 4, 5, 7, and 8 expire December 31, 2023.

148.6425 RENEWAL OF LICENSURE; AFTER EXPIRATION DATE.

Subd. 3. **Licensure renewal four years or more after licensure expiration date.** (a) An individual who requests licensure renewal four years or more after the licensure expiration date must submit the following:

- (1) a completed and signed application for licensure on forms provided by the board;
- (2) the renewal fee and the late fee required under section 148.6445 if renewal application is based on paragraph (b), clause (1), (2), or (3), or the renewal fee required under section 148.6445 if renewal application is based on paragraph (b), clause (4);
- (3) proof of having met the continuing education requirement in section 148.6443, subdivision 1, except the continuing education must be obtained in the two years immediately preceding application renewal; and
- (4) at the time of the next licensure renewal, proof of having met the continuing education requirement, which shall be prorated based on the number of months licensed during the two-year licensure period.

(b) In addition to the requirements in paragraph (a), the applicant must submit proof of one of the following:

(1) verified documentation of successful completion of 160 hours of supervised practice approved by the board as described in paragraph (c);

(2) verified documentation of having achieved a qualifying score on the credentialing examination for occupational therapists or the credentialing examination for occupational therapy assistants administered within the past year;

(3) documentation of having completed a combination of occupational therapy courses or an occupational therapy refresher program that contains both a theoretical and clinical component approved by the board. Only courses completed within one year preceding the date of the application or one year after the date of the application qualify for approval; or

(4) evidence that the applicant holds a current and unrestricted credential for the practice of occupational therapy in another jurisdiction and that the applicant's credential from that jurisdiction has been held in good standing during the period of lapse.

(c) To participate in a supervised practice as described in paragraph (b), clause (1), the applicant shall obtain limited licensure. To apply for limited licensure, the applicant shall submit the completed limited licensure application, fees, and agreement for supervision of an occupational therapist or occupational therapy assistant practicing under limited licensure signed by the supervising therapist and the applicant. The supervising occupational therapist shall state the proposed level of supervision on the supervision agreement form provided by the board. The supervising therapist shall determine the frequency and manner of supervision based on the condition of the patient or client, the complexity of the procedure, and the proficiencies of the supervised occupational therapist. At a minimum, a supervising occupational therapist shall be on the premises at all times that the person practicing under limited licensure is working; be in the room ten percent of the hours worked each week by the person practicing under limited licensure; and provide daily face-to-face collaboration for the purpose of observing service competency of the occupational therapist or occupational therapy assistant, discussing treatment procedures and each client's response to treatment, and reviewing and modifying, as necessary, each treatment plan. The supervising therapist shall document the supervision provided. The occupational therapist participating in a supervised practice is responsible for obtaining the supervision required under this paragraph and must comply with the board's requirements for supervision during the entire 160 hours of supervised practice. The supervised practice must be completed in two months and may be completed at the applicant's place of work.

(d) In addition to the requirements in paragraphs (a) and (b), the applicant must submit additional information as requested by the board to clarify information in the application, including information to determine whether the applicant has engaged in conduct warranting disciplinary action as set forth in section 148.6448. The information must be submitted within 30 days after the board's request.

148.6430 DELEGATION OF DUTIES; ASSIGNMENT OF TASKS.

The occupational therapist is responsible for all duties delegated to the occupational therapy assistant or tasks assigned to direct service personnel. The occupational therapist may delegate to an occupational therapy assistant those portions of a client's evaluation, reevaluation, and intervention that, according to prevailing national practice standards, can be performed by an occupational therapy assistant. The occupational therapist may not delegate portions of an evaluation or reevaluation of a person whose condition is changing rapidly.

148.6445 FEES.

Subd. 5. **Limited licensure fee.** The fee for limited licensure is \$100.

Subd. 6. **Fee for course approval after lapse of licensure.** The fee for course approval after lapse of licensure is \$100.

Subd. 8. **Verification to institutions.** The fee for verification of licensure to institutions is \$10.

156.015 FEES.

Subdivision 1. **Verification of licensure.** The board may charge a fee of \$25 per license verification to a licensee for verification of licensure status provided to other veterinary licensing boards.

245A.11 SPECIAL CONDITIONS FOR RESIDENTIAL PROGRAMS.

Subd. 8. **Community residential setting license.** (a) The commissioner shall establish provider standards for residential support services that integrate service standards and the residential setting under one license. The commissioner shall propose statutory language and an implementation plan for licensing requirements for residential support services to the legislature by January 15, 2012, as a component of the quality outcome standards recommendations required by Laws 2010, chapter 352, article 1, section 24.

(b) Providers licensed under chapter 245B, and providing, contracting, or arranging for services in settings licensed as adult foster care under Minnesota Rules, parts 9555.5105 to 9555.6265; and meeting the provisions of section 245D.02, subdivision 4a, must be required to obtain a community residential setting license.

256B.0622 ASSERTIVE COMMUNITY TREATMENT AND INTENSIVE RESIDENTIAL TREATMENT SERVICES.

Subd. 4. **Provider entity licensure and contract requirements for intensive residential treatment services.** (a) The commissioner shall develop procedures for counties and providers to submit other documentation as needed to allow the commissioner to determine whether the standards in this section are met.

(b) A provider entity must specify in the provider entity's application what geographic area and populations will be served by the proposed program. A provider entity must document that the capacity or program specialties of existing programs are not sufficient to meet the service needs of the target population. A provider entity must submit evidence of ongoing relationships with other providers and levels of care to facilitate referrals to and from the proposed program.

(c) A provider entity must submit documentation that the provider entity requested a statement of need from each county board and tribal authority that serves as a local mental health authority in the proposed service area. The statement of need must specify if the local mental health authority supports or does not support the need for the proposed program and the basis for this determination. If a local mental health authority does not respond within 60 days of the receipt of the request, the commissioner shall determine the need for the program based on the documentation submitted by the provider entity.

256B.0625 COVERED SERVICES.

Subd. 38. **Payments for mental health services.** Payments for mental health services covered under the medical assistance program that are provided by masters-prepared mental health professionals shall be 80 percent of the rate paid to doctoral-prepared professionals. Payments for mental health services covered under the medical assistance program that are provided by masters-prepared mental health professionals employed by community mental health centers shall be 100 percent of the rate paid to doctoral-prepared professionals. Payments for mental health services covered under the medical assistance program that are provided by physician assistants shall be 80.4 percent of the base rate paid to psychiatrists.

2500.1150 FEES.

The fees charged by the board are fixed at the following rates:

- A. peer review fee to be paid by a requesting doctor or by a requesting insurance company, \$100;
- B. licensing examination regrade fee, \$30;
- C. copy of a board order or stipulation fee, \$10 each;
- D. certificate of good standing or licensure verification to other states, \$10 each;
- E. duplicate of the original license or of an annual renewal, \$10;
- F. miscellaneous copying fee, 25 cents per page;
- G. independent medical examination registration fee, \$150;
- H. independent examination annual renewal fee, \$100;
- I. incorporation renewal late charge, \$5 per month;
- J. computer lists, \$100; and
- K. computer printed labels, \$150.

2500.2030 ANNUAL RENEWAL OF INACTIVE LICENSE.

The annual renewal fee for an inactive license is 75 percent of the current fee imposed by the board for license renewal.

4695.2900 APPLICATION FEES.

Fees to be submitted with initial or renewal applications shall be as follows:

- A. Initial application fee, \$45 plus examination fees.
- B. Biennial renewal application fee, \$45.
- C. Penalty for late submission of renewal application, \$10, if not renewed by designated renewal date.

6800.5100 DEFINITIONS.

Subp. 5. **Pharmacist-intern; intern.** "Pharmacist-intern" and "intern" mean:

- A. a natural person satisfactorily progressing toward the degree in pharmacy required for licensure;
- B. a graduate of the University of Minnesota College of Pharmacy, or other pharmacy college approved by the board, who is registered by the Board of Pharmacy for the purpose of obtaining practical experience as a requirement for licensure as a pharmacist;
- C. a qualified applicant awaiting examination for licensure; or
- D. a participant in a residency or fellowship program, not licensed to practice pharmacy in the state of Minnesota, who is a licensed pharmacist in another state or who is a graduate of the University of Minnesota College of Pharmacy or another pharmacy college approved by the board.

6800.5400 TRAINING.

Subp. 5. **Competencies.** Upon registration, interns and preceptors will be furnished a copy of the board's internship manual, which lists the minimum competencies that should be the focus of internship training. The competencies are furnished to suggest appropriate types and order of training experience and shall be used to ensure that the intern's practical experiences are commensurate with the intern's educational level, and broad in scope.

Subp. 6. **Evidence of completion.** Applicants for licensure as pharmacists who are examined and licensed after September 17, 1973, shall submit evidence that they have successfully completed not less than 1,500 hours of internship under the instruction and supervision of a preceptor. Effective May 1, 2003, candidates for licensure shall submit evidence that they have successfully completed not less than 1,600 hours of internship under the direction and supervision of a preceptor. Credit for internship shall be granted only to registered interns who have completed the third year of the five-year or six-year pharmacy curriculum, provided, however, that:

A. no more than 400 hours of concurrent time internship will be granted to an intern; and

B. 800 hours of internship credit may be acquired through experiential education program experiences that do not have as their focus traditional compounding, dispensing, and related patient counseling activities. The remaining 800 hours of the 1,600 hour total requirement must focus on traditional compounding, dispensing, and related patient counseling activities.

6900.0250 FEES.

Subpart 1. **Amounts.** The amount of fees may be set by the board with the approval of the Department of Management and Budget up to the limits provided in this subpart depending upon the total amount required to sustain board operations under Minnesota Statutes, section 16A.1285, subdivision 2. Information about fees in effect at any time is available from the board office. The maximum amount of fees are:

- A. application for licensure, \$600;
- B. renewal license, \$600;
- C. late renewal fee, \$100;
- D. temporary permit, \$250;
- E. duplicate license or duplicate renewal certificate, \$10;
- F. reinstatement, \$650;
- G. exam administration to persons who have not applied for a license or permit, \$50;
- H. fee for verification of licensure, \$30; and
- I. miscellaneous fee:
 - (1) labels, \$25;
 - (2) list of licensees, \$25; and
 - (3) copies, 25 cents per page.

Subp. 2. **Requirements.** Fees must be paid in United States money and are not refundable.

9100.0400 APPLICATION AND EXAMINATION FEES FOR LICENSURE TO PRACTICE VETERINARY MEDICINE.

Subpart 1. Application fee.

A. A person applying for a license to practice veterinary medicine in Minnesota or applying for a permit to take the national veterinary medical examination must pay a \$50 nonrefundable application fee to the board. Persons submitting concurrent applications for licensure and a national examination permit shall pay only one application fee.

B. The application fee received supports only the application with which the fee was submitted. A person who applies more than once must submit the full application fee with each subsequent application.

Subp. 3. Examination fees.

A. All applicants for veterinary licensure in Minnesota must successfully pass the Minnesota Veterinary Jurisprudence Examination. The fee for this examination is \$50, payable to the board.

B. An applicant participating in the national veterinary licensing examination must complete a separate application for the national examination and submit the application to the board for approval. Payment for the national examination must be made by the applicant to the national board examination committee after the application for examination has been approved by the board.

9100.0500 INITIAL AND RENEWAL FEE.

Subpart 1. **Required for licensure.** Each person now licensed to practice veterinary medicine in this state, or who becomes licensed by the Board of Veterinary Medicine to engage in the practice, shall pay an initial fee or a biennial license renewal fee if the person wishes to practice veterinary medicine in the coming two-year period or remain licensed as a veterinarian. A licensure period begins on March 1 and expires the last day of February two years later. A licensee with an even-numbered license shall renew by March 1 of even-numbered years and a licensee with an odd-numbered license shall renew by March 1 of odd-numbered years. For 1996 license renewals, licensees with an even-numbered license shall renew for two years. Licensees with an odd-numbered license shall renew for one year and commence renewal for a two-year period in 1997.

Subp. 2. **Amount.** The initial licensure fee and the biennial renewal fee is \$200 and must be paid to the executive director of the board on or before March 1 of the first year of the biennial license period. By January 1 of the first year for which the biennial renewal fee is due, the board shall issue a renewal application to each current licensee to the last address maintained in the board file. Failure to receive this notice does not relieve the licensee of the obligation to pay renewal fees so that they are received by the board on or before the renewal date of March 1.

Initial licenses issued after the start of the licensure renewal period are valid only until the end of the period.

Subp. 3. **Date due.** A licensee must apply for a renewal license on or before March 1 of the first year of the biennial license renewal period. A renewal license is valid from March 1 through the last day of February of the last year of the two-year license renewal period. An application postmarked no later than the last day of February must be considered to have been received on March 1.

Subp. 4. **Late renewal penalty.** An applicant for renewal must pay a late renewal penalty of \$100 in addition to the renewal fee if the application for renewal is received after March 1 of the licensure renewal period. A renewed license issued after March 1 of the licensure renewal period is valid only to the end of the period regardless of when the renewal fee is received.

Subp. 4a. **Reinstatement fee.** An applicant for license renewal whose license has previously been suspended by official board action for nonrenewal must pay a reinstatement fee of \$50 in addition to the \$200 renewal fee and the \$100 late renewal penalty.

Subp. 5. **Penalty for failure to pay.** Within 30 days after the renewal date, a licensee who has not renewed the license must be notified by letter sent to the last known address of the licensee in the file of the board that the renewal is overdue and that failure to pay the current fee and current late fee within 60 days after the renewal date will result in suspension of the license. A second notice must be sent by registered or certified mail at least seven

days before a board meeting occurring 60 days or more after the renewal date to each licensee who has not paid the renewal fee and late fee.

Subp. 6. **Suspension.** The board, by means of a roll call vote, shall suspend the license of a licensee whose license renewal is at least 60 days overdue and to whom notification has been sent as provided in subpart 5. Failure of a licensee to receive notification is not grounds for later challenge by the licensee of the suspension. The former licensee must be notified by registered or certified letter within seven days of the board action. The suspended status placed on a license may be removed only on payment of renewal fees and late penalty fees for each licensure period or part of a period that the license was not renewed. A licensee who fails to renew a license for five years or more must meet the criteria of Minnesota Statutes, section 156.071, for relicensure.

Subp. 7. **Inactive license.** A person holding a current unrestricted license to practice veterinary medicine in Minnesota may, at the time of the person's next biennial license renewal date, renew the license as an inactive license at one-half the renewal fee of an unrestricted license. The license may be continued in an inactive status by renewal on a biennial basis at one-half the regular license fee.

A. A person holding an inactive license is not permitted to practice veterinary medicine in Minnesota and remains under the disciplinary authority of the board.

B. A person may convert a current inactive license to an unrestricted license upon application to and approval by the board. The application must include:

(1) documentation of licensure in good standing and of having met continuing education requirements of current state of practice, or documentation of having met Minnesota continuing education requirements retroactive to the date of licensure inactivation;

(2) certification by the applicant that the applicant is not currently under disciplinary orders or investigation for acts that could result in disciplinary action in any other jurisdiction; and

(3) payment of a fee equal to the full difference between an inactive and unrestricted license if converting during the first year of the biennial license cycle or payment of a fee equal to one-half the difference between an inactive and an unrestricted license if converting during the second year of the license cycle.

C. Deadline for renewal of an inactive license is March 1 of the first year of the biennial license renewal period. A late renewal penalty of one-half the inactive renewal fee must be paid if renewal is received after March 1.

9100.0600 MISCELLANEOUS FEES.

Subpart 1. **Temporary license fee.** A person meeting the requirements for issuance of a temporary permit to practice veterinary medicine under Minnesota Statutes, section 156.072, subdivision 5, pending examination, who desires a temporary permit shall pay a fee of \$50 to the board.

Subp. 2. **Duplicate license.** A person requesting issuance of a duplicate or replacement license shall pay a fee of \$10 to the board.