

**SENATE
STATE OF MINNESOTA
NINETY-FOURTH SESSION**

S.F. No. 4260

(SENATE AUTHORS: **UTKE and Hoffman**)

DATE
03/09/2026

D-PG
6569 Introduction and first reading
Referred to Human Services

OFFICIAL STATUS

1.1 A bill for an act
1.2 relating to human services; modifying disability waiver rate system inflationary
1.3 adjustments; making conforming changes; amending Minnesota Statutes 2024,
1.4 section 256B.4914, by adding a subdivision; Minnesota Statutes 2025 Supplement,
1.5 sections 256B.092, subdivision 3b; 256B.49, subdivision 17a; 256B.4914,
1.6 subdivision 5b.

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

1.8 Section 1. Minnesota Statutes 2025 Supplement, section 256B.092, subdivision 3b, is
1.9 amended to read:

1.10 Subd. 3b. **Service authorizations and service agreements.** (a) Recipients must be
1.11 screened and authorized for services according to the federally approved waiver application
1.12 and its subsequent amendments.

1.13 (b) The commissioner must require lead agency supervisors to review and accept all
1.14 service agreements entered by lead agency staff into the Medicaid management information
1.15 system (MMIS) prior to the commissioner's approval of the service agreement.

1.16 (c) For a service agreement with a proposed total authorized amount that exceeds the
1.17 total authorized amount in the recipient's prior service agreement by more than the value
1.18 of legislatively enacted rate increases, the commissioner must manually review and manually
1.19 approve the service agreement in the MMIS. For purposes of this paragraph, "prior service
1.20 agreement" means the service agreement that was in effect 12 months prior to the start date
1.21 of the new proposed service agreement.

2.1 (d) In a format prescribed by the commissioner, lead agencies must submit the following
2.2 information for all service agreements subject to the commissioner's approval in paragraph
2.3 (c):

2.4 (1) changes in the number of units authorized;

2.5 (2) new services authorized;

2.6 (3) changes in the values used to calculate service rates under section 256B.4914, except
2.7 for automatic adjustments required under section 256B.4914, subdivisions 5 ~~and~~ 5b, and
2.8 5f;

2.9 (4) changes in the person's level of need that require an increase in the amount of services
2.10 authorized;

2.11 (5) documentation detailing why the previous amount of services is not sufficient to
2.12 meet the person's needs; and

2.13 (6) anticipated impact if the total service amount is not increased to the proposed amount.

2.14 (e) Except for rate increases required under section 256B.4914, subdivisions 5 ~~and~~ 5b,
2.15 and 5f, and rate changes authorized by the 2025 legislature, the commissioner must not
2.16 approve service agreements under paragraph (c) that are not the result of either a documented
2.17 change in a person's assessed needs or documented evidence that the previous level of
2.18 service was insufficient to meet the person's assessed needs.

2.19 (f) This subdivision expires upon full implementation of waiver reimagine. The
2.20 commissioner must inform the revisor of statutes when waiver reimagine is fully
2.21 implemented.

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

2.23 Sec. 2. Minnesota Statutes 2025 Supplement, section 256B.49, subdivision 17a, is amended
2.24 to read:

2.25 Subd. 17a. **Service authorizations and service agreements.** (a) Recipients must be
2.26 screened and authorized for services according to the federally approved waiver application
2.27 and its subsequent amendments.

2.28 (b) The commissioner must require lead agency supervisors to review and accept all
2.29 service agreements entered by lead agency staff into the Medicaid management information
2.30 system (MMIS) prior to the commissioner's approval of the service agreement.

3.1 (c) For a service agreement with a proposed total authorized amount that exceeds the
3.2 total authorized amount in the recipient's prior service agreement by more than the value
3.3 of legislatively enacted rate increases, the commissioner must manually review and manually
3.4 approve the service agreement in the MMIS. For purposes of this paragraph, "prior service
3.5 agreement" means the service agreement that was in effect 12 months prior to the start date
3.6 of the new proposed service agreement.

3.7 (d) In a format prescribed by the commissioner, lead agencies must submit the following
3.8 information for all service agreements subject to the commissioner's approval in paragraph
3.9 (c):

3.10 (1) changes in the number of units authorized;

3.11 (2) new services authorized;

3.12 (3) changes in the values used to calculate service rates under section 256B.4914, except
3.13 for automatic adjustments required under section 256B.4914, subdivisions 5 ~~and~~ 5b, and
3.14 5f;

3.15 (4) changes in the person's level of need that require an increase in the amount of services
3.16 authorized;

3.17 (5) documentation detailing why the previous amount of services is not sufficient to
3.18 meet the person's needs; and

3.19 (6) anticipated impact if the total service amount is not increased to the proposed amount.

3.20 (e) Except for rate increases required under section 256B.4914, subdivisions 5 ~~and~~ 5b,
3.21 and 5f and rate changes authorized by the 2025 legislature, the commissioner must not
3.22 approve service agreements under paragraph (c) that are not the result of either a documented
3.23 change in a person's assessed needs or documented evidence that the previous level of
3.24 service was insufficient to meet the person's assessed needs.

3.25 (f) This subdivision expires upon full implementation of waiver reimagine. The
3.26 commissioner must inform the revisor of statutes when waiver reimagine is fully
3.27 implemented.

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

3.29 Sec. 3. Minnesota Statutes 2025 Supplement, section 256B.4914, subdivision 5b, is
3.30 amended to read:

3.31 Subd. 5b. **Standard component value adjustments.** (a) The commissioner shall update
3.32 the base wage index under subdivision 5a; client and programming support, transportation,

4.1 and program facility cost component values as required in subdivisions 6 to 9; and the rates
 4.2 identified in subdivision 19 for changes in the Consumer Price Index. If the result of this
 4.3 update exceeds eight percent, the commissioner shall implement a change to the base wage
 4.4 index, component values, and rates under subdivision 19 of eight percent. If the result of
 4.5 this update is less than eight percent, the commissioner shall implement the full value of
 4.6 the change. The commissioner shall adjust these values higher or lower, publish these
 4.7 updated values, and load them into the rate management system on January 1, 2026, and
 4.8 every two years thereafter, by the percentage change in the CPI-U from the date of the
 4.9 previous update to the data available 24 months and one day prior to the scheduled update.

4.10 (b) This subdivision expires upon the effective date of subdivision 5f.

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

4.12 Sec. 4. Minnesota Statutes 2024, section 256B.4914, is amended by adding a subdivision
 4.13 to read:

4.14 Subd. 5f. **Base wage index and standard component value adjustments.** Effective
 4.15 January 1, 2028, or upon federal approval, whichever is later, the commissioner shall update
 4.16 the base wage index under subdivision 5a; client programming support, transportation, and
 4.17 program facility cost component values as required in subdivisions 6 to 9; and the rates
 4.18 identified in subdivision 19 for changes in the Consumer Price Index. If the result of this
 4.19 update exceeds an increase of four percent, the commissioner shall implement a change of
 4.20 four percent to the base wage index, component values, and rates under subdivision 19. If
 4.21 the result of this update is an increase of less than four but greater than zero percent, the
 4.22 commissioner shall implement the full value of the change. If the result of this update is a
 4.23 decrease, the commissioner shall implement no change. The commissioner shall adjust the
 4.24 values, publish the updated values, and load the updated values into the rate management
 4.25 system on January 1 of each year by the percentage change in the CPI-U from the date of
 4.26 the previous update to the data available 24 months and one day prior to the scheduled
 4.27 update.

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