

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

S.F. No. 4395

(SENATE AUTHORS: MOHAMED)

DATE
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Introduction and first reading
Referred to Human Services

OFFICIAL STATUS

1.1 A bill for an act
1.2 relating to human services; modifying home and community-based services case
1.3 management; establishing a waiver case management quality working group;
1.4 requiring reports; amending Minnesota Statutes 2024, section 256S.07, subdivision
1.5 1; Minnesota Statutes 2025 Supplement, sections 256B.092, subdivision 1a;
1.6 256B.49, subdivision 13.

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 1a, is
1.9 amended to read:

1.10 Subd. 1a. **Case management services.** (a) Each recipient of a home and community-based
1.11 waiver shall be provided case management services by qualified vendors as described in
1.12 the federally approved waiver application.

1.13 (b) Case management service activities provided to or arranged for a person include:

1.14 (1) development of the person-centered support plan under subdivision 1b;

1.15 (2) informing the individual or the individual's legal guardian or conservator, or parent
1.16 if the person is a minor, of service options, including all service options available under the
1.17 waiver plan;

1.18 (3) consulting with relevant medical experts or service providers;

1.19 (4) assisting the person in the identification of potential providers of chosen services,
1.20 including:

1.21 (i) providers of services provided in a non-disability-specific setting;

1.22 (ii) employment service providers;

- 2.1 (iii) providers of services provided in settings that are not controlled by a provider; and
- 2.2 (iv) providers of financial management services;
- 2.3 (5) assisting the person to access services and assisting in appeals under section 256.045;
- 2.4 (6) coordination of services, if coordination is not provided by another service provider;
- 2.5 (7) evaluation and monitoring of the services identified in the support plan, which must
- 2.6 incorporate at least one annual face-to-face visit by the case manager with each person;
- 2.7 (8) reviewing support plans and providing the lead agency with recommendations for
- 2.8 service authorization based upon the individual's needs identified in the support plan; and
- 2.9 (9) assisting and cooperating with facilities licensed under chapter 144G with the
- 2.10 licensee's obligations under section 144G.55.

2.11 (c) Case management service activities that are provided to the person with a

2.12 developmental disability shall be provided directly by county agencies or under contract.

2.13 If a county agency contracts for case management services, the county agency must provide

2.14 each recipient of home and community-based services who is receiving contracted case

2.15 management services with the contact information the recipient may use to file a grievance

2.16 with the county agency about the quality of the contracted services the recipient is receiving

2.17 from a county-contracted case manager. If a county agency provides case management

2.18 under contracts with other individuals or agencies ~~and~~, the county agency ~~utilizes~~ must

2.19 utilize a competitive proposal process for the procurement of contracted case management

2.20 ~~services, the competitive proposal process must include~~ at least once every two years.

2.21 Contracts must include provisions for oversight to ensure high-quality case management

2.22 services. The competitive proposal process must include evaluation criteria to ensure that

2.23 the county maintains a culturally responsive program for case management services adequate

2.24 to meet the needs of the population of the county. For the purposes of this section, "culturally

2.25 responsive program" means a case management services program that: (1) ensures effective,

2.26 equitable, comprehensive, and respectful quality care services that are responsive to

2.27 individuals within a specific population's values, beliefs, practices, health literacy, preferred

2.28 language, and other communication needs; and (2) is designed to address the unique needs

2.29 of individuals who share a common language or racial, ethnic, or social background.

2.30 Beginning July 1, 2029, a county agency must not enter into any new contracts or renew

2.31 contracts for case management services.

2.32 (d) Case management services must be provided by a public or private agency that is

2.33 enrolled as a medical assistance provider determined by the commissioner to meet all of

3.1 the requirements in the approved federal waiver plans. Case management services must not
3.2 be provided to a recipient by a private agency that has a financial interest in the provision
3.3 of any other services included in the recipient's support plan. For purposes of this section,
3.4 "private agency" means any agency that is not identified as a lead agency under section
3.5 256B.0911, subdivision 10.

3.6 (e) Case managers are responsible for service provisions listed in paragraphs (a) and
3.7 (b). Case managers shall collaborate with consumers, families, legal representatives, and
3.8 relevant medical experts and service providers in the development and annual review of the
3.9 person-centered support plan and habilitation plan.

3.10 (f) For persons who need a positive support transition plan as required in chapter 245D,
3.11 the case manager shall participate in the development and ongoing evaluation of the plan
3.12 with the expanded support team. At least quarterly, the case manager, in consultation with
3.13 the expanded support team, shall evaluate the effectiveness of the plan based on progress
3.14 evaluation data submitted by the licensed provider to the case manager. The evaluation must
3.15 identify whether the plan has been developed and implemented in a manner to achieve the
3.16 following within the required timelines:

3.17 (1) phasing out the use of prohibited procedures;

3.18 (2) acquisition of skills needed to eliminate the prohibited procedures within the plan's
3.19 timeline; and

3.20 (3) accomplishment of identified outcomes.

3.21 If adequate progress is not being made, the case manager shall consult with the person's
3.22 expanded support team to identify needed modifications and whether additional professional
3.23 support is required to provide consultation.

3.24 (g) The Department of Human Services shall offer ongoing education in case management
3.25 to case managers. Case managers shall receive no less than 20 hours of case management
3.26 education and disability-related training each year. The education and training must include
3.27 appropriate service authorization, person-centered planning, informed choice, informed
3.28 decision making, cultural competency, employment planning, community living planning,
3.29 self-direction options, and use of technology supports. Case managers must annually complete
3.30 an informed choice curriculum and pass a competency evaluation, in a form determined by
3.31 the commissioner, on informed decision-making standards. By August 1, 2024, all case
3.32 managers must complete an employment support training course identified by the
3.33 commissioner of human services. For case managers hired after August 1, 2024, this training
3.34 must be completed within the first six months of providing case management services. For

4.1 the purposes of this section, "person-centered planning" or "person-centered" has the meaning
4.2 given in section 256B.0911, subdivision 10. Case managers must document completion of
4.3 training in a system identified by the commissioner.

4.4 **EFFECTIVE DATE.** This section is effective January 1, 2027, and applies to contracts
4.5 entered into or renewed on or after that date.

4.6 Sec. 2. Minnesota Statutes 2025 Supplement, section 256B.49, subdivision 13, is amended
4.7 to read:

4.8 Subd. 13. **Case management.** (a) Each recipient of a home and community-based waiver
4.9 shall be provided case management services by qualified vendors as described in the federally
4.10 approved waiver application. The case management service activities provided must include:

4.11 (1) finalizing the person-centered written support plan within the timelines established
4.12 by the commissioner and section 256B.0911, subdivision 29;

4.13 (2) informing the recipient or the recipient's legal guardian or conservator of service
4.14 options, including all service options available under the waiver plans;

4.15 (3) assisting the recipient in the identification of potential service providers of chosen
4.16 services, including:

4.17 (i) available options for case management service and providers;

4.18 (ii) providers of services provided in a non-disability-specific setting;

4.19 (iii) employment service providers;

4.20 (iv) providers of services provided in settings that are not community residential settings;

4.21 and

4.22 (v) providers of financial management services;

4.23 (4) assisting the recipient to access services and assisting with appeals under section
4.24 256.045;

4.25 (5) coordinating, evaluating, and monitoring of the services identified in the service
4.26 plan; and

4.27 (6) assisting and cooperating with facilities licensed under chapter 144G with the
4.28 licensee's obligations under section 144G.55.

4.29 (b) The case manager may delegate certain aspects of the case management service
4.30 activities to another individual provided there is oversight by the case manager. The case
4.31 manager may not delegate those aspects which require professional judgment including:

5.1 (1) finalizing the person-centered support plan;

5.2 (2) ongoing assessment and monitoring of the person's needs and adequacy of the
5.3 approved person-centered support plan; and

5.4 (3) adjustments to the person-centered support plan.

5.5 (c) Case management services must be provided by a public or private agency that is
5.6 enrolled as a medical assistance provider determined by the commissioner to meet all of
5.7 the requirements in the approved federal waiver plans. If a county agency provides case
5.8 management under contracts with other individuals or agencies ~~and~~², the county agency
5.9 ~~utilizes~~ must utilize a competitive proposal process for the procurement of contracted case
5.10 management services, ~~the competitive proposal process must include~~ at least once every
5.11 two years. Contracts must include provisions for oversight to ensure high-quality case
5.12 management services. The competitive proposal process must include evaluation criteria
5.13 to ensure that the county maintains a culturally responsive program for case management
5.14 services adequate to meet the needs of the population of the county. For the purposes of
5.15 this section, "culturally responsive program" means a case management services program
5.16 that: (1) ensures effective, equitable, comprehensive, and respectful quality care services
5.17 that are responsive to individuals within a specific population's values, beliefs, practices,
5.18 health literacy, preferred language, and other communication needs; and (2) is designed to
5.19 address the unique needs of individuals who share a common language or racial, ethnic, or
5.20 social background. Beginning July 1, 2029, a county agency must not enter into any new
5.21 contracts or renew contracts for case management services.

5.22 (d) Case management services must not be provided to a recipient by a private agency
5.23 that has any financial interest in the provision of any other services included in the recipient's
5.24 support plan. For purposes of this section, "private agency" means any agency that is not
5.25 identified as a lead agency under section 256B.0911, subdivision 10.

5.26 (e) For persons who need a positive support transition plan as required in chapter 245D,
5.27 the case manager shall participate in the development and ongoing evaluation of the plan
5.28 with the expanded support team. At least quarterly, the case manager, in consultation with
5.29 the expanded support team, shall evaluate the effectiveness of the plan based on progress
5.30 evaluation data submitted by the licensed provider to the case manager. The evaluation must
5.31 identify whether the plan has been developed and implemented in a manner to achieve the
5.32 following within the required timelines:

5.33 (1) phasing out the use of prohibited procedures;

6.1 (2) acquisition of skills needed to eliminate the prohibited procedures within the plan's
6.2 timeline; and

6.3 (3) accomplishment of identified outcomes.

6.4 If adequate progress is not being made, the case manager shall consult with the person's
6.5 expanded support team to identify needed modifications and whether additional professional
6.6 support is required to provide consultation.

6.7 (f) The Department of Human Services shall offer ongoing education in case management
6.8 to case managers. Case managers shall receive no less than 20 hours of case management
6.9 education and disability-related training each year. The education and training must include
6.10 appropriate service authorization, person-centered planning, informed choice, informed
6.11 decision making, cultural competency, employment planning, community living planning,
6.12 self-direction options, and use of technology supports. Case managers must annually complete
6.13 an informed choice curriculum and pass a competency evaluation, in a form determined by
6.14 the commissioner, on informed decision-making standards. By August 1, 2024, all case
6.15 managers must complete an employment support training course identified by the
6.16 commissioner of human services. For case managers hired after August 1, 2024, this training
6.17 must be completed within the first six months of providing case management services. For
6.18 the purposes of this section, "person-centered planning" or "person-centered" has the meaning
6.19 given in section 256B.0911, subdivision 10. Case managers shall document completion of
6.20 training in a system identified by the commissioner.

6.21 **EFFECTIVE DATE.** This section is effective January 1, 2027, and applies to contracts
6.22 entered into or renewed on or after that date.

6.23 Sec. 3. Minnesota Statutes 2024, section 256S.07, subdivision 1, is amended to read:

6.24 Subdivision 1. **Elderly waiver case management provided by counties and tribes.** (a)
6.25 For participants not enrolled in a managed care organization, the county of residence or
6.26 tribe must provide or arrange to provide elderly waiver case management activities under
6.27 section 256S.09, subdivisions 2 and 3.

6.28 (b) If a county agency provides case management under contracts with other individuals
6.29 or agencies ~~and~~, the county agency ~~utilizes~~ must utilize a competitive proposal process for
6.30 the procurement of contracted case management services, ~~the competitive proposal process~~
6.31 ~~must include~~ at least once every two years. Contracts must include provisions for oversight
6.32 to ensure high-quality case management services. The competitive proposal process must
6.33 include evaluation criteria to ensure that the county maintains a culturally responsive program

7.1 for case management services adequate to meet the needs of the population of the county.
 7.2 For the purposes of this section, "culturally responsive program" means a case management
 7.3 services program that:

7.4 (1) ensures effective, equitable, comprehensive, and respectful quality care services that
 7.5 are responsive to individuals within a specific population's values, beliefs, practices, health
 7.6 literacy, preferred language, and other communication needs; and

7.7 (2) is designed to address the unique needs of individuals who share a common language
 7.8 or racial, ethnic, or social background.

7.9 (c) Beginning July 1, 2029, a county agency must not enter into any new contracts or
 7.10 renew contracts for case management services.

7.11 **EFFECTIVE DATE.** This section is effective January 1, 2027, and applies to contracts
 7.12 entered into or renewed on or after that date.

7.13 **Sec. 4. WAIVER CASE MANAGEMENT QUALITY WORKING GROUP.**

7.14 Subdivision 1. **Establishment.** The commissioner of human services shall convene a
 7.15 waiver case management quality working group to develop recommendations related to
 7.16 county provision of home and community-based waiver case management services without
 7.17 the use of contractors.

7.18 Subd. 2. **Membership.** At a minimum, the working group must include the following
 7.19 members:

7.20 (1) two individuals receiving waiver services or their family members or advocates,
 7.21 appointed by the commissioner, in consultation with organizations representing individuals
 7.22 with lived experience of disability and waiver services;

7.23 (2) three county representatives, appointed by the Minnesota Association of County
 7.24 Social Service Administrators;

7.25 (3) at least three representatives of contracted case management agencies, appointed by
 7.26 the Minnesota Social Service Association, including:

7.27 (i) at least one representative of a contracted case management agency located in a
 7.28 metropolitan county, as defined in Minnesota Statutes, section 473.121, subdivision 4; and

7.29 (ii) at least two representatives of contracted case management agencies located outside
 7.30 of a metropolitan county;

8.1 (4) one staff member from the Minnesota Social Service Association, appointed by the
8.2 Minnesota Social Service Association;

8.3 (5) one member of a Tribal Nation, appointed by the commissioner;

8.4 (6) two representatives of disability advocacy organizations, appointed by the
8.5 commissioner; and

8.6 (7) additional nonvoting participants as determined by the commissioner, which may
8.7 include staff from the Department of Human Services and other interested parties.

8.8 Subd. 3. Duties. (a) The working group shall make recommendations to ensure that
8.9 clients are receiving high-quality case management services, including but not limited to:

8.10 (1) requiring written documentation of visits with clients in order to receive payment;

8.11 (2) requiring initial and annual case management training conducted by the Department
8.12 of Human Services, with input from the counties related to core competencies and the
8.13 training curriculum;

8.14 (3) requiring a county to accept a client transfer and continue services at the level provided
8.15 by the previous county without the client reapplying for services;

8.16 (4) prohibiting a county from arbitrarily reducing the level and type of services a client
8.17 receives;

8.18 (5) requiring case management service providers to submit to a yearly financial audit
8.19 and random inspections of files and documentation;

8.20 (6) requiring counties that contract for case management services to utilize a competitive
8.21 process for the procurement of contracted case management services at least once every
8.22 three years;

8.23 (7) requiring case management service providers to implement a grievance process for
8.24 clients that must document all complaints and responses to and resolutions of complaints;
8.25 and

8.26 (8) requiring contracted case management service providers to annually report to the
8.27 county their case load numbers and staff turnover rates.

8.28 (b) The working group shall make recommendations to transition from a contract-based
8.29 case management services system to a system in which counties provide case management
8.30 services without contracting for those services. The recommendations must include but are
8.31 not limited to:

- 9.1 (1) ways to reduce complaints and improve quality of waiver case management services;
9.2 (2) an evaluation of the impact of current funding levels, administrative structures, and
9.3 workforce capacity on case management service delivery;
9.4 (3) an examination of alternative accountability and oversight models that protect access,
9.5 provider flexibility, and case management service quality;
9.6 (4) creation of a variance process, including county oversight and contractor site visits,
9.7 to allow a county to continue to use contracted case management services; and
9.8 (5) legislative or administrative changes to strengthen the waiver case management
9.9 services system.

9.10 Subd. 4. **Compensation; expenses.** Members of the working group may receive
9.11 compensation and expense reimbursement as provided in Minnesota Statutes, section 15.059,
9.12 subdivision 3.

9.13 Subd. 5. **Meetings; administrative support.** (a) The first meeting of the working group
9.14 must be convened no later than August 1, 2026. The working group must meet at least
9.15 monthly. Meetings are subject to Minnesota Statutes, chapter 13D. The working group may
9.16 meet by telephone or interactive technology consistent with Minnesota Statutes, section
9.17 13D.015.

9.18 (b) The Department of Human Services shall provide staff and administrative support
9.19 to convene the working group, facilitate working group meetings, and prepare the final
9.20 report.

9.21 Subd. 6. **Report.** By September 1, 2027, the commissioner shall submit a report of the
9.22 working group's findings and recommendations, including any legislative language necessary
9.23 to implement the recommendations, to the chairs and ranking minority members of the
9.24 legislative committees with jurisdiction over human services policy and finance.

9.25 Subd. 7. **Expiration.** The working group expires upon submission of the report required
9.26 under subdivision 6.

9.27 Sec. 5. **DIRECTION TO COMMISSIONER; CASE MANAGEMENT AND HOME**
9.28 **AND COMMUNITY-BASED SERVICES RATES STUDY.**

9.29 (a) The commissioner of human services shall analyze the current rate-setting
9.30 methodology for all case management and medical assistance home and community-based
9.31 services waivers and make recommendations to improve rate-setting methodologies to more
9.32 accurately reflect service costs. By January 1, 2027, the commissioner shall issue a request

10.1 for proposals to analyze the rate frameworks and current rate-setting practices. The
10.2 commissioner must consult with lead agencies and providers across the spectrum of services
10.3 and regions of the state and with culturally responsive providers in the development of the
10.4 request for proposals and for the duration of the contract.

10.5 (b) By January 15, 2028, the commissioner must submit a report to the chairs and ranking
10.6 minority members of the legislative committees with jurisdiction over human services policy
10.7 and finance on the initial results of the analysis required under this section. By January 15,
10.8 2029, the commissioner must submit a final report to the chairs and ranking minority
10.9 members of the legislative committees with jurisdiction over human services policy and
10.10 finance that includes legislative language necessary to modify existing or implement new
10.11 rate methodologies and a detailed fiscal analysis.