

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

**S.F. No. 4476**

(SENATE AUTHORS: HOFFMAN)

DATE	D-PG	OFFICIAL STATUS
03/17/2026	6741	Introduction and first reading Referred to Human Services
04/21/2026	8759a	Comm report: To pass as amended and re-refer to Finance
05/04/2026	9496a	Comm report: To pass as amended
	9703	Second reading
	9704	Author stricken Rasmusson
05/06/2026	9946a	Special Order: Amended
	9967	Third reading Passed as amended

1.1 A bill for an act

1.2 relating to state government; modifying provisions relating to human services

1.3 continuity of care, aging and disability services, and behavioral health services;

1.4 modifying provisions relating to health regulation of certain long-term care facilities

1.5 and agencies; modifying provisions relating to Direct Care and Treatment; requiring

1.6 reports; establishing working groups; providing for civil penalties; permitting

1.7 retrieval fee for records; providing for transfers and cancellation of money;

1.8 appropriating money; amending Minnesota Statutes 2024, sections 15.43,

1.9 subdivision 3; 144.0724, by adding a subdivision; 144.121, subdivision 9; 144.1503,

1.10 subdivision 7; 144.292, subdivision 6; 144A.04, by adding subdivisions; 144A.291,

1.11 subdivision 2; 144A.471, subdivision 8; 144G.09, subdivision 2; 144G.15; 144G.16,

1.12 by adding a subdivision; 144G.195, subdivision 1; 144G.31, subdivision 7;

1.13 144G.40, by adding a subdivision; 144G.41, subdivisions 1, 2, by adding a

1.14 subdivision; 144G.45, subdivision 3; 144G.60, subdivision 4; 144G.61, subdivision

1.15 2; 144G.63, subdivisions 2, 5, by adding a subdivision; 245A.04, subdivisions 2,

1.16 2a; 245A.042, by adding a subdivision; 254A.03, subdivision 2; 254B.17; 256.01,

1.17 subdivision 21; 256B.04, subdivision 23, by adding subdivisions; 256B.0625, by

1.18 adding a subdivision; 256B.064, subdivision 2; 256B.0659, subdivisions 12, 16,

1.19 17, 19; 256B.0761, subdivision 2; 256B.0911, subdivision 26; 256B.092,

1.20 subdivision 5; 256B.49, subdivision 11; 256B.85, by adding subdivisions; 297E.02,

1.21 subdivision 3; Minnesota Statutes 2025 Supplement, sections 144.0724, subdivision

1.22 2; 144.121, subdivision 1a; 144A.474, subdivision 11; 144A.4799, subdivision 1;

1.23 144G.19, subdivision 5; 145D.40, by adding a subdivision; 145D.41, subdivisions

1.24 1, 2, by adding a subdivision; 254B.02, subdivision 5; 254B.0503, subdivision 1;

1.25 254B.0509, subdivision 2; 256.4792, subdivisions 1, 7, by adding a subdivision;

1.26 256B.0625, subdivisions 17, 18i; 256B.092, subdivision 3b; 256B.49, subdivision

1.27 17a; 256B.85, subdivision 7; 256I.04, subdivision 2a; Laws 2023, chapter 61,

1.28 article 1, sections 61, subdivision 4, as amended; 67, subdivision 3, as amended;

1.29 article 9, section 2, subdivision 5, as amended; Laws 2024, chapter 125, article 1,

1.30 section 47; article 8, section 2, subdivisions 4, 14, as amended, 20; Laws 2025,

1.31 First Special Session chapter 3, article 8, section 43; article 20, section 19,

1.32 subdivision 1; article 21, section 3, subdivision 2; Laws 2025, First Special Session

1.33 chapter 9, article 2, section 58, subdivision 9; article 4, sections 2; 23; 38; 39; 40;

1.34 41; 42; 43; 44; 50; proposing coding for new law in Minnesota Statutes, chapters

1.35 144A; 144G; 145D; 256B; repealing Minnesota Statutes 2024, sections 144A.04,

1.36 subdivision 7; 256B.055, subdivision 14; 256B.0921; Minnesota Statutes 2025

1.37 Supplement, sections 256B.4907, subdivisions 1, 2, 3, 4, 5, 6; 256S.205, subdivision

1.38 7; Laws 2019, First Special Session chapter 9, article 5, section 86, as amended;

2.1 Laws 2021, First Special Session chapter 7, article 13, sections 73, as amended;  
2.2 75, subdivision 1, as amended.

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

2.4 **ARTICLE 1**

2.5 **CONTINUITY OF CARE**

2.6 Section 1. **[256B.045] CONTINUITY OF CARE.**

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

2.9 (b) "Lead agency" means a county, Tribe, or managed care organization.

2.10 (c) "Residential services and supports" means any of the following services as defined  
2.11 in the brain injury, community alternative care, community access for disability inclusion,  
2.12 developmental disabilities, or elderly waiver plans:

2.13 (1) 24-hour customized living services;

2.14 (2) community residential services;

2.15 (3) customized living services;

2.16 (4) family residential services; and

2.17 (5) integrated community supports.

2.18 **Subd. 2. Department of Human Services continuity of care team; establishment.** To  
2.19 ensure the continuity of care of older adults and people with disabilities receiving residential  
2.20 services and supports following the imposition of a payment withhold under section  
2.21 256B.064, subdivision 2, the commissioner must establish and maintain a continuity of care  
2.22 team. The commissioner must ensure the continuity of care team always has sufficient staff  
2.23 capacity and resources for timely compliance with the requirements of this section.

2.24 **Subd. 3. Department of Human Services continuity of care team; duties.** (a) Upon  
2.25 notice from the commissioner under section 256B.064, subdivision 2, paragraph (i), that  
2.26 the commissioner intends to impose a payment withhold on a provider of residential services  
2.27 and supports, the continuity of care team must:

2.28 (1) identify all the provider's clients whose services might be affected by the payment  
2.29 withhold the commissioner intends to impose, including but not limited to all clients paying  
2.30 for services from a source other than medical assistance;

3.1 (2) for each identified client, identify the lead agency responsible for providing case  
 3.2 management or care coordination to the client;

3.3 (3) for each identified client, identify the client's case manager or care coordinator; and

3.4 (4) for each identified client, develop an initial profile of the client containing the team's  
 3.5 expectations regarding the services and supports the client is likely to require if the  
 3.6 commissioner's imposition of a payment withhold upon the provider puts the continuity of  
 3.7 care of the provider's client at risk or poses a risk that the provider's client will need to  
 3.8 transition to a new service provider or setting.

3.9 (b) After the team has completed the tasks identified in paragraph (a), clauses (1) to (4),  
 3.10 the team must inform the commissioner that the team is prepared to intervene on behalf of  
 3.11 each identified client immediately upon imposition of the payment withhold.

3.12 (c) Upon imposition of the payment withhold, for each identified client, the continuity  
 3.13 of care team must:

3.14 (1) inform the Office of the Ombudsman for Long-Term Care, the Office of the  
 3.15 Ombudsman for Mental Health and Developmental Disabilities, the Office of the  
 3.16 Ombudsperson for Public Managed Care Health Care Programs, and the lead agency that  
 3.17 the client's services may be disrupted by actions taken by the commissioner under section  
 3.18 256B.064, subdivision 2, and that the lead agency must comply with the requirements of  
 3.19 subdivision 4;

3.20 (2) directly inform each identified client's case manager or care coordinator that the  
 3.21 client's services may be disrupted by actions taken by the commissioner under section  
 3.22 256B.064, subdivision 2; that the continuity of care team is prepared to offer assistance to  
 3.23 ensure the client's continuity of care; and that the case manager must comply with the  
 3.24 requirements of subdivision 4; and

3.25 (3) directly inform each identified client that the client's services may be disrupted by  
 3.26 actions taken by the commissioner under section 256B.064, subdivision 2, and that the lead  
 3.27 agency, the client's case manager, and the continuity of care team are already taking steps  
 3.28 to develop contingency plans in the event the client's services are disrupted.

3.29 **Subd. 4. Continuity of care team and lead agency shared duties.** (a) This subdivision  
 3.30 applies to all lead agencies regardless of whether a lead agency provides case management  
 3.31 directly or under contract.

3.32 (b) The continuity of care team and the lead agency must cooperate and coordinate with  
 3.33 the client's case manager to:

4.1 (1) closely monitor services delivered to a client of a provider subject to a payment  
4.2 withhold; and

4.3 (2) develop a person-centered contingency plan for alternative services or an alternative  
4.4 service provider or setting in the event a client's services are disrupted.

4.5 (c) If a lead agency fails to develop or implement a person-centered contingency plan  
4.6 that ensures timely transition to alternative services or to an alternative service provider or  
4.7 setting, the continuity of care team must directly intervene and provide case management  
4.8 directly to the client. The lead agency and the client's case manager must fully cooperate  
4.9 and assist the continuity of care team in the provision of case management services. The  
4.10 lead agency is responsible for the state share of case management services provided by the  
4.11 continuity of care team.

4.12 (d) If the lead agency or the continuity of care team does not identify alternative services  
4.13 or an alternative service provider or setting, the continuity of care team must notify the  
4.14 commissioner and the commissioner of health, if applicable, and recommend:

4.15 (1) the commissioner of human services either determine there is a good cause under  
4.16 Code of Federal Regulations, title 42, section 455.23(e) or (f), to not suspend payments  
4.17 under section 256B.064, subdivision 2, or petition the district court of Ramsey County under  
4.18 section 245A.13 to be appointed receiver to operate the residential program; or

4.19 (2) the commissioner of health bring an action under section 144G.20, subdivision 21,  
4.20 against the provider subject to the withhold for violations of section 144G.52 or 144G.53.

4.21 (e) If the commissioner does not follow the recommendations of the continuity of care  
4.22 team identified in paragraph (d), within 30 days of receipt of the recommendations, the  
4.23 commissioner must notify the chairs and ranking minority members of the legislative  
4.24 committees with jurisdiction over human services of the commissioner's decision and include  
4.25 in the notice an explanation of the commissioner's rejection of the recommendations, the  
4.26 number of clients who will lose services as a result of the commissioner's decision, and the  
4.27 likely outcomes for the clients who will lose services.

4.28 Subd. 5. **Provider duties.** (a) The provider must fully cooperate with the lead agency  
4.29 and the continuity of care team to effectuate a coordinated transfer or coordinated move for  
4.30 each client who requires a new provider.

4.31 (b) Nothing in this section absolves a provider of its obligations under chapters 144G,  
4.32 245A, and 245D with respect to service suspensions, service terminations, contract  
4.33 terminations, and coordinated moves. The commissioners of health and human services

5.1 may impose any sanctions available under law for violations of a licensing requirement  
5.2 even if the provider complies with paragraph (a).

5.3 Sec. 2. Minnesota Statutes 2024, section 256B.064, subdivision 2, is amended to read:

5.4 Subd. 2. **Imposition of monetary recovery and sanctions.** (a) The commissioner shall  
5.5 determine any monetary amounts to be recovered and sanctions to be imposed upon an  
5.6 individual or entity under this section. Except as provided in paragraphs (b) and (d), neither  
5.7 a monetary recovery nor a sanction will be imposed by the commissioner without prior  
5.8 notice and an opportunity for a hearing, according to chapter 14, on the commissioner's  
5.9 proposed action, provided that the commissioner may suspend or reduce payment to an  
5.10 individual or entity, except a nursing home or convalescent care facility, after notice and  
5.11 prior to the hearing if in the commissioner's opinion that action is necessary to protect the  
5.12 public welfare and the interests of the program.

5.13 (b) Except when the commissioner finds good cause not to suspend payments under  
5.14 Code of Federal Regulations, title 42, section 455.23(e) or (f), the commissioner shall  
5.15 withhold or reduce payments to an individual or entity without providing advance notice  
5.16 of such withholding or reduction if either of the following occurs:

5.17 (1) the individual or entity is convicted of a crime involving the conduct described in  
5.18 subdivision 1a; or

5.19 (2) the commissioner determines there is a credible allegation of fraud for which an  
5.20 investigation is pending under the program. Allegations are considered credible when they  
5.21 have an indicium of reliability and the state agency has reviewed all allegations, facts, and  
5.22 evidence carefully and acts judiciously on a case-by-case basis. A credible allegation of  
5.23 fraud is an allegation which has been verified by the state, from any source, including but  
5.24 not limited to:

5.25 (i) fraud hotline complaints;

5.26 (ii) claims data mining; and

5.27 (iii) patterns identified through provider audits, civil false claims cases, and law  
5.28 enforcement investigations.

5.29 (c) The commissioner must send notice of the withholding or reduction of payments  
5.30 under paragraph (b) within five days of taking such action unless requested in writing by a  
5.31 law enforcement agency to temporarily withhold the notice. The notice must:

5.32 (1) state that payments are being withheld according to paragraph (b);

6.1 (2) set forth the general allegations as to the nature of the withholding action, but need  
6.2 not disclose any specific information concerning an ongoing investigation;

6.3 (3) except in the case of a conviction for conduct described in subdivision 1a, state that  
6.4 the withholding is for a temporary period and cite the circumstances under which withholding  
6.5 will be terminated;

6.6 (4) identify the types of claims to which the withholding applies; and

6.7 (5) inform the individual or entity of the right to submit written evidence for consideration  
6.8 by the commissioner.

6.9 (d) ~~The withholding or reduction of payments will not continue after~~ The commissioner  
6.10 ~~determines~~ must cease the withholding or reduction of payments after determining there is  
6.11 insufficient evidence of fraud by the individual or entity; after finding good cause not to  
6.12 continue withholding or reducing payments under Code of Federal Regulations, title 42,  
6.13 section 455.23(e) or (f); or after legal proceedings relating to the alleged fraud are completed,  
6.14 unless the commissioner has sent notice of intention to impose monetary recovery or  
6.15 sanctions under paragraph (a). Upon conviction for a crime related to the provision,  
6.16 management, or administration of a health service under medical assistance, a payment held  
6.17 pursuant to this section by the commissioner or a managed care organization that contracts  
6.18 with the commissioner under section 256B.035 is forfeited to the commissioner or managed  
6.19 care organization, regardless of the amount charged in the criminal complaint or the amount  
6.20 of criminal restitution ordered.

6.21 (e) The commissioner shall suspend or terminate an individual's or entity's participation  
6.22 in the program without providing advance notice and an opportunity for a hearing when the  
6.23 suspension or termination is required because of the individual's or entity's exclusion from  
6.24 participation in Medicare. Within five days of taking such action, the commissioner must  
6.25 send notice of the suspension or termination. The notice must:

6.26 (1) state that suspension or termination is the result of the individual's or entity's exclusion  
6.27 from Medicare;

6.28 (2) identify the effective date of the suspension or termination; and

6.29 (3) inform the individual or entity of the need to be reinstated to Medicare before  
6.30 reapplying for participation in the program.

6.31 (f) Upon receipt of a notice under paragraph (a) that a monetary recovery or sanction is  
6.32 to be imposed, an individual or entity may request a contested case, as defined in section  
6.33 14.02, subdivision 3, by filing with the commissioner a written request of appeal. The appeal

7.1 request must be received by the commissioner no later than 30 days after the date the  
7.2 notification of monetary recovery or sanction was mailed to the individual or entity. The  
7.3 appeal request must specify:

7.4 (1) each disputed item, the reason for the dispute, and an estimate of the dollar amount  
7.5 involved for each disputed item;

7.6 (2) the computation that the individual or entity believes is correct;

7.7 (3) the authority in statute or rule upon which the individual or entity relies for each  
7.8 disputed item;

7.9 (4) the name and address of the person or entity with whom contacts may be made  
7.10 regarding the appeal; and

7.11 (5) other information required by the commissioner.

7.12 (g) The commissioner may order an individual or entity to forfeit a fine for failure to  
7.13 fully document services according to standards in this chapter and Minnesota Rules, chapter  
7.14 9505. The commissioner may assess fines if specific required components of documentation  
7.15 are missing. The fine for incomplete documentation shall equal 20 percent of the amount  
7.16 paid on the claims for reimbursement submitted by the individual or entity, or up to \$5,000,  
7.17 whichever is less. If the commissioner determines that an individual or entity repeatedly  
7.18 violated this chapter, chapter 254B or 245G, or Minnesota Rules, chapter 9505, related to  
7.19 the provision of services to program recipients and the submission of claims for payment,  
7.20 the commissioner may order an individual or entity to forfeit a fine based on the nature,  
7.21 severity, and chronicity of the violations, in an amount of up to \$5,000 or 20 percent of the  
7.22 value of the claims, whichever is greater.

7.23 (h) The individual or entity shall pay the fine assessed on or before the payment date  
7.24 specified. If the individual or entity fails to pay the fine, the commissioner may withhold  
7.25 or reduce payments and recover the amount of the fine. A timely appeal shall stay payment  
7.26 of the fine until the commissioner issues a final order.

7.27 (i) Prior to suspending or withholding payments to an entity providing residential services  
7.28 and supports to an older adult or person with a disability, or suspending or terminating the  
7.29 entity's participation in medical assistance, the commissioner must notify the Department  
7.30 of Human Services continuity of care team established under section 256B.045. The  
7.31 commissioner must not suspend or withhold payments to an entity providing residential  
7.32 services and supports to an older adult or person with a disability, or suspend or terminate  
7.33 the entity's participation in the program, until the continuity of care team notifies the

8.1 commissioner that the team is prepared to immediately intervene and comply with its duties  
8.2 under section 256B.045 upon imposition of the commissioner's sanction. For the purposes  
8.3 of this paragraph, "residential services and supports" has the meaning given in section  
8.4 256B.045, subdivision 1.

## 8.5 ARTICLE 2

### 8.6 AGING AND DISABILITY SERVICES

8.7 Section 1. Minnesota Statutes 2025 Supplement, section 144.0724, subdivision 2, is  
8.8 amended to read:

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

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

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

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

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

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

8.26 (f) "Activities of daily living" or "ADL" includes personal hygiene, dressing, bathing,  
8.27 transferring, bed mobility, locomotion, eating, and toileting.

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

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

9.1 (2) elderly waiver services under chapter 256S;

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

9.3 (4) state payment of alternative care services under section 256B.0913.

9.4 This paragraph expires upon the effective date of paragraph (h).

9.5 (h) Effective January 1, 2027, or upon federal approval, whichever is later, "nursing  
 9.6 facility level of care determination" means the assessment process that results in a  
 9.7 determination of a resident's or prospective resident's need for nursing facility level of care:

9.8 (1) as established in subdivision 11 for purposes of medical assistance payment of  
 9.9 long-term care services for:

9.10 (i) nursing facility services under chapter 256R;

9.11 (ii) elderly waiver services under chapter 256S; and

9.12 (iii) state payment of alternative care services under section 256B.0913; and

9.13 (2) as established in subdivision 11a for purposes of medical assistance payment of  
 9.14 long-term care services for brain injury and community access for disability and inclusion  
 9.15 waivers under section 256B.49.

9.16 ~~(h)~~ (i) "Patient Driven Payment Model" or "PDPM" means the case mix reimbursement  
 9.17 classification system for residents in nursing facilities based on the resident's condition,  
 9.18 diagnosis, and the care the resident received at the time of the MDS assessment with an  
 9.19 ARD on or after October 1, 2025.

9.20 ~~(h)~~ (j) "Resource utilization group" or "RUG" means the case mix reimbursement  
 9.21 classification system for residents in nursing facilities according to the resident's clinical  
 9.22 and functional status as reflected in data supplied by the facility's MDS with an ARD on or  
 9.23 before September 30, 2025.

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

9.25 Sec. 2. Minnesota Statutes 2024, section 144.0724, is amended by adding a subdivision  
 9.26 to read:

9.27 **Subd. 11a. Nursing facility level of care; BI and CADI waivers.** (a) Effective January  
 9.28 1, 2027, or upon federal approval, whichever is later, a determination of need for nursing  
 9.29 facility level of care for brain injury and community access for disability and inclusion  
 9.30 waivers under section 256B.49 must meet one of the following criteria:

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

10.4 (2) the person needs the assistance of another person or constant supervision to begin  
 10.5 and complete toileting, transferring, or positioning and the assistance cannot be scheduled;  
 10.6 or

10.7 (3) the person has significant difficulty with memory, using information, daily decision  
 10.8 making, or behavioral needs that require intervention.

10.9 (b) Nursing facility level of care determinations for purposes of initial and ongoing  
 10.10 access to brain injury and community access for disability inclusion waiver programs must  
 10.11 be conducted by a MnCHOICES certified assessor in a manner determined by the  
 10.12 commissioner.

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

10.14 Sec. 3. Minnesota Statutes 2024, section 144.292, subdivision 6, is amended to read:

10.15 Subd. 6. **Cost.** (a) When a patient requests a copy of the patient's record for purposes of  
 10.16 reviewing current medical care, the provider must not charge a fee.

10.17 (b) When a provider or its representative makes copies of patient records upon a patient's  
 10.18 request under this section, the provider or its representative may charge the patient or the  
 10.19 patient's representative no more than the following amount, unless other law or a rule or  
 10.20 contract provide for a lower maximum charge:

10.21 (1) for paper copies, \$1 per page, plus \$10 for time spent retrieving and copying the  
 10.22 records;

10.23 (2) for x-rays, a total of \$30 for retrieving and reproducing x-rays; and

10.24 (3) for electronic copies, a total of \$20 for retrieving the records.

10.25 (c) For any copies of paper records provided under paragraph (b), clause (1), a provider  
 10.26 or the provider's representative may not charge more than a total of:

10.27 (1) \$10 if there are no records available;

10.28 (2) \$30 for copies of records of up to 25 pages;

10.29 (3) \$50 for copies of records of up to 100 pages;

10.30 (4) \$50, plus an additional 20 cents per page for pages 101 and above; or

11.1 (5) \$500 for any request.

11.2 (d) A provider or its representative may charge a \$10 retrieval fee, but must not charge  
11.3 a per page fee or x-ray fee to provide copies of records requested by a patient or the patient's  
11.4 authorized representative if the request for copies of records is for purposes of appealing a  
11.5 denial of Social Security disability income or Social Security disability benefits under title  
11.6 II or title XVI of the Social Security Act. Notwithstanding the foregoing, a provider or its  
11.7 representative must not charge a fee, including a retrieval fee, to provide copies of records  
11.8 requested by a patient or the patient's authorized representative if the request for copies of  
11.9 records is for purposes of appealing a denial of Social Security disability income or Social  
11.10 Security disability benefits under title II or title XVI of the Social Security Act when the  
11.11 patient is receiving public assistance, represented by an attorney on behalf of a civil legal  
11.12 services program, or represented by a volunteer attorney program based on indigency. The  
11.13 patient or the patient's representative must submit one of the following to show that they  
11.14 are entitled to receive records without charge under this paragraph:

11.15 (1) a public assistance statement from the county or state administering assistance;

11.16 (2) a request for records on the letterhead of the civil legal services program or volunteer  
11.17 attorney program based on indigency; or

11.18 (3) a benefits statement from the Social Security Administration.

11.19 For the purpose of further appeals, a patient may receive no more than two medical record  
11.20 updates without charge, but only for medical record information previously not provided.

11.21 For purposes of this paragraph, a patient's authorized representative does not include units  
11.22 of state government engaged in the adjudication of Social Security disability claims.

11.23 (e) A provider or its representative may charge a \$10 retrieval fee, but must not charge  
11.24 a per page fee or x-ray fee to provide copies of records requested by a patient or the patient's  
11.25 authorized representative if the request for copies of records is for purposes of a disability  
11.26 determination by the department's state medical review team. Notwithstanding the foregoing,  
11.27 a provider or its representative must not charge a fee, including a retrieval fee, to provide  
11.28 copies of records requested by a patient or the patient's authorized representative if the  
11.29 request for copies of records is for purposes of a disability determination by the department's  
11.30 state medical review team when the patient is receiving public assistance. To show that the  
11.31 patient or the patient's representative is entitled to receive records without charge under this  
11.32 paragraph, the patient or the patient's representative must submit either the patient's public  
11.33 assistance statement from the county or state administering assistance or the patient's benefits  
11.34 statement from the Social Security Administration.

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

12.2 Sec. 4. Minnesota Statutes 2024, section 245A.04, subdivision 2, is amended to read:

12.3 Subd. 2. **Notification of affected municipality.** The commissioner must not issue a  
 12.4 license under this chapter without giving 30 calendar days' written notice to the affected  
 12.5 municipality or other political subdivision unless the program is considered a permitted  
 12.6 single-family residential use under sections 245A.11 and 245A.14. If the program is  
 12.7 considered a permitted single-family residence, the commissioner must give the affected  
 12.8 municipality or other political subdivision written notice of the issuance no later than five  
 12.9 days after issuing the license, excluding weekends and holidays. The written notice must  
 12.10 include the prospective license holder's name and contact information, the license type and  
 12.11 capacity, and the proposed address of the licensed facility or program. The commissioner  
 12.12 may provide notice through electronic communication. The notification must be given  
 12.13 before the first issuance of a license under this chapter and annually after that time if annual  
 12.14 notification is requested in writing by the affected municipality or other political subdivision.  
 12.15 State funds must not be made available to or be spent by an agency or department of state,  
 12.16 county, or municipal government for payment to a residential or nonresidential program  
 12.17 licensed under this chapter until the provisions of this subdivision have been complied with  
 12.18 in full. The provisions of this subdivision shall not apply to programs located in hospitals.

12.19 **EFFECTIVE DATE.** This section is effective July 1, 2026, and applies to licenses  
 12.20 issued on or after that date.

12.21 Sec. 5. Minnesota Statutes 2024, section 245A.04, subdivision 2a, is amended to read:

12.22 Subd. 2a. **Meeting fire and safety codes.** (a) An applicant or license holder under  
 12.23 sections 245A.01 to 245A.16 must document compliance with applicable building codes,  
 12.24 fire and safety codes, health rules, and zoning ordinances, or document that an appropriate  
 12.25 waiver has been granted.

12.26 (b) At the request of a county or local unit of government, the commissioner may delegate  
 12.27 to a county agency or local unit of government the commissioner's or local agency's authority  
 12.28 to inspect an existing residential program serving six or fewer persons for compliance with  
 12.29 zoning ordinances and applicable physical plant licensing requirements. If the commissioner  
 12.30 delegates the commissioner's or local agency's authority to a county agency or local unit of  
 12.31 government under this subdivision, the commissioner must execute a formal delegation of  
 12.32 authority that clearly specifies what authority is being delegated to the county agency or  
 12.33 local unit of government, that the commissioner is responsible for any costs incurred by the

13.1 county agency or local unit of government for conducting inspections under delegated  
 13.2 authority, and that the county agency or local unit of government must not assess any  
 13.3 additional fees for conducting an inspection under delegated authority. When conducting  
 13.4 an inspection under delegated authority, the county agency or local unit of government must  
 13.5 provide the subject of the inspection with a copy of the delegation of authority.

13.6 (c) When a county agency or local unit of government is conducting an inspection under  
 13.7 delegated authority as provided in paragraph (b), the county agency or local unit of  
 13.8 government and the agency responsible for licensing inspections must coordinate inspections  
 13.9 to minimize visits to and disruptions of the residential program. A county agency or local  
 13.10 unit of government conducting an inspection must notify the commissioner of any violations  
 13.11 or concerns within ten days of the inspection, excluding weekends and holidays. A county  
 13.12 agency or local unit of government that conducts inspections under this subdivision must  
 13.13 not inspect a residential program more frequently than annually, except a follow-up inspection  
 13.14 is permitted before the next annual inspection to verify correction of a violation discovered  
 13.15 during the most recent inspection.

13.16 (d) The commissioner must ensure that laws, rules, and codes are uniformly enforced  
 13.17 throughout the state by reviewing at least every four years each county agency and local  
 13.18 unit of government conducting inspections under this subdivision for compliance with this  
 13.19 subdivision and other applicable laws and rules.

13.20 **EFFECTIVE DATE.** This section is effective January 1, 2027.

13.21 Sec. 6. Minnesota Statutes 2024, section 245A.042, is amended by adding a subdivision  
 13.22 to read:

13.23 **Subd. 7. Colocation of certain home and community-based residential settings.** (a)  
 13.24 Effective July 1, 2026, the commissioner must not authorize services in or issue an initial  
 13.25 license under this chapter or chapter 245D for any of the following residential settings or  
 13.26 programs unless the proposed setting meets the heightened home and community-based  
 13.27 setting standards described in this subdivision:

13.28 (1) a community residential setting, as defined in section 245D.02, subdivision 4a;

13.29 (2) an adult foster care home;

13.30 (3) a setting providing customized living services with a resident capacity of six or fewer;

13.31 (4) a setting providing 24-hour customized living services with a resident capacity of  
 13.32 six or fewer; and

14.1 (5) an assisted living facility licensed under chapter 144G with a resident capacity of  
14.2 six or fewer.

14.3 (b) Newly licensed settings enumerated in paragraph (a) must not be located on the same  
14.4 property or on an adjoining property of any existing community residential setting, any  
14.5 existing adult foster care setting, any existing setting providing family residential services  
14.6 to an adult, any existing setting providing customized living services with a resident capacity  
14.7 of six or fewer, any existing setting providing 24-hour customized living services with a  
14.8 resident capacity of six or fewer, or any existing assisted living facility licensed under  
14.9 chapter 144G with a resident capacity of six or fewer. The requirements of this paragraph  
14.10 apply regardless of who owns or controls the existing setting. The commissioner must  
14.11 comply with section 245A.11, subdivision 4, when authorizing services or issuing an initial  
14.12 license under this subdivision.

14.13 (c) For the purposes of this subdivision, "adjoining property" means a property that  
14.14 shares a common boundary line with another property. Adjoining property also includes  
14.15 properties that meet at a common corner point. The presence of a right-of-way or public  
14.16 easement, including but not limited to a bicycle path, alley, or residential street, between  
14.17 adjoining properties, including between properties that but for the right-of-way or public  
14.18 easement would share a common corner point, are adjoining properties.

14.19 Sec. 7. Minnesota Statutes 2024, section 256.01, subdivision 21, is amended to read:

14.20 Subd. 21. **Interagency ~~agreement~~ agreements with Department of Health.** (a) The  
14.21 commissioner of human services shall amend the interagency agreement with the  
14.22 commissioner of health to certify nursing facilities for participation in the medical assistance  
14.23 program, to require the commissioner of health, as a condition of the agreement, to comply  
14.24 beginning July 1, 2005, with action plans included in the annual survey and certification  
14.25 quality improvement report required under section 144A.10, subdivision 17.

14.26 (b) The commissioners of health and human services must execute an interagency  
14.27 agreement to determine on behalf of the commissioner of health whether an assisted living  
14.28 facility for which either an applicant is seeking a provisional license under chapter 144G  
14.29 or a licensee is seeking to relocate under section 144G.195 meets the standards described  
14.30 in section 245A.042, subdivision 7.

15.1 Sec. 8. Minnesota Statutes 2025 Supplement, section 256.4792, subdivision 1, is amended  
15.2 to read:

15.3 Subdivision 1. **Long-term services and supports loan program.** The commissioner  
15.4 of human services shall establish a loan program to provide operating loans to eligible  
15.5 long-term services and supports providers. ~~The commissioner shall initiate the application~~  
15.6 ~~process for the loan described in this section on an ongoing basis.~~ The commissioner must  
15.7 not issue any new loans under this program after June 30, 2026.

15.8 Sec. 9. Minnesota Statutes 2025 Supplement, section 256.4792, subdivision 7, is amended  
15.9 to read:

15.10 Subd. 7. **Loan repayment.** (a) If a borrower is more than 60 calendar days delinquent  
15.11 in the timely payment of a contractual payment under this section, the provisions in  
15.12 paragraphs (b) to (e) apply.

15.13 (b) The commissioner may withhold some or all of the amount of the delinquent loan  
15.14 payment, together with any penalties due and owing on those amounts, from any money  
15.15 the department owes to the borrower. The commissioner may, at the commissioner's  
15.16 discretion, also withhold future contractual payments from any money the commissioner  
15.17 owes the provider as those contractual payments become due and owing. The commissioner  
15.18 may continue this withholding until the commissioner determines there is no longer any  
15.19 need to do so.

15.20 (c) The commissioner shall give prior notice of the commissioner's intention to withhold  
15.21 by mail, facsimile, or email at least ten business days before the date of the first payment  
15.22 period for which the withholding begins. The notice must be deemed received as of the date  
15.23 of mailing or receipt of the facsimile or electronic notice. The notice must state:

15.24 (1) the amount of the delinquent contractual payment;

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

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

15.27 (4) whether the commissioner intends to withhold future installments of the provider's  
15.28 contractual payments; and

15.29 (5) other contents as the commissioner deems appropriate.

15.30 (d) The commissioner, or the commissioner's designee, may enter into written settlement  
15.31 agreements with a provider to resolve disputes and other matters involving unpaid loan  
15.32 contractual payments or future loan contractual payments.

16.1 (e) Notwithstanding any law to the contrary, all unpaid loans, plus any accrued penalties,  
16.2 are overpayments for the purposes of section 256B.0641, subdivision 1. The current long-term  
16.3 services and supports provider is liable for the overpayment amount owed by a former owner  
16.4 for any provider sold, transferred, or reorganized.

16.5 (f) By January 15 each year, the commissioner must provide to the chairs and ranking  
16.6 minority members of the legislative committees with jurisdiction over nursing facilities a  
16.7 report of all facilities that are delinquent in their repayments. The reporting required under  
16.8 this paragraph expires upon notification by the commissioner to the committees that there  
16.9 are no outstanding balances from loan awards issued under this subdivision.

16.10 Sec. 10. Minnesota Statutes 2025 Supplement, section 256.4792, is amended by adding  
16.11 a subdivision to read:

16.12 Subd. 11. **Loan program expiration.** This section expires after the commissioner collects  
16.13 all loan repayments incurred on or before June 30, 2026. The commissioner must notify the  
16.14 revisor of statutes once all loan repayments under this section are collected.

16.15 Sec. 11. Minnesota Statutes 2024, section 256B.04, is amended by adding a subdivision  
16.16 to read:

16.17 Subd. 28. **Interpretive guidelines for disability waiver regulation.** (a) The  
16.18 commissioner must develop and publish interpretive guidelines within 120 calendar days  
16.19 of the effective date of any statutory changes, waiver plan amendments, state or federal  
16.20 administrative rulings, or state or federal court decisions that affect policies or reimbursement  
16.21 for services licensed under chapter 245D, authorized under section 256B.092 or 256B.49,  
16.22 or reimbursed under section 256B.4914.

16.23 (b) Interpretive guidelines issued by the commissioner under this subdivision do not  
16.24 have the force and effect of law and have no precedential effect but may be relied on by  
16.25 consumers, providers of service, county agencies, the Department of Human Services, and  
16.26 others concerned until revoked or modified. An interpretive guideline may be expressly  
16.27 revoked or modified by the commissioner or by the issuance of another interpretive guideline  
16.28 but may not be revoked or modified retroactively to the detriment of consumers, providers  
16.29 of service, county agencies, the Department of Human Services, or others concerned. A  
16.30 change in the law or an interpretation of the law occurring after the interpretive guidelines  
16.31 are issued, whether in the form of a statute, court decision, administrative ruling, or  
16.32 subsequent interpretive guideline, results in the revocation or modification of the previously  
16.33 adopted guidelines to the extent that the change affects the guidelines.

17.1 **EFFECTIVE DATE.** This section is effective the day following final enactment and  
17.2 applies to statutory changes, waiver plan amendments, state or federal administrative rulings,  
17.3 or state or federal court decisions effective or issued on or after that date.

17.4 Sec. 12. Minnesota Statutes 2024, section 256B.04, is amended by adding a subdivision  
17.5 to read:

17.6 Subd. 29. **Certified assessor team.** The commissioner must employ certified assessors  
17.7 within the department to conduct assessments under section 256B.0911 on behalf of lead  
17.8 agencies under conditions and circumstances determined by the commissioner. Certified  
17.9 assessors employed by the commissioner may conduct assessments in addition to other  
17.10 duties as assigned, except the certified assessors employed by the commissioner must not  
17.11 perform any responsibilities of a lead agency described in section 256B.0911 other than  
17.12 assessments. Nothing in this subdivision creates an obligation for the commissioner to  
17.13 provide the department's certified assessors to conduct assessments on behalf of a lead  
17.14 agency.

17.15 Sec. 13. Minnesota Statutes 2024, section 256B.0659, subdivision 12, is amended to read:

17.16 Subd. 12. **Documentation of personal care assistance services provided.** (a) Personal  
17.17 care assistance services for a recipient must be documented daily by each personal care  
17.18 assistant, on a time sheet form approved by the commissioner. All documentation may be  
17.19 web-based, electronic, or paper documentation. The completed form must be submitted on  
17.20 a monthly basis to the provider and kept in the recipient's health record.

17.21 (b) The activity documentation must correspond to the personal care assistance care plan  
17.22 and be reviewed by the qualified professional.

17.23 (c) The personal care assistant time sheet must be on a form approved by the  
17.24 commissioner documenting time the personal care assistant provides services in the home.  
17.25 The following criteria must be included in the time sheet:

17.26 (1) full name of personal care assistant and individual provider number;

17.27 (2) provider name and telephone numbers;

17.28 (3) full name of recipient and either the recipient's medical assistance identification  
17.29 number or date of birth;

17.30 (4) consecutive dates, including month, day, and year, and arrival and departure times  
17.31 with a.m. or p.m. notations;

- 18.1 (5) signatures of recipient or the responsible party;
- 18.2 (6) personal signature of the personal care assistant;
- 18.3 (7) any shared ~~care~~ services provided, if applicable;
- 18.4 (8) a statement that it is a federal crime to provide false information on personal care
- 18.5 service billings for medical assistance payments;
- 18.6 (9) dates and location of recipient stays in a hospital, care facility, or incarceration; and
- 18.7 (10) any time spent traveling, as described in subdivision 1, paragraph (i), including
- 18.8 start and stop times with a.m. and p.m. designations, the origination site, and the destination
- 18.9 site.

18.10 Sec. 14. Minnesota Statutes 2024, section 256B.0659, subdivision 16, is amended to read:

18.11 Subd. 16. **Shared services.** (a) Medical assistance payments for ~~shared~~ personal care

18.12 assistance services that are shared services are limited according to this subdivision.

18.13 (b) ~~Shared service is~~ For the purposes of this section, "shared services" means the

18.14 provision of personal care assistance services by a personal care assistant to two or three

18.15 recipients; who are all eligible for medical assistance; and who each voluntarily enter into

18.16 an agreement to receive services at the same time and in the same setting.

18.17 (c) For the purposes of this subdivision, "setting" means:

18.18 (1) the home residence or family foster care home of one or more of the individual

18.19 recipients; or

18.20 (2) a child care program licensed under chapter 142B or operated by a local school

18.21 district or private school.

18.22 (d) ~~Shared personal care assistance~~ services follow the same criteria for covered services

18.23 as subdivision 2.

18.24 (e) ~~Noncovered shared personal care assistance~~ services include the following:

18.25 (1) services for more than three recipients by one personal care assistant at one time;

18.26 (2) staff requirements for child care programs under chapter 245C;

18.27 (3) caring for multiple recipients in more than one setting;

18.28 (4) additional units of personal care assistance based on the selection of the option; and

18.29 (5) use of more than one personal care assistance provider agency for the ~~shared care~~

18.30 services.

19.1 (f) The option of shared ~~personal care assistance~~ services is elected by the recipient or  
19.2 the responsible party with the assistance of the assessor. The option must be determined  
19.3 appropriate based on the ages of the recipients, compatibility, and coordination of their  
19.4 assessed care needs. The recipient or the responsible party, in conjunction with the qualified  
19.5 professional, shall arrange the setting and grouping of shared services based on the individual  
19.6 needs and preferences of the recipients. The personal care assistance provider agency shall  
19.7 offer the recipient or the responsible party the option of shared services or one-on-one  
19.8 personal care assistance services or a combination of both. The recipient or the responsible  
19.9 party may withdraw from participating in a shared services arrangement at any time.

19.10 (g) Authorization for the shared service option must be determined by the commissioner  
19.11 based on the criteria that the shared service is appropriate to meet all of the recipients' needs  
19.12 and ~~their~~ the recipients' health and safety is maintained. The authorization of shared services  
19.13 is part of the overall authorization of personal care assistance services. Nothing in this  
19.14 subdivision must be construed to reduce the total number of hours authorized for an individual  
19.15 recipient.

19.16 (h) A personal care assistant providing shared ~~personal care assistance~~ services must:

19.17 (1) receive training specific for each recipient served; and

19.18 (2) follow all required documentation requirements for time and services provided.

19.19 (i) A qualified professional shall:

19.20 (1) evaluate the ability of the personal care assistant to provide services ~~for all of~~ to all  
19.21 the recipients in a shared setting;

19.22 (2) visit the shared setting as shared services are being provided at least once every six  
19.23 months or whenever needed for response to a recipient's request for increased supervision  
19.24 of the personal care assistance staff;

19.25 (3) provide ongoing monitoring and evaluation of the effectiveness and appropriateness  
19.26 of the shared services;

19.27 (4) develop a contingency plan with each of the recipients ~~which~~ that accounts for absence  
19.28 of the recipient in a shared services setting due to illness or other circumstances;

19.29 (5) obtain permission from each of the recipients who are sharing a personal care assistant  
19.30 for number of shared hours for services provided inside and outside the home residence;  
19.31 and

20.1 (6) document the training completed by the personal care assistants specific to the shared  
20.2 setting and recipients sharing services.

20.3 Sec. 15. Minnesota Statutes 2024, section 256B.0659, subdivision 17, is amended to read:

20.4 Subd. 17. **Shared services; rates.** (a) For the purposes of this subdivision, "additional  
20.5 revenue for shared services" means the difference between the rate paid to a personal care  
20.6 assistance provider agency for serving a single recipient and the sum of the rates paid to a  
20.7 personal care assistance provider agency for shared services provided to more than one  
20.8 recipient.

20.9 (b) For the purposes of this subdivision, "wages and wage-related costs" means increased  
20.10 wages and any corresponding increase in the employer's share of FICA taxes, Medicare  
20.11 taxes, state and federal unemployment taxes, workers' compensation premiums, and  
20.12 contributions to employee retirement accounts if the contribution is a function of wages.

20.13 (c) The commissioner shall provide a rate system for shared ~~personal care assistance~~  
20.14 services. For two ~~persons~~ recipients sharing services, the rate paid to a personal care  
20.15 assistance provider agency for the shared services must not exceed one and one-half times  
20.16 the rate paid for serving a single ~~individual~~, and recipient. For three ~~persons~~ recipients  
20.17 sharing services, the rate paid to a personal care assistance provider agency for the shared  
20.18 services must not exceed twice the rate paid for serving a single ~~individual~~ recipient. These  
20.19 rates apply only when all ~~of the~~ criteria for ~~the shared care~~ ~~personal care assistance service~~  
20.20 ~~have been~~ services are met.

20.21 (d) Of the additional revenue for shared services provided to two recipients, the personal  
20.22 care assistance provider agency must use 95 percent for the purposes specified in paragraph  
20.23 (e). Of the additional revenue for shared services provided to three recipients, the personal  
20.24 care assistance provider agency must use 95 percent for the purposes specified in paragraph  
20.25 (e).

20.26 (e) A personal care assistance provider agency must use the percentages of additional  
20.27 revenue for shared services specified in paragraph (d) for the wages and wage-related costs  
20.28 of the personal care assistant providing the shared services. The personal care assistance  
20.29 provider agency must not use additional revenue for shared services to pay for mileage  
20.30 reimbursements, uniform allowances, health and dental insurance, life insurance, disability  
20.31 insurance, long-term care insurance, contributions to employee retirement accounts if the  
20.32 contribution is not a function of wages, or any other employee benefits.

21.1 Sec. 16. Minnesota Statutes 2024, section 256B.0659, subdivision 19, is amended to read:

21.2 Subd. 19. **Personal care assistance choice option; qualifications; duties.** (a) Under  
21.3 personal care assistance choice, the recipient or responsible party shall:

21.4 (1) recruit, hire, schedule, and terminate personal care assistants according to the terms  
21.5 of the written agreement required under subdivision 20, paragraph (a);

21.6 (2) develop a personal care assistance care plan based on the assessed needs and  
21.7 addressing the health and safety of the recipient with the assistance of a qualified professional  
21.8 as needed;

21.9 (3) orient and train the personal care assistant with assistance as needed from the qualified  
21.10 professional;

21.11 (4) supervise and evaluate the personal care assistant with the qualified professional,  
21.12 who is required to visit the recipient at least every 180 days;

21.13 (5) monitor and verify in writing and report to the personal care assistance choice agency  
21.14 the number of hours worked by the personal care assistant and the qualified professional;

21.15 (6) engage in an annual reassessment as required in subdivision 3a to determine  
21.16 continuing eligibility and service authorization;

21.17 (7) use the same personal care assistance choice provider agency if shared ~~personal~~  
21.18 ~~assistance care is~~ services are being used; and

21.19 (8) ensure that a personal care assistant driving the recipient under subdivision 1,  
21.20 paragraph (i), has a valid driver's license and the vehicle used is registered and insured  
21.21 according to Minnesota law.

21.22 (b) The personal care assistance choice provider agency shall:

21.23 (1) meet all personal care assistance provider agency standards;

21.24 (2) enter into a written agreement with the recipient, responsible party, and personal  
21.25 care assistants;

21.26 (3) not be related as a parent, child, sibling, or spouse to the recipient or the personal  
21.27 care assistant; and

21.28 (4) ensure arm's-length transactions without undue influence or coercion with the recipient  
21.29 and personal care assistant.

21.30 (c) The duties of the personal care assistance choice provider agency are to:

22.1 (1) be the employer of the personal care assistant and the qualified professional for  
 22.2 employment law and related regulations including but not limited to purchasing and  
 22.3 maintaining workers' compensation, unemployment insurance, surety and fidelity bonds,  
 22.4 and liability insurance, and submit any or all necessary documentation including but not  
 22.5 limited to workers' compensation, unemployment insurance, and labor market data required  
 22.6 under section 256B.4912, subdivision 1a;

22.7 (2) bill the medical assistance program for personal care assistance services and qualified  
 22.8 professional services;

22.9 (3) request and complete background studies that comply with the requirements for  
 22.10 personal care assistants and qualified professionals;

22.11 (4) pay the personal care assistant and qualified professional based on actual hours of  
 22.12 services provided;

22.13 (5) withhold and pay all applicable federal and state taxes;

22.14 (6) verify and keep records of hours worked by the personal care assistant and qualified  
 22.15 professional;

22.16 (7) make the arrangements and pay taxes and other benefits, if any, and comply with  
 22.17 any legal requirements for a Minnesota employer;

22.18 (8) enroll in the medical assistance program as a personal care assistance choice agency;  
 22.19 and

22.20 (9) enter into a written agreement as specified in subdivision 20 before services are  
 22.21 provided.

22.22 Sec. 17. Minnesota Statutes 2024, section 256B.0911, subdivision 26, is amended to read:

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

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

22.30 (c) Effective January 1, 2027, or upon federal approval, whichever is later, the  
 22.31 determination of need for nursing facility level of care must be made based on criteria in  
 22.32 section 144.0724, subdivision 11, or for brain injury and community access for disability

23.1 inclusion waiver services provided under section 256B.49 based on criteria in section  
23.2 144.0724, subdivision 11a.

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

23.4 Sec. 18. Minnesota Statutes 2025 Supplement, section 256B.092, subdivision 3b, is  
23.5 amended to read:

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

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

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

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

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

23.22 (2) new services authorized;

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

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

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

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

23.30 (e) Except for rate increases required under section 256B.4914, subdivisions 5 and 5b,  
23.31 and rate changes authorized by the 2025 legislature, the commissioner must not approve

24.1 service agreements under paragraph (c) that are not the result of either a documented change  
 24.2 in a person's assessed needs or documented evidence that the previous level of service was  
 24.3 insufficient to meet the person's assessed needs.

24.4 ~~(f) This subdivision expires upon full implementation of waiver reimagine. The~~  
 24.5 ~~commissioner must inform the revisor of statutes when waiver reimagine is fully~~  
 24.6 ~~implemented.~~

24.7 Sec. 19. Minnesota Statutes 2024, section 256B.092, subdivision 5, is amended to read:

24.8 Subd. 5. **Federal waivers.** (a) The commissioner shall apply for any federal waivers  
 24.9 necessary to secure, to the extent allowed by law, federal financial participation under United  
 24.10 States Code, title 42, sections 1396 et seq., as amended, for the provision of services to  
 24.11 persons who, in the absence of the services, would need the level of care provided in a  
 24.12 regional treatment center or a community intermediate care facility for persons with  
 24.13 developmental disabilities. The commissioner may seek amendments to the waivers or apply  
 24.14 for additional waivers under United States Code, title 42, sections 1396 et seq., as amended,  
 24.15 to contain costs. The commissioner shall ensure that payment for the cost of providing home  
 24.16 and community-based alternative services under the federal waiver plan shall not exceed  
 24.17 the cost of intermediate care services including day training and habilitation services that  
 24.18 would have been provided without the waived services.

24.19 The commissioner shall seek an amendment to the 1915(c) home and community-based  
 24.20 waiver to allow properly licensed adult foster care homes to provide residential services to  
 24.21 up to five individuals with developmental disabilities. If the amendment to the waiver is  
 24.22 approved, adult foster care providers that can accommodate five individuals shall increase  
 24.23 their capacity to five beds, provided the providers continue to meet all applicable licensing  
 24.24 requirements.

24.25 (b) The commissioner, in administering home and community-based waivers for persons  
 24.26 with developmental disabilities, shall ensure that day services for eligible persons are not  
 24.27 provided by the person's residential service provider, unless the person or the person's legal  
 24.28 representative is offered a choice of providers and agrees in writing to provision of day  
 24.29 services by the residential service provider. The support plan for individuals who choose  
 24.30 to have their residential service provider provide their day services must describe how health,  
 24.31 safety, protection, and habilitation needs will be met, including how frequent and regular  
 24.32 contact with persons other than the residential service provider will occur. The support plan  
 24.33 must address the provision of services during the day outside the residence on weekdays.

25.1 (c) When a lead agency is evaluating denials, reductions, or terminations of home and  
 25.2 community-based services under section 256B.0916 for an individual, the lead agency shall  
 25.3 offer to meet with the individual or the individual's guardian in order to discuss the  
 25.4 prioritization of service needs within the support plan. The reduction in the authorized  
 25.5 services for an individual due to changes in funding for waived services may not exceed  
 25.6 the amount needed to ensure medically necessary services to meet the individual's health,  
 25.7 safety, and welfare.

25.8 ~~(d) The commissioner shall seek federal approval to allow for the reconfiguration of the~~  
 25.9 ~~1915(c) home and community-based waivers in this section, as authorized under section~~  
 25.10 ~~1915(c) of the federal Social Security Act, to implement a two-waiver program structure.~~

25.11 ~~(e) The transition to two disability home and community-based services waiver programs~~  
 25.12 ~~must align with the independent living first policy under section 256B.4905. Unless~~  
 25.13 ~~superseded by any other state or federal law, waiver eligibility criteria shall be the same for~~  
 25.14 ~~each waiver. The waiver program that a person uses shall be determined by the support~~  
 25.15 ~~planning process and whether the person chooses to live in a provider-controlled setting or~~  
 25.16 ~~in the person's own home.~~

25.17 ~~(f) Prior to July 1, 2024, the commissioner shall seek federal approval for the 1915(e)~~  
 25.18 ~~home and community-based waivers in this section, as authorized under section 1915(c) of~~  
 25.19 ~~the federal Social Security Act, to implement an individual resource allocation methodology.~~

25.20 Sec. 20. Minnesota Statutes 2024, section 256B.49, subdivision 11, is amended to read:

25.21 Subd. 11. **Authority.** (a) The commissioner is authorized to apply for home and  
 25.22 community-based service waivers, as authorized under section 1915(c) of the federal Social  
 25.23 Security Act to serve persons under the age of 65 who are determined to require the level  
 25.24 of care provided in a nursing home and persons who require the level of care provided in a  
 25.25 hospital. The commissioner shall apply for the home and community-based waivers in order  
 25.26 to:

- 25.27 (1) promote the support of persons with disabilities in the most integrated settings;  
 25.28 (2) expand the availability of services for persons who are eligible for medical assistance;  
 25.29 (3) promote cost-effective options to institutional care; and  
 25.30 (4) obtain federal financial participation.

25.31 (b) The provision of waiver services to medical assistance recipients with disabilities  
 25.32 shall comply with the requirements outlined in the federally approved applications for home

26.1 and community-based services and subsequent amendments, including provision of services  
26.2 according to a service plan designed to meet the needs of the individual. For purposes of  
26.3 this section, the approved home and community-based application is considered the necessary  
26.4 federal requirement.

26.5 (c) The commissioner shall provide interested persons serving on agency advisory  
26.6 committees, task forces, the Centers for Independent Living, and others who request to be  
26.7 on a list to receive, notice of, and an opportunity to comment on, at least 30 days before  
26.8 any effective dates, (1) any substantive changes to the state's disability services program  
26.9 manual, or (2) changes or amendments to the federally approved applications for home and  
26.10 community-based waivers, prior to their submission to the federal Centers for Medicare  
26.11 and Medicaid Services.

26.12 (d) The commissioner shall seek approval, as authorized under section 1915(c) of the  
26.13 federal Social Security Act, to allow medical assistance eligibility under this section for  
26.14 children under age 21 without deeming of parental income or assets.

26.15 (e) The commissioner shall seek approval, as authorized under section 1915(c) of the  
26.16 Social Act, to allow medical assistance eligibility under this section for individuals under  
26.17 age 65 without deeming the spouse's income or assets.

26.18 (f) The commissioner shall comply with the requirements in the federally approved  
26.19 transition plan for the home and community-based services waivers authorized under this  
26.20 section.

26.21 ~~(g) The commissioner shall seek federal approval to allow for the reconfiguration of the~~  
26.22 ~~1915(e) home and community-based waivers in this section, as authorized under section~~  
26.23 ~~1915(e) of the federal Social Security Act, to implement a two-waiver program structure.~~

26.24 ~~(h) The commissioner shall seek federal approval for the 1915(e) home and~~  
26.25 ~~community-based waivers in this section, as authorized under section 1915(e) of the federal~~  
26.26 ~~Social Security Act, to implement an individual resource allocation methodology.~~

26.27 Sec. 21. Minnesota Statutes 2025 Supplement, section 256B.49, subdivision 17a, is  
26.28 amended to read:

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

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

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

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

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

27.14 (2) new services authorized;

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

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

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

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

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

27.27 ~~(f) This subdivision expires upon full implementation of waiver reimagine. The~~  
27.28 ~~commissioner must inform the revisor of statutes when waiver reimagine is fully~~  
27.29 ~~implemented.~~

28.1 Sec. 22. Minnesota Statutes 2025 Supplement, section 256B.85, subdivision 7, is amended  
28.2 to read:

28.3 Subd. 7. **Community first services and supports; covered services.** Services and  
28.4 supports covered under CFSS include:

28.5 (1) assistance to accomplish activities of daily living (ADLs), instrumental activities of  
28.6 daily living (IADLs), and health-related procedures and tasks through hands-on assistance  
28.7 to accomplish the task or constant supervision and cueing to accomplish the task;

28.8 (2) assistance to acquire, maintain, or enhance the skills necessary for the participant to  
28.9 accomplish activities of daily living, instrumental activities of daily living, or health-related  
28.10 tasks;

28.11 (3) expenditures for items, services, supports, environmental modifications, or goods,  
28.12 including assistive technology. These expenditures must:

28.13 (i) relate to a need identified in a participant's CFSS service delivery plan; and

28.14 (ii) increase independence or substitute for human assistance, to the extent that  
28.15 expenditures would otherwise be made for human assistance for the participant's assessed  
28.16 needs;

28.17 (4) observation and redirection for behavior or symptoms where there is a need for  
28.18 assistance;

28.19 (5) back-up systems or mechanisms, such as the use of pagers or other electronic devices,  
28.20 to ensure continuity of the participant's services and supports;

28.21 (6) swimming lessons for a participant younger than 12 years of age whose disability  
28.22 puts the participant at a higher risk of drowning according to the Centers for Disease Control  
28.23 Vital Statistics System;

28.24 (7) services described under subdivision 17 provided by a consultation services provider  
28.25 meeting the requirements of subdivision 17a;

28.26 (8) services provided by an FMS provider as defined under subdivision 13a; that is an  
28.27 enrolled provider with the department;

28.28 (9) CFSS services provided by a support worker who is a parent, stepparent, or legal  
28.29 guardian of a participant under age 18, or who is the participant's spouse. Covered services  
28.30 under this clause are subject to the limitations described in subdivision 7b; ~~and~~

28.31 (10) shared services meeting the shared services requirements of this section; and

29.1 ~~(10)~~ (11) worker training and development services as described in subdivision 18a.

29.2 Sec. 23. Minnesota Statutes 2024, section 256B.85, is amended by adding a subdivision  
29.3 to read:

29.4 Subd. 7c. **Shared services under the agency-provider model.** (a) The commissioner  
29.5 shall authorize shared services arrangements if the commissioner determines that a shared  
29.6 services arrangement is appropriate to meet all the participants' needs and sufficient to  
29.7 maintain the participants' health and safety. The commissioner must include a decision  
29.8 regarding authorization of shared services during the process of authorizing CFSS under  
29.9 subdivision 8. The commissioner must not reduce the total number of authorized units for  
29.10 a participant who elects to receive shared services.

29.11 (b) An agency-provider must offer a participant or the participant's representative the  
29.12 option of shared services, one-on-one services, or a combination of both shared services  
29.13 and one-on-one services when shared services are authorized by the commissioner. The  
29.14 option of shared services may be elected at the sole discretion of either the participant or  
29.15 the participant's representative. The participant or the participant's representative may  
29.16 withdraw from participating in a shared services arrangement at any time.

29.17 Sec. 24. Minnesota Statutes 2024, section 256B.85, is amended by adding a subdivision  
29.18 to read:

29.19 Subd. 7d. **Shared services rates under the agency-provider model.** The commissioner  
29.20 shall provide a rate system for shared services. For two participants sharing services, the  
29.21 rate paid to an agency-provider for the shared services must not exceed one and one-half  
29.22 times the rate paid for serving a single participant. For three participants sharing services,  
29.23 the rate paid to an agency-provider for the shared services must not exceed twice the rate  
29.24 paid for serving a single participant. These rates apply only when all criteria for shared  
29.25 services are met.

29.26 Sec. 25. Minnesota Statutes 2024, section 256B.85, is amended by adding a subdivision  
29.27 to read:

29.28 Subd. 7e. **Pass-through for shared services under the agency-provider model.** (a)  
29.29 Of the additional revenue for shared services provided to two participants, the  
29.30 agency-provider must use 95 percent for the purposes specified in paragraph (b). Of the  
29.31 additional revenue for shared services provided to three participants, the agency-provider  
29.32 must use 95 percent for the purposes specified in paragraph (b).

30.1 (b) An agency-provider must use the percentages of additional revenue for shared services  
30.2 specified in paragraph (a) for the wages and wage-related costs of the support worker  
30.3 providing the shared services. The agency-provider must not use additional revenue for  
30.4 shared services to pay for mileage reimbursements, uniform allowances, health and dental  
30.5 insurance, life insurance, disability insurance, long-term care insurance, contributions to  
30.6 employee retirement accounts when the contribution is not a function of wages, or any other  
30.7 employee benefits.

30.8 Sec. 26. Minnesota Statutes 2024, section 256B.85, is amended by adding a subdivision  
30.9 to read:

30.10 Subd. 7f. **Shared services under the budget model.** (a) A participant who intends to  
30.11 elect shared services under the budget model, or the participant's representative, must include  
30.12 a statement of this intention in the CFSS service delivery plan, must develop a plan for  
30.13 shared services when developing or amending the CFSS service delivery plan, and must  
30.14 follow the CFSS process for approval of the plan as required under subdivision 6.

30.15 (b) The commissioner shall authorize shared services arrangements if the commissioner  
30.16 determines that a shared services arrangement is appropriate to meet all the participants'  
30.17 needs and sufficient to maintain the participants' health and safety. The commissioner must  
30.18 include a decision regarding authorization of shared services during the process of authorizing  
30.19 CFSS under subdivision 8. The commissioner must not reduce the total authorized dollar  
30.20 amount available to a participant who elects to receive shared services.

30.21 (c) The participants, or participants' representatives as needed, who elect to share services  
30.22 under the budget model must jointly develop a shared services agreement with the support  
30.23 of the participants' representatives as needed. Any participant or any participant's  
30.24 representative may at any time withdraw from participating in a shared services agreement.

30.25 (d) The commissioner must develop and publish recommendations for negotiating wages  
30.26 for support workers providing shared services under the budget model.

30.27 Sec. 27. Minnesota Statutes 2024, section 256B.85, is amended by adding a subdivision  
30.28 to read:

30.29 Subd. 7g. **Pass-through for shared services under the budget model.** For shared  
30.30 services provided under the budget model, participant employers must pay the individual  
30.31 provider support worker providing the shared services a percentage of the minimum wage  
30.32 specified in the agreement negotiated under chapter 179A, as made applicable to individual

31.1 providers under section 179A.54, that is in effect at the time the services are provided. The  
 31.2 required percentages are specified in clauses (1) and (2):

31.3 (1) for shared services provided by an individual provider support worker to two  
 31.4 participant employers, the two participant employers must collectively pay the individual  
 31.5 provider support worker at least 150 percent of the applicable minimum wage; and

31.6 (2) for shared services provided by an individual provider support worker to three  
 31.7 participant employers, the three participant employers must collectively pay the individual  
 31.8 support worker at least 200 percent of the applicable minimum wage.

31.9 Sec. 28. **[256B.8502] COMMUNITY FIRST SERVICES AND SUPPORTS;**  
 31.10 **DEFINITIONS.**

31.11 Subdivision 1. **Scope.** For the purposes of this section and sections 256B.85 and  
 31.12 256B.851, the terms in this section have the meanings given.

31.13 Subd. 2. **Additional revenue for shared services.** "Additional revenue for shared  
 31.14 services" means the difference between the rate paid to an agency-provider for serving a  
 31.15 single participant and the sum of the rates paid to an agency-provider for shared services  
 31.16 provided to more than one recipient.

31.17 Subd. 3. **Individual provider support worker.** "Individual provider support worker"  
 31.18 means a support worker who is an individual provider as defined in section 256B.0711,  
 31.19 subdivision 1.

31.20 Subd. 4. **Wages and wage-related costs.** "Wages and wage-related costs" means  
 31.21 increased wages and any corresponding increase in the employer's or participant employer's  
 31.22 share of FICA taxes, Medicare taxes, state and federal unemployment taxes, workers'  
 31.23 compensation premiums, and contributions to employee retirement accounts when the  
 31.24 contribution is a function of wages.

31.25 Sec. 29. Laws 2023, chapter 61, article 1, section 61, subdivision 4, as amended by Laws  
 31.26 2025, First Special Session chapter 9, article 2, section 57, is amended to read:

31.27 Subd. 4. **Evaluation and report.** By December 1, 2024, the commissioner must submit  
 31.28 to the chairs and ranking minority members of the legislative committees with jurisdiction  
 31.29 over human services finance and policy an interim report on the impact and outcomes of  
 31.30 the grants, including the number of grants awarded and the organizations receiving the  
 31.31 grants. The interim report must include any available evidence of how grantees were able  
 31.32 to increase utilization of supported decision making and reduce or avoid more restrictive

32.1 forms of decision making such as guardianship and conservatorship. By December 1, 2026,  
 32.2 the commissioner must submit to the chairs and ranking minority members of the legislative  
 32.3 committees with jurisdiction over human services finance and policy a ~~final~~ second interim  
 32.4 report on the impact and outcomes of the grants, including any updated information from  
 32.5 the interim report and the total number of people served by the grants. The ~~final~~ second  
 32.6 interim report must also detail how the money was used to achieve the requirements in  
 32.7 subdivision 3, paragraph (b). By December 1, 2028, the commissioner must submit to the  
 32.8 chairs and ranking minority members of the legislative committees with jurisdiction over  
 32.9 human services finance and policy a final report on the impact and outcomes of the grants,  
 32.10 including any updated information from the interim reports and the total number of people  
 32.11 served by the grants.

32.12 Sec. 30. Laws 2025, First Special Session chapter 9, article 2, section 58, subdivision 9,  
 32.13 is amended to read:

32.14 Subd. 9. **Savings determinations.** (a) When preparing the forecast for state revenue and  
 32.15 expenditures under Minnesota Statutes, section 16A.103, the commissioner of management  
 32.16 and budget must assume ~~the following reductions of~~ a reduction of \$63,851,000 in human  
 32.17 services general fund spending for the biennium beginning July 1, 2027, until the end of  
 32.18 the legislative session that enacts a budget for the commissioner of human services for the  
 32.19 biennium beginning July 1, 2027:

32.20 ~~(1) if a bond appropriation for the replacement of the Miller Building on the Anoka~~  
 32.21 ~~Metro Regional Treatment Center Campus is enacted during a 2025 special session,~~  
 32.22 ~~\$177,542,000; or~~

32.23 ~~(2) if a bond appropriation for the replacement of the Miller Building on the Anoka~~  
 32.24 ~~Metro Regional Treatment Center Campus is not enacted during a 2025 special session,~~  
 32.25 ~~\$143,542,000.~~

32.26 (b) Upon enactment of a budget for the commissioner of human services for the biennium  
 32.27 beginning July 1, 2027, the legislature must identify enacted provisions that were  
 32.28 recommended by the advisory council under subdivision 7.

32.29 (c) To the extent the net savings attributable to the provisions identified by the legislature  
 32.30 under paragraph (b) for the biennium beginning July 1, 2027, are less than the assumed  
 32.31 savings in paragraph (a), the commissioner of human services must implement the contingent  
 32.32 spending reductions described in subdivision 10, beginning July 1, 2027, or upon federal  
 32.33 approval, whichever is later.

33.1 **Sec. 31. WAIVER CASE MANAGEMENT QUALITY WORKING GROUP.**

33.2 **Subdivision 1. Establishment.** The commissioner of human services must convene a  
33.3 waiver case management quality working group to develop recommendations related to  
33.4 county provision of home and community-based waiver case management services without  
33.5 the use of contractors.

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

33.8 (1) two individuals receiving waiver services or family members of or advocates for  
33.9 individuals receiving waiver services, appointed by the commissioner, in consultation with  
33.10 organizations representing individuals with lived experience of disability and waiver services;

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

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

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

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

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

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

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

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

33.26 **Subd. 3. Duties.** (a) The working group must make recommendations to ensure that  
33.27 clients are receiving high-quality case management services. The working group must  
33.28 consider the following proposals:

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

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

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

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

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

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

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

34.16 (8) requiring contracted case management service providers to annually report to the  
34.17 county the provider's case load numbers and staff turnover rate.

34.18 (b) The working group must make recommendations to transition from a contract-based  
34.19 case management services system to a system in which counties provide case management  
34.20 services without contracting for those services. The recommendations must include but are  
34.21 not limited to:

34.22 (1) ways to reduce complaints and improve quality of waiver case management services;

34.23 (2) an evaluation of the impact of current funding levels, administrative structures, and  
34.24 workforce capacity on case management service delivery;

34.25 (3) an examination of alternative accountability and oversight models that protect access,  
34.26 provider flexibility, and case management service quality;

34.27 (4) creation of a variance process, including county oversight and contractor site visits,  
34.28 to allow a county to continue to use contracted case management services; and

34.29 (5) legislative or administrative changes to strengthen the waiver case management  
34.30 services system.

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

35.4 Subd. 5. **Meetings; administrative support.** (a) The first meeting of the working group  
35.5 must be convened no later than August 1, 2026. The working group must meet at least  
35.6 monthly. Meetings are subject to Minnesota Statutes, chapter 13D. The working group may  
35.7 meet by telephone or interactive technology consistent with Minnesota Statutes, section  
35.8 13D.015.

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

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

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

35.18 Sec. 32. **DIRECTION TO COMMISSIONER; CASE MANAGEMENT AND HOME**  
35.19 **AND COMMUNITY-BASED SERVICES RATES STUDY.**

35.20 (a) The commissioner of human services shall analyze the current rate-setting  
35.21 methodology for all case management and medical assistance home and community-based  
35.22 services waivers and make recommendations to improve rate-setting methodologies to more  
35.23 accurately reflect service costs. By January 1, 2027, the commissioner shall issue a request  
35.24 for proposals to analyze the rate frameworks and current rate-setting practices. The  
35.25 commissioner must consult with lead agencies and providers across the spectrum of services  
35.26 and regions of the state and with culturally responsive providers when developing the request  
35.27 for proposals and for the duration of the contract.

35.28 (b) By January 15, 2028, the commissioner must submit to the chairs and ranking minority  
35.29 members of the legislative committees with jurisdiction over human services policy and  
35.30 finance a report on the initial results of the analysis required under this section. By January  
35.31 15, 2029, the commissioner must submit to the chairs and ranking minority members of the  
35.32 legislative committees with jurisdiction over human services policy and finance a final

36.1 report that includes legislative language necessary to modify existing or implement new  
 36.2 rate methodologies and a detailed fiscal analysis.

36.3 **Sec. 33. MNCHOICES REDESIGN WORKING GROUP.**

36.4 Subdivision 1. **Establishment.** The commissioner of human services shall convene a  
 36.5 MnCHOICES redesign working group to develop recommendations related to state provision  
 36.6 of MnCHOICES assessments under Minnesota Statutes, section 256B.0911, subdivision  
 36.7 14, paragraph (g).

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

36.10 (1) two individuals receiving waiver services or the individuals' family members or  
 36.11 advocates, appointed by the commissioner in consultation with organizations representing  
 36.12 individuals with lived experience of disability and waiver services;

36.13 (2) three county representatives, appointed by the Minnesota Association of County  
 36.14 Social Service Administrators, including:

36.15 (i) at least one representative of a lead agency located in a metropolitan county, as defined  
 36.16 in Minnesota Statutes, section 473.121, subdivision 4; and

36.17 (ii) at least two representatives of lead agencies located outside of a metropolitan county,  
 36.18 as defined in Minnesota Statutes, section 473.121, subdivision 4;

36.19 (3) one staff member from the Minnesota Social Service Association, appointed by the  
 36.20 Minnesota Social Service Association;

36.21 (4) at least three representatives from Tribal Nations, appointed by the commissioner;

36.22 (5) two representatives of disability advocacy organizations, appointed by the  
 36.23 commissioner; and

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

36.26 Subd. 3. **Duties.** The working group shall make recommendations to shift the  
 36.27 responsibility and administration of conducting MnCHOICES assessments to the state.

36.28 Recommendations must include:

36.29 (1) defined roles and responsibilities between county, Tribal Nation, and state functions;

36.30 (2) revised payment methodologies and financing of duties;

36.31 (3) efficient workflows between local and state functions;

37.1 (4) service continuity for people seeking and receiving long-term services and supports;  
 37.2 and

37.3 (5) methods for gathering public feedback and providing public awareness.

37.4 Subd. 4. **Terms, compensation, and removal.** The terms, compensation, and removal  
 37.5 of the working group members are governed by Minnesota Statutes, section 15.059.

37.6 Subd. 5. **Meetings; administrative support.** (a) The first meeting of the working group  
 37.7 must be convened no later than August 1, 2026. The working group must meet at least  
 37.8 monthly. The working group may meet by telephone or interactive technology consistent  
 37.9 with Minnesota Statutes, section 13D.015.

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

37.13 Subd. 6. **Report.** By September 1, 2027, the commissioner must submit a report of the  
 37.14 working group's findings and recommendations, including but not limited to any legislative  
 37.15 changes necessary to implement the recommendations, to the chairs and ranking minority  
 37.16 members of the legislative committees with jurisdiction over human services policy and  
 37.17 finance.

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

37.20 Sec. 34. **DIRECTION TO COMMISSIONER OF HUMAN SERVICES;**  
 37.21 **IMPLEMENTATION OF NEW NURSING FACILITY LEVEL OF CARE CRITERIA.**

37.22 For existing brain injury and community access for disability inclusion waiver  
 37.23 participants, the effective date of the termination of waiver services based on Minnesota  
 37.24 Statutes, section 144.0724, subdivision 11a, must be at least 90 days after the date of the  
 37.25 reassessment that results in a determination that the individual no longer meets the level of  
 37.26 care criteria.

37.27 Sec. 35. **DIRECTION TO COMMISSIONER OF HUMAN SERVICES; INCREASE**  
 37.28 **TIERED RATES FOR FAMILY RESIDENTIAL AND LIFE SHARING SERVICES.**

37.29 Effective January 1, 2027, or upon federal approval, whichever is later, the commissioner  
 37.30 of human services must increase payment rates for family residential services previously  
 37.31 established under Minnesota Statutes, section 256B.4914, subdivision 19, and amended  
 37.32 under Laws 2025, First Special Session chapter 9, article 2, section 68, as follows:

38.1 (1) for tier 4 and tier 5, by ten percent; and

38.2 (2) for tier 6, by 20 percent.

38.3 Rates for life sharing services must be ten percent higher than the corresponding family  
38.4 residential services rate established under this section.

38.5 **Sec. 36. DIRECTION TO COMMISSIONER; ENVIRONMENTAL**  
38.6 **ACCESSIBILITY ADAPTATIONS FOR HOMES.**

38.7 By October 1, 2026, the commissioner of human services must submit to the Centers  
38.8 for Medicare and Medicaid Services waiver plan amendments for the brain injury, community  
38.9 access for disability inclusion, community alternative care, and developmental disabilities  
38.10 1915(c) waivers to implement the following reforms to environmental accessibility  
38.11 adaptations for homes:

38.12 (1) separate the treatment of home modifications from the treatment of vehicle  
38.13 modifications;

38.14 (2) replace the existing \$40,000 annual limit for home modifications with a \$40,000  
38.15 three-year limit;

38.16 (3) replace the existing provisions that permit a two-year limit of \$80,000 to be authorized  
38.17 during a two-year period with provisions permitting a six-year limit of \$80,000 to be  
38.18 authorized in a five-year period;

38.19 (4) limit permissible authorizations for home modifications to only modifications meeting  
38.20 an assessed need that cannot be met in a less costly way in the person's current home;

38.21 (5) limit the number of similar or duplicative home modifications to modifications that  
38.22 are necessary for the health and safety of the person; and

38.23 (6) establish caps on the number, size, and cost of common home modifications.

38.24 **Sec. 37. DIRECTION TO COMMISSIONER; ENVIRONMENTAL**  
38.25 **ACCESSIBILITY ADAPTATIONS FOR VEHICLES.**

38.26 (a) By October 1, 2026, the commissioner of human services must submit to the Centers  
38.27 for Medicare and Medicaid Services waiver plan amendments for the brain injury, community  
38.28 access for disability inclusion, community alternative care, and developmental disabilities  
38.29 1915(c) waivers to implement the following reforms to environmental accessibility  
38.30 adaptations for vehicles:

39.1 (1) separate the treatment of vehicle modifications from the treatment of home  
39.2 modifications;

39.3 (2) replace the existing \$40,000 annual limit for vehicle modifications with a \$40,000  
39.4 five-year limit; and

39.5 (3) permit multiple authorizations for vehicle modifications in a five-year period when  
39.6 a vehicle is sold, provided that subsequent authorizations are limited to:

39.7 (i) for a purchased adapted vehicle, the portion of the original purchase cost attributable  
39.8 to the vehicle modifications minus the book value of the purchase price attributable to the  
39.9 vehicle modifications; or

39.10 (ii) for vehicle modifications, the original purchase and installation cost of the  
39.11 modifications minus the book value of the modifications.

39.12 (b) For purposes of this section, "book value" means the original cost minus the product  
39.13 of 20 percent of the original cost multiplied by the number of years during which the adapted  
39.14 vehicle was used by the person.

39.15 **Sec. 38. REVISOR INSTRUCTION.**

39.16 (a) The revisor of statutes shall renumber the definitions in Minnesota Statutes, section  
39.17 256B.85, subdivision 2, and the definitions in Minnesota Statutes, section 256B.851,  
39.18 subdivision 2, as subdivisions in Minnesota Statutes, section 256B.8502, rearranging the  
39.19 renumbered and existing definitions in Minnesota Statutes, section 256B.8502, as necessary  
39.20 to place them in alphabetical order. The revisor of statutes shall revise all statutory  
39.21 cross-references consistent with this recoding.

39.22 (b) If a provision of Minnesota Statutes, section 256B.85, subdivision 2, or 256B.851,  
39.23 subdivision 2, is amended or repealed in the 2026 regular legislative session, the revisor of  
39.24 statutes shall codify the amendment or repealer in Minnesota Statutes, section 256B.8502,  
39.25 notwithstanding any other law to the contrary.

39.26 **Sec. 39. REPEALER.**

39.27 (a) Minnesota Statutes 2024, section 256B.0921, is repealed

39.28 (b) Minnesota Statutes 2025 Supplement, sections 256B.4907, subdivisions 1, 2, 3, 4,  
39.29 5, and 6; and 256S.205, subdivision 7, are repealed.

39.30 (c) Laws 2019, First Special Session chapter 9, article 5, section 86, as amended by  
39.31 Laws 2020, First Special Session chapter 2, article 3, section 2; and Laws 2021, First Special

40.1 Session chapter 7, article 13, sections 73, as amended by Laws 2025, First Special Session  
 40.2 chapter 9, article 2, section 56; and 75, subdivision 1, as amended by Laws 2024, chapter  
 40.3 108, article 1, section 28, are repealed.

40.4 **ARTICLE 3**

40.5 **BEHAVIORAL HEALTH**

40.6 Section 1. Minnesota Statutes 2024, section 254A.03, subdivision 2, is amended to read:

40.7 Subd. 2. **American Indian programs.** There is hereby created a section of American  
 40.8 Indian programs, within the Alcohol and Drug Abuse Section of the Department of Human  
 40.9 Services, to be headed by a special assistant for American Indian programs on substance  
 40.10 misuse and substance use disorder and two assistants to that position. The section shall be  
 40.11 staffed with all personnel necessary to fully administer programming for substance misuse  
 40.12 and substance use disorder services for American Indians in the state. The special assistant  
 40.13 position shall be filled by a person with considerable practical experience in and  
 40.14 understanding of substance misuse and substance use disorder in the American Indian  
 40.15 community, who shall be responsible to the director of the Alcohol and Drug Abuse Section  
 40.16 created in subdivision 1 and shall be in the unclassified service. The special assistant shall  
 40.17 meet and consult with the American Indian Advisory Council as described in section  
 40.18 254A.035 and serve as a liaison to the Minnesota Indian Affairs Council and tribes to report  
 40.19 on the status of substance misuse and substance use disorder among American Indians in  
 40.20 the state of Minnesota. The special assistant with the approval of the director shall:

40.21 (1) administer direct payments using funds appropriated for American Indian groups,  
 40.22 organizations and reservations within the state for American Indian substance misuse and  
 40.23 substance use disorder programs;

40.24 (2) establish policies and procedures for such American Indian programs with the  
 40.25 assistance of the American Indian Advisory Board; and

40.26 (3) hire and supervise staff to assist in the administration of the American Indian program  
 40.27 section within the Alcohol and Drug Abuse Section of the Department of Human Services.

40.28 **EFFECTIVE DATE.** This section is effective January 1, 2027.

40.29 Sec. 2. Minnesota Statutes 2025 Supplement, section 254B.02, subdivision 5, is amended  
 40.30 to read:

40.31 Subd. 5. **Tribal allocation.** The commissioner may make direct payments to Tribal  
 40.32 Nation servicing agencies from money allocated under this section to support individuals

41.1 with substance use disorders and determine eligibility for behavioral health fund payments.  
41.2 The payment must not be less than 133 percent of the Tribal Nations payment for the fiscal  
41.3 year ending June 30, 2009, adjusted in proportion to the statewide change in the appropriation  
41.4 for this chapter.

41.5 **EFFECTIVE DATE.** This section is effective January 1, 2027.

41.6 Sec. 3. Minnesota Statutes 2025 Supplement, section 254B.0503, subdivision 1, is amended  
41.7 to read:

41.8 Subdivision 1. **Eligible vendor requirements.** (a) Vendors of room and board are  
41.9 eligible for behavioral health fund payment if the vendor:

41.10 (1) has rules prohibiting residents bringing chemicals into the facility or using chemicals  
41.11 while residing in the facility and provide consequences for infractions of those rules;

41.12 (2) is determined to meet applicable health and safety requirements;

41.13 (3) is not a jail or prison;

41.14 (4) is not concurrently receiving funds under chapter 256I for the recipient;

41.15 (5) admits individuals who are 18 years of age or older;

41.16 (6) is registered as a board and lodging or lodging establishment according to section  
41.17 157.17;

41.18 (7) has awake staff on site whenever a client is present;

41.19 (8) has staff who are at least 18 years of age and meet the requirements of section  
41.20 245G.11, subdivision 1, paragraph (b);

41.21 (9) has emergency behavioral procedures that meet the requirements of section 245G.16;

41.22 (10) meets the requirements of section 245G.08, subdivision 5, if administering  
41.23 medications to clients;

41.24 (11) meets the abuse prevention requirements of section 245A.65, including a policy on  
41.25 fraternization and the mandatory reporting requirements of section 626.557;

41.26 (12) documents coordination with the treatment provider to ensure compliance with  
41.27 section 254B.03, subdivision 2;

41.28 (13) protects client funds and ensures freedom from exploitation by meeting the  
41.29 provisions of section 245A.04, subdivision 13;

42.1 (14) has a grievance procedure that meets the requirements of section 245G.15,  
42.2 subdivision 2; and

42.3 (15) has sleeping and bathroom facilities for men and women separated by a door that  
42.4 is locked, has an alarm, or is supervised by awake staff.

42.5 (b) Programs providing children's mental health crisis admissions and stabilization under  
42.6 section 245.4882, subdivision 6, are eligible vendors of room and board.

42.7 (c) Programs providing children's residential services under section 245.4882, except  
42.8 services for individuals who have a placement under chapter 260C or 260D, are eligible  
42.9 vendors of room and board.

42.10 (d) A vendor that is not licensed as a residential treatment program must have a policy  
42.11 to address staffing coverage when a client may unexpectedly need to be present at the room  
42.12 and board site.

42.13 (e) No new vendors for room and board services may be approved after June 30, 2025,  
42.14 to receive payments from the behavioral health fund, under the provisions of section 254B.04,  
42.15 subdivision 2a. Room and board vendors that were approved and operating prior to July 1,  
42.16 2025, may continue to receive payments from the behavioral health fund for services provided  
42.17 until ~~June 30, 2027~~ December 31, 2026. Room and board vendors providing services in  
42.18 accordance with section 254B.04, subdivision 2a, will no longer be eligible to claim  
42.19 reimbursement for room and board services provided on or after ~~July~~ January 1, 2027.

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

42.21 Sec. 4. Minnesota Statutes 2025 Supplement, section 254B.0509, subdivision 2, is amended  
42.22 to read:

42.23 Subd. 2. **Annual adjustments.** Effective January 1, 2027, and annually thereafter, the  
42.24 commissioner of human services must adjust the payment rates under ~~subdivision 1~~ section  
42.25 254B.0505, subdivision 1, clauses (1) to (9), according to the change from the midpoint of  
42.26 the previous rate year to the midpoint of the rate year for which the rate is being determined  
42.27 using the Centers for Medicare and Medicaid Services Medicare Economic Index as  
42.28 forecasted in the fourth quarter of the calendar year before the rate year. Notwithstanding  
42.29 this subdivision, rates must not be adjusted lower than those established on January 1, 2026.

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

43.1 Sec. 5. Minnesota Statutes 2024, section 254B.17, is amended to read:

43.2 **254B.17 WITHDRAWAL MANAGEMENT START-UP AND**  
 43.3 **CAPACITY-BUILDING GRANTS.**

43.4 The commissioner must establish start-up and capacity-building grants for prospective  
 43.5 ~~or~~ new, or existing substance use disorder treatment or withdrawal management programs  
 43.6 ~~licensed under chapter 245F~~ that will meet ASAM criteria for medically monitored managed  
 43.7 or clinically monitored levels of care by integrating withdrawal management services into  
 43.8 outpatient, intensive outpatient, or residential treatment services. Grants must be used to  
 43.9 measurably increase the client capacity or expand available services. Grants must align  
 43.10 services with ASAM criteria. Grants may be used to add medications for opioid use disorder  
 43.11 to services. Grants may be used for capacity-building expenses that are not reimbursable  
 43.12 under Minnesota health care programs, including but not limited to:

- 43.13 (1) costs associated with hiring staff or contracting with medical services providers;
- 43.14 (2) costs associated with staff retention;
- 43.15 (3) the purchase of office equipment and supplies;
- 43.16 (4) the purchase of software;
- 43.17 (5) costs associated with obtaining applicable and required licenses;
- 43.18 (6) business formation costs;
- 43.19 (7) costs associated with staff training; ~~and~~
- 43.20 (8) the purchase of medical equipment and supplies necessary to meet health and safety  
 43.21 requirements;
- 43.22 (9) costs associated with adding or improving physical space;
- 43.23 (10) start-up costs associated with adding a new location; and
- 43.24 (11) costs associated with becoming ASAM certified for medically managed levels of  
 43.25 care.

43.26 Sec. 6. Minnesota Statutes 2024, section 256B.04, subdivision 23, is amended to read:

43.27 Subd. 23. **Medical assistance costs for certain inmates.** (a) The commissioner shall  
 43.28 execute an interagency agreement with the commissioner of corrections to recover the state  
 43.29 cost attributable to medical assistance eligibility for inmates of public institutions admitted  
 43.30 to a medical institution on an inpatient basis. The annual amount to be transferred from the  
 43.31 Department of Corrections under the agreement must include all eligible state medical

44.1 assistance costs, including administrative costs incurred by the Department of Human  
 44.2 Services, attributable to inmates under state and county jurisdiction admitted to medical  
 44.3 institutions on an inpatient basis that are related to the implementation of section 256B.055,  
 44.4 subdivision 14, paragraph (c). This paragraph expires upon the effective date of paragraph  
 44.5 (b).

44.6 (b) Effective January 1, 2028, or upon federal approval, whichever is later, the  
 44.7 commissioner shall execute an interagency agreement with the commissioner of corrections  
 44.8 to recover the state cost attributable to medical assistance eligibility for inmates of public  
 44.9 institutions admitted to a medical institution on an inpatient basis. The annual amount to  
 44.10 be transferred from the Department of Corrections under the agreement must include all  
 44.11 eligible state medical assistance costs, including administrative costs incurred by the  
 44.12 Department of Human Services, attributable to inmates under state and county jurisdiction  
 44.13 admitted to medical institutions on an inpatient basis that are related to the implementation  
 44.14 of section 256B.0618, paragraph (b).

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

44.16 **Sec. 7. [256B.0618] COVERAGE FOR DETAINED INDIVIDUALS.**

44.17 (a) An inmate of a correctional facility who is conditionally released under section  
 44.18 241.26, 244.065, or 631.425 is eligible for medical assistance if the individual:

44.19 (1) does not require the security of a public detention facility and is housed:

44.20 (i) in a halfway house or community correction center; or

44.21 (ii) under house arrest and monitored by electronic surveillance in a residence approved  
 44.22 by the commissioner of corrections; and

44.23 (2) meets all other eligibility requirements of this chapter.

44.24 (b) An individual, regardless of age, who is considered an inmate of a public institution  
 44.25 as defined in Code of Federal Regulations, title 42, section 435.1010, and who meets the  
 44.26 eligibility requirements in section 256B.056 is not eligible for medical assistance, except  
 44.27 for covered medical assistance services received:

44.28 (1) while an inpatient in a medical institution as defined in Code of Federal Regulations,  
 44.29 title 42, section 435.1010;

44.30 (2) by an eligible juvenile in accordance with the Consolidated Appropriations Act,  
 44.31 2023, Public Law 117-328, part 5121; or

44.32 (3) by an eligible individual under section 256B.0761.

45.1 (c) Security logistics and costs related to the inpatient treatment of an inmate are the  
45.2 responsibility of the entity with jurisdiction over the inmate.

45.3 **EFFECTIVE DATE.** This section is effective January 1, 2028.

45.4 Sec. 8. **[256B.0619] CARCERAL TARGETED CASE MANAGEMENT SERVICES.**

45.5 Subdivision 1. **Generally.** Effective January 1, 2028, or upon federal approval, whichever  
45.6 is later, medical assistance covers carceral targeted case management services in accordance  
45.7 with section 256B.0761 and United States Code, title 42, sections 1396a(a)(84); 1396d(a)(32);  
45.8 1397bb(d); and 1397jj(b)(2) and (7).

45.9 Subd. 2. **Definitions.** (a) For purposes of this section, the following terms have the  
45.10 meanings given.

45.11 (b) "Comprehensive care plan" means a person-centered plan that includes goals, tasks,  
45.12 and services identified through screening and assessments and agreed upon by all parties.  
45.13 Comprehensive care plan includes but is not limited to identifying resources and services  
45.14 necessary to meet the individual's physical, behavioral health, and health-related social  
45.15 needs prerelease and postrelease.

45.16 (c) "Consultation" means communication from a carceral targeted case manager to other  
45.17 providers working with the same individual to inform, inquire, and instruct regarding the  
45.18 individual's symptoms, strategies for effective engagement, care and intervention needs,  
45.19 and treatment expectations across service settings, including but not limited to the education  
45.20 services, social services, probation, home, primary care, medication prescribers, disabilities  
45.21 services, and other mental health providers and to direct and coordinate clinical service  
45.22 components provided to the justice-involved individual.

45.23 (d) "Targeted case management for justice-involved individuals" means the provision  
45.24 of both county targeted case management and public or private vendor service coordination  
45.25 services for the purpose of bridging prerelease and postrelease medical assistance services  
45.26 to support the physical, behavioral health, and health-related social needs of justice-involved  
45.27 individuals.

45.28 (e) "Targeted case management services" means services that assist medical assistance  
45.29 eligible persons to gain access to needed medical, social, educational, and other services.

45.30 Subd. 3. **Eligibility.** The following individuals are eligible for carceral targeted case  
45.31 management services:

46.1 (1) individuals eligible for medical assistance who meet all eligibility requirements under  
46.2 United States Code, title 42, section 1396a(nn);

46.3 (2) individuals eligible for medical assistance who meet eligibility requirements for the  
46.4 Children's Health Insurance Program under United States Code, title 42, section 1397jj(b)(7);

46.5 or

46.6 (3) individuals eligible for medical assistance who are currently incarcerated at a section  
46.7 1115 reentry demonstration pilot facility and meet the participation requirements in section  
46.8 256B.0761, subdivision 2.

46.9 Subd. 4. **Carceral targeted case management services.** (a) For individuals eligible for  
46.10 services under subdivision 3, clause (1) or (2), carceral targeted case management care  
46.11 coordination is available for 30 days before release and up to 180 days postrelease. For  
46.12 individuals eligible for services under subdivision 3, clause (3), carceral targeted case  
46.13 management care coordination is available for up to 90 days before release and up to 180  
46.14 days postrelease.

46.15 (b) Carceral targeted case management care coordination includes:

46.16 (1) comprehensive assessment and periodic reassessment addressing physical, behavioral,  
46.17 and health-related social needs in accordance with section 256B.0761 and United States  
46.18 Code, title 42, sections 1396a(nn) and 1397jj(b)(7);

46.19 (2) comprehensive care plans, including but not limited to:

46.20 (i) the desired goals of the individual;

46.21 (ii) the individual's preferences for services and supports;

46.22 (iii) formal and informal services and supports based on areas of assessment, such as  
46.23 social health, mental health, residence, family, education and vocation, safety, legal,  
46.24 self-determination, financial, and chemical health; and

46.25 (iv) housing arrangements postrelease;

46.26 (3) regular review and revision of the comprehensive care plan with the individual to  
46.27 ensure needs are adequately met by referrals and supports;

46.28 (4) coordination of referrals, which must contain more than just a list of resources, to  
46.29 bridge prerelease to postrelease medical assistance services, including but not limited to  
46.30 referrals to community-based services identified as a need on the comprehensive care plan;

47.1 (5) warm handoffs and follow-up post release through direct coordination between  
47.2 providers, including timely communication, active engagement of the individual when  
47.3 feasible, and facilitation of continuity of care upon release;

47.4 (6) monitoring and evaluation of services identified in the comprehensive care plan to  
47.5 ensure personal outcomes are met and to ensure satisfaction with services and service  
47.6 delivery;

47.7 (7) consultation with other professionals, including but not limited to community-based  
47.8 mental health providers; and

47.9 (8) completion and maintenance of necessary documentation that supports and verifies  
47.10 the activities in this section.

47.11 Subd. 5. **Carceral targeted case management provider standards.** Providers eligible  
47.12 to receive medical assistance reimbursement under this section must enroll as a Minnesota  
47.13 Health Care Programs provider. To qualify as a provider of carceral targeted case  
47.14 management services, a provider must:

47.15 (1) have a minimum of a bachelor's degree or a license in a health or human services  
47.16 field, comparable training and two years of experience in human services, or credentials  
47.17 from an American Indian Tribe under section 256B.02, subdivision 7;

47.18 (2) demonstrate the capacity and experience to provide targeted case management  
47.19 activities for justice-involved individuals as defined in subdivision 2;

47.20 (3) be able to coordinate and connect community resources needed by the recipient;

47.21 (4) demonstrate administrative capacity and experience to serve the justice-involved  
47.22 population for which the provider will provide services and ensure quality of services under  
47.23 state and federal requirements;

47.24 (5) have a financial management system that provides accurate documentation of services  
47.25 and costs under state and federal requirements;

47.26 (6) demonstrate capacity to document and maintain individual case records under state  
47.27 and federal requirements;

47.28 (7) demonstrate the capacity to coordinate with county administrative functions;

47.29 (8) be able to coordinate with health care providers to ensure access to necessary health  
47.30 care services;

47.31 (9) have a procedure that (i) notifies the recipient of any conflict of interest if the targeted  
47.32 case management service provider also provides the recipient's services and supports, (ii)

48.1 provides information on all potential conflicts of interest, (iii) obtains the recipient's informed  
48.2 consent, and (iv) provides the recipient with alternatives; and

48.3 (10) demonstrate the capacity to achieve the following performance outcomes: (i) access;  
48.4 (ii) quality; and (iii) consumer satisfaction.

48.5 Subd. 6. **Medical assistance payment and rate setting.** (a) Carceral targeted case  
48.6 management rates are equal to rates authorized by the commissioner for relocation targeted  
48.7 case management under section 256B.0621, subdivision 10.

48.8 (b) The carceral targeted case management rate only includes eligible services delivered  
48.9 to an eligible recipient by an eligible provider.

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

48.11 Sec. 9. Minnesota Statutes 2024, section 256B.0625, is amended by adding a subdivision  
48.12 to read:

48.13 Subd. 77. **Carceral targeted case management.** Effective January 1, 2028, or upon  
48.14 federal approval, whichever is later, medical assistance covers carceral targeted case  
48.15 management services under section 256B.0619.

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

48.17 Sec. 10. Minnesota Statutes 2024, section 256B.0761, subdivision 2, is amended to read:

48.18 Subd. 2. **Eligible individuals.** (a) Notwithstanding section 256B.055, subdivision 14,  
48.19 individuals are eligible to receive services under this demonstration if they are eligible under  
48.20 section 256B.055, subdivision 3a, 6, 7, 7a, 9, 15, 16, or 17, as determined by the  
48.21 commissioner in collaboration with correctional facilities, local governments, and Tribal  
48.22 governments. This paragraph expires upon the effective date of paragraph (b).

48.23 (b) Effective January 1, 2028, or upon federal approval, whichever is later,  
48.24 notwithstanding section 256B.0618, individuals are eligible to receive services under this  
48.25 demonstration if they are eligible under section 256B.055, subdivision 3a, 6, 7, 7a, 9, 15,  
48.26 16, or 17, as determined by the commissioner in collaboration with correctional facilities,  
48.27 local governments, and Tribal governments.

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

49.1 Sec. 11. Minnesota Statutes 2025 Supplement, section 256I.04, subdivision 2a, is amended  
49.2 to read:

49.3 Subd. 2a. **License required; staffing qualifications.** (a) Except as provided in paragraph  
49.4 (b), an agency may not enter into an agreement with an establishment to provide housing  
49.5 support unless:

49.6 (1) the establishment is licensed by the Department of Health as a hotel and restaurant;  
49.7 a board and lodging establishment; a boarding care home before March 1, 1985; or a  
49.8 supervised living facility, and the service provider for residents of the facility is licensed  
49.9 under chapter 245A. However, an establishment licensed by the Department of Health to  
49.10 provide lodging need not also be licensed to provide board if meals are being supplied to  
49.11 residents under a contract with a food vendor who is licensed by the Department of Health;

49.12 (2) the residence is: (i) licensed by the commissioner of human services under Minnesota  
49.13 Rules, parts 9555.5050 to 9555.6265; (ii) certified by a county human services agency prior  
49.14 to July 1, 1992, using the standards under Minnesota Rules, parts 9555.5050 to 9555.6265;  
49.15 (iii) licensed by the commissioner under Minnesota Rules, parts 2960.0010 to 2960.0120,  
49.16 with a variance under section 245A.04, subdivision 9; or (iv) licensed under section 245D.02,  
49.17 subdivision 4a, as a community residential setting by the commissioner of human services;

49.18 (3) the facility is licensed under chapter 144G and provides three meals a day; or

49.19 (4) effective ~~January 1, 2027~~ July 1, 2026, the establishment is licensed by the Department  
49.20 of Health as a board and lodging establishment and is certified by the commissioner as a  
49.21 recovery residence in accordance with section 254B.215, subdivision 3, that is subject to  
49.22 the requirements of section 256I.04, subdivisions 2a to 2f. The Department of Human  
49.23 Services must serve as the lead agency for agreements entered into under this clause.

49.24 (b) The requirements under paragraph (a) do not apply to establishments exempt from  
49.25 state licensure because they are:

49.26 (1) located on Indian reservations and subject to tribal health and safety requirements;  
49.27 or

49.28 (2) supportive housing establishments where an individual has an approved habitability  
49.29 inspection and an individual lease agreement.

49.30 (c) Supportive housing establishments that serve individuals who have experienced  
49.31 long-term homelessness and emergency shelters must participate in the homeless management  
49.32 information system and a coordinated assessment system as defined by the commissioner.

50.1 (d) Effective July 1, 2016, an agency shall not have an agreement with a provider of  
50.2 housing support unless all staff members who have direct contact with recipients:

50.3 (1) have skills and knowledge acquired through one or more of the following:

50.4 (i) a course of study in a health- or human services-related field leading to a bachelor  
50.5 of arts, bachelor of science, or associate's degree;

50.6 (ii) one year of experience with the target population served;

50.7 (iii) experience as a mental health certified peer specialist according to section 256B.0615;

50.8 or

50.9 (iv) meeting the requirements for unlicensed personnel under sections 144A.43 to  
50.10 144A.483;

50.11 (2) hold a current driver's license appropriate to the vehicle driven if transporting  
50.12 recipients;

50.13 (3) complete training on vulnerable adults mandated reporting and child maltreatment  
50.14 mandated reporting, where applicable; and

50.15 (4) complete housing support orientation training offered by the commissioner.

50.16 **EFFECTIVE DATE.** This section is effective July 1, 2026.

50.17 Sec. 12. Minnesota Statutes 2024, section 297E.02, subdivision 3, is amended to read:

50.18 Subd. 3. **Collection; disposition.** (a) Taxes imposed by this section are due and payable  
50.19 to the commissioner when the gambling tax return is required to be filed. Distributors must  
50.20 file their monthly sales figures with the commissioner on a form prescribed by the  
50.21 commissioner. Returns covering the taxes imposed under this section must be filed with  
50.22 the commissioner on or before the 20th day of the month following the close of the previous  
50.23 calendar month. The commissioner shall prescribe the content, format, and manner of returns  
50.24 or other documents pursuant to section 270C.30. The proceeds, along with the revenue  
50.25 received from all license fees and other fees under sections 349.11 to 349.191, 349.211,  
50.26 and 349.213, must be paid to the commissioner of management and budget for deposit in  
50.27 the general fund.

50.28 (b) The sales tax imposed by chapter 297A on the sale of pull-tabs and tipboards by the  
50.29 distributor is imposed on the retail sales price. The retail sale of pull-tabs or tipboards by  
50.30 the organization is exempt from taxes imposed by chapter 297A and is exempt from all  
50.31 local taxes and license fees except a fee authorized under section 349.16, subdivision 8.

51.1 (c) One-half of one percent of the revenue deposited in the general fund under paragraph  
 51.2 (a), is appropriated to the commissioner of human services for the compulsive gambling  
 51.3 treatment program established under section 245.98. One-half of one percent of the revenue  
 51.4 deposited in the general fund under paragraph (a), is appropriated to the commissioner of  
 51.5 human services for a grant to the state affiliate recognized by the National Council on  
 51.6 Problem Gambling to increase public awareness of problem gambling, education and training  
 51.7 for individuals and organizations providing effective treatment services to problem gamblers  
 51.8 and their families, and research relating to problem gambling. Money appropriated by this  
 51.9 paragraph must supplement and must not replace existing state funding for these programs.  
 51.10 The balance of amounts appropriated under this paragraph that are unencumbered and  
 51.11 unspent at the close of a fiscal year are available in the next fiscal year for the same purposes  
 51.12 and shall not cancel to the fund from which appropriated.

51.13 (d) The commissioner of human services must provide to the state affiliate recognized  
 51.14 by the National Council on Problem Gambling a monthly statement of the amounts deposited  
 51.15 under paragraph (c). Beginning January 1, 2022, the commissioner of human services must  
 51.16 provide to the chairs and ranking minority members of the legislative committees with  
 51.17 jurisdiction over treatment for problem gambling and to the state affiliate recognized by the  
 51.18 National Council on Problem Gambling an annual reconciliation of the amounts deposited  
 51.19 under paragraph (c). The annual reconciliation under this paragraph must include the amount  
 51.20 allocated to the commissioner of human services for the compulsive gambling treatment  
 51.21 program established under section 245.98, and the amount allocated to the state affiliate  
 51.22 recognized by the National Council on Problem Gambling. The annual reconciliation must  
 51.23 also include any rollover amounts from the previous fiscal year and the utilization of those  
 51.24 amounts during the current reporting period.

51.25 Sec. 13. Laws 2025, First Special Session chapter 9, article 4, section 2, the effective date,  
 51.26 is amended to read:

51.27 **EFFECTIVE DATE.** This section is effective ~~January~~ July 1, 2027 2026.

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

51.29 Sec. 14. Laws 2025, First Special Session chapter 9, article 4, section 23, the effective  
 51.30 date, is amended to read:

51.31 **EFFECTIVE DATE.** This section is effective ~~January~~ July 1, 2027 2026.

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

52.1 Sec. 15. Laws 2025, First Special Session chapter 9, article 4, section 38, the effective  
52.2 date, is amended to read:

52.3 **EFFECTIVE DATE.** This section is effective ~~January~~ July 1, 2027 2026.

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

52.5 Sec. 16. Laws 2025, First Special Session chapter 9, article 4, section 39, the effective  
52.6 date, is amended to read:

52.7 **EFFECTIVE DATE.** This section is effective ~~January~~ July 1, 2027 2026.

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

52.9 Sec. 17. Laws 2025, First Special Session chapter 9, article 4, section 40, the effective  
52.10 date, is amended to read:

52.11 **EFFECTIVE DATE.** This section is effective ~~January~~ July 1, 2027 2026.

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

52.13 Sec. 18. Laws 2025, First Special Session chapter 9, article 4, section 41, the effective  
52.14 date, is amended to read:

52.15 **EFFECTIVE DATE.** This section is effective ~~January~~ July 1, 2027 2026.

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

52.17 Sec. 19. Laws 2025, First Special Session chapter 9, article 4, section 42, the effective  
52.18 date, is amended to read:

52.19 **EFFECTIVE DATE.** This section is effective ~~January~~ July 1, 2027 2026.

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

52.21 Sec. 20. Laws 2025, First Special Session chapter 9, article 4, section 43, the effective  
52.22 date, is amended to read:

52.23 **EFFECTIVE DATE.** This section is effective ~~January~~ July 1, 2027 2026.

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

52.25 Sec. 21. Laws 2025, First Special Session chapter 9, article 4, section 44, the effective  
52.26 date, is amended to read:

52.27 **EFFECTIVE DATE.** This section is effective ~~January~~ July 1, 2027 2026.

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

53.2 Sec. 22. Laws 2025, First Special Session chapter 9, article 4, section 50, the effective  
53.3 date, is amended to read:

53.4 **EFFECTIVE DATE.** This section is effective ~~January~~ July 1, 2027 2026.

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

53.6 Sec. 23. **DIRECTION TO COMMISSIONER; CARCERAL TARGETED CASE**  
53.7 **MANAGEMENT SERVICES BILLING UNITS.**

53.8 The commissioner of human services must establish a new billing code for carceral  
53.9 targeted case management services. The commissioner must identify reimbursement rates  
53.10 for the newly defined codes, as required under Minnesota Statutes, section 256B.0619,  
53.11 subdivision 6. The new billing codes must correspond to a 15-minute unit. The new billing  
53.12 codes must be available for 180 days postrelease.

53.13 **EFFECTIVE DATE.** This section is effective January 1, 2028, or upon federal approval,  
53.14 whichever is later.

53.15 Sec. 24. **REPEALER.**

53.16 Minnesota Statutes 2024, section 256B.055, subdivision 14, is repealed.

53.17 **EFFECTIVE DATE.** This section is effective January 1, 2028, or upon federal approval,  
53.18 whichever is later.

53.19 **ARTICLE 4**

53.20 **LONG-TERM CARE FACILITY REGULATION**

53.21 Section 1. Minnesota Statutes 2024, section 144.1503, subdivision 7, is amended to read:

53.22 Subd. 7. **Selection process.** The commissioner shall determine a maximum award for  
53.23 grants and loan forgiveness, and shall make selections based on the information provided  
53.24 in the grant application, including the demonstrated need for an applicant provider to enhance  
53.25 the education of its workforce, the proposed employee scholarship or loan forgiveness  
53.26 selection process, the applicant's proposed budget, and other criteria as determined by the  
53.27 commissioner. Notwithstanding any law or rule to the contrary, amounts appropriated for  
53.28 purposes of this section do not cancel and are available until expended, ~~except that at the~~  
53.29 ~~end of each biennium, any remaining amount that is not committed by contract and not~~  
53.30 ~~needed to fulfill existing commitments shall cancel to the general fund.~~

54.1 Sec. 2. Minnesota Statutes 2024, section 144A.04, is amended by adding a subdivision to  
54.2 read:

54.3 Subd. 7b. **Onsite registered nurse.** (a) Except when waived under subdivision 7f, a  
54.4 nursing home must have a registered nurse onsite 24 hours per day. The registered nurse  
54.5 must be available to provide direct resident care.

54.6 (b) For any periods when the onsite registered nurse requirements in paragraph (a) are  
54.7 waived under subdivision 7f, a nursing home must have a registered nurse, licensed nurse  
54.8 practitioner, physician assistant, or physician available to respond immediately to telephone  
54.9 calls from a nursing home.

54.10 Sec. 3. Minnesota Statutes 2024, section 144A.04, is amended by adding a subdivision to  
54.11 read:

54.12 Subd. 7c. **Staffing competencies.** A nursing home must ensure that all nurses have the  
54.13 specific competencies and skill sets necessary to care for residents' needs, as identified  
54.14 through resident assessments and described in the service plan. Providing care includes but  
54.15 is not limited to assessing, evaluating, planning, and implementing resident care plans and  
54.16 responding to residents' needs.

54.17 Sec. 4. Minnesota Statutes 2024, section 144A.04, is amended by adding a subdivision to  
54.18 read:

54.19 Subd. 7d. **Required staff ratio.** (a) The minimum staffing standard for nursing personnel  
54.20 in a nursing home is as specified in this subdivision.

54.21 (b) A nursing home must provide nursing care to all residents in accordance with each  
54.22 resident's service plan while also providing a minimum of 3.48 hours per resident per 24  
54.23 hours for total nurse staffing, including but not limited to a minimum of 0.55 hours per  
54.24 resident per 24 hours for registered nurses and a minimum of 2.45 hours per resident per  
54.25 24 hours for nurse aides and licensed nurse practitioners.

54.26 (c) For purposes of this subdivision, "hours of nursing personnel" means the paid, on-duty,  
54.27 productive nursing hours of all nurses and nursing assistants, calculated on the basis of any  
54.28 given 24-hour period. "Productive nursing hours" means all on-duty hours during which  
54.29 nurses and nursing assistants are engaged in nursing duties. Examples of nursing duties may  
54.30 be found in Minnesota Rules, part 4655.6400. Not included are vacations, holidays, sick  
54.31 leave, in-service classroom training, or lunches. Also not included are the nonproductive

55.1 nursing hours of the in-service training director. In homes with more than 60 licensed beds,  
 55.2 the hours of the director of nursing are excluded.

55.3 (d) A nursing home that is issued a notice of noncompliance under section 144A.10,  
 55.4 subdivision 5, for a violation of this subdivision, shall be assessed a civil fine of \$300 for  
 55.5 each day of noncompliance, subject to section 144A.10, subdivisions 7 and 8.

55.6 Sec. 5. Minnesota Statutes 2024, section 144A.04, is amended by adding a subdivision to  
 55.7 read:

55.8 Subd. 7e. **Nursing supervision.** (a) Except when waived under subdivision 7f, a nursing  
 55.9 home must designate a registered nurse to serve as a charge nurse for each shift.

55.10 (b) Except when waived under subdivision 7f, a nursing home must designate a registered  
 55.11 nurse to serve as the director of nursing on a full-time basis. The director of nursing may  
 55.12 serve as a charge nurse only when a nursing home has an average daily occupancy of 60 or  
 55.13 fewer residents.

55.14 Sec. 6. Minnesota Statutes 2024, section 144A.04, is amended by adding a subdivision to  
 55.15 read:

55.16 Subd. 7f. **Exemption process.** (a) The commissioner shall establish a process for  
 55.17 exemption to the requirements under subdivisions 7b and 7e. A nursing home shall submit  
 55.18 a request for exemption under this subdivision on a form developed and in a manner  
 55.19 established by the commissioner. A requesting nursing home shall provide in writing to the  
 55.20 commissioner the following information at a minimum:

55.21 (1) the specific requirement from which exemption is sought;

55.22 (2) a detailed explanation of the physical proximity of the requesting nursing home to  
 55.23 other nursing homes within reasonable distance providing the same services as the requesting  
 55.24 nursing home;

55.25 (3) the reason the nursing home is unable to comply with the requirement;

55.26 (4) the reason that compliance with the requirement will impose substantial hardship,  
 55.27 including but not limited to the risk of the nursing home closing and requiring residents to  
 55.28 move; and

55.29 (5) the reason that a waiver will not significantly harm residents.

55.30 Following the submission of an exemption request, the commissioner must provide public  
 55.31 notice of the requested exemption and allow a public comment period.

56.1 (b) The commissioner shall evaluate requests for exemption under this subdivision by  
56.2 reviewing the application materials and all comments submitted during the public comment  
56.3 period. As part of the evaluation process, the commissioner may:

56.4 (1) inspect the nursing home;

56.5 (2) confer with the nursing home manager or designee;

56.6 (3) contact residents or their representatives to determine whether they believe a waiver  
56.7 is in the residents' best interest; and

56.8 (4) contact individuals who submitted public comment during the public comment period.

56.9 (c) The commissioner may grant an exemption if the commissioner determines that  
56.10 compliance with the requirement from which the exemption is sought cannot be accomplished  
56.11 without substantial hardship to the nursing home and granting an exemption will not  
56.12 significantly harm residents. The commissioner may not grant an exemption if it will create  
56.13 an imminent risk of harm to a resident.

56.14 (d) An exemption granted under this subdivision is in effect for 90 days. After 90 days,  
56.15 the nursing home may request a renewal of the exemption. After one renewal, the nursing  
56.16 home must submit a new request for exemption under this subdivision.

56.17 **Sec. 7. [144A.082] AUTOMATIC EXTERNAL DEFIBRILLATOR.**

56.18 (a) For purposes of this section, "automatic external defibrillator" has the meaning given  
56.19 in section 403.51, subdivision 1.

56.20 (b) A nursing home must:

56.21 (1) maintain an automatic external defibrillator in each building on the nursing home  
56.22 campus where residents may be present;

56.23 (2) ensure each of its automatic external defibrillators is maintained and regularly tested  
56.24 according to the manufacturer's recommendations; and

56.25 (3) as part of initial orientation and annually thereafter, ensure all nursing home personnel  
56.26 receive training in cardiopulmonary resuscitation, the use of automatic external defibrillators,  
56.27 the nursing home's process for checking a resident's code status before initiating lifesaving  
56.28 measures, and requesting emergency medical assistance as soon as practicable after an  
56.29 automatic external defibrillator is used.

56.30 **EFFECTIVE DATE. This section is effective August 1, 2026.**

57.1 Sec. 8. Minnesota Statutes 2024, section 144A.291, subdivision 2, is amended to read:

57.2 Subd. 2. **Amounts.** (a) Fees may not exceed the following amounts but may be adjusted  
57.3 lower by board direction and are for the exclusive use of the board as required to sustain  
57.4 board operations. The maximum amounts of fees are:

57.5 (1) application for licensure, \$200;

57.6 (2) for a prospective applicant for a review of education and experience advisory to the  
57.7 license application, \$100, to be applied to the fee for application for licensure if the latter  
57.8 is submitted within one year of the request for review of education and experience;

57.9 (3) state examination, \$125;

57.10 (4) initial license, \$250 ~~if issued between July 1 and December 31, \$100 if issued between~~  
57.11 ~~January 1 and June 30;~~

57.12 (5) ~~acting~~ permit, \$400;

57.13 (6) renewal license or certificate, \$250;

57.14 (7) duplicate license, permit, or certificate, \$50;

57.15 (8) reinstatement fee, \$250;

57.16 ~~(9) health services executive initial license, \$250;~~

57.17 ~~(10) health services executive renewal license, \$250;~~

57.18 ~~(11)~~ (9) reciprocity verification fee, \$50;

57.19 ~~(12) second~~ (10) application for shared assignment certificate, \$250;

57.20 ~~(13)~~ (11) continuing education fees:

57.21 (i) greater than six hours, \$50; and

57.22 (ii) seven hours or more, \$75;

57.23 ~~(14)~~ (12) education review, \$100;

57.24 ~~(15)~~ (13) fee to a sponsor for review of individual continuing education seminars,  
57.25 institutes, workshops, or home study courses:

57.26 (i) for less than seven clock hours, \$30; and

57.27 (ii) for seven or more clock hours, \$50;

58.1 ~~(16)~~ (14) fee to a licensee for review of continuing education seminars, institutes,  
 58.2 workshops, or home study courses not previously approved for a sponsor and submitted  
 58.3 with an application for license renewal:

58.4 (i) for less than seven clock hours total, \$30; and

58.5 (ii) for seven or more clock hours total, \$50;

58.6 ~~(17)~~ (15) late renewal fee, \$75;

58.7 ~~(18)~~ (16) fee to a licensee for verification of licensure status and examination scores,  
 58.8 \$30;

58.9 ~~(19)~~ (17) registration as a registered continuing education sponsor, \$1,000;

58.10 ~~(20)~~ mail (18) mailing list labels, \$75; and

58.11 ~~(21)~~ (19) annual assisted living program education provider fee, \$2,500.

58.12 (b) The revenue generated from the fees must be deposited in an account in the state  
 58.13 government special revenue fund.

58.14 Sec. 9. Minnesota Statutes 2024, section 144A.471, subdivision 8, is amended to read:

58.15 Subd. 8. **Exemptions from home care services licensure.** (a) Except as otherwise  
 58.16 provided in this chapter, home care services that are provided by the state, counties, or other  
 58.17 units of government must be licensed under this chapter.

58.18 (b) An exemption under this subdivision does not excuse the exempted individual or  
 58.19 organization from complying with applicable provisions of the home care bill of rights in  
 58.20 section 144A.44. The following individuals or organizations are exempt from the requirement  
 58.21 to obtain a home care provider license:

58.22 (1) an individual or organization that offers, provides, or arranges for personal care  
 58.23 assistance services under the medical assistance program as authorized under sections  
 58.24 256B.0625, subdivision 19a, and 256B.0659;

58.25 (2) a provider that is licensed by the commissioner of human services to provide  
 58.26 semi-independent living services for persons with developmental disabilities under section  
 58.27 252.275 and Minnesota Rules, parts 9525.0900 to 9525.1020;

58.28 (3) a provider that is licensed by the commissioner of human services to provide home  
 58.29 and community-based services for persons with developmental disabilities under section  
 58.30 256B.092 and Minnesota Rules, parts 9525.1800 to 9525.1930;

59.1 (4) an individual or organization that provides only home management services, if the  
59.2 individual or organization is registered under section 144A.482; ~~or~~

59.3 (5) an individual who is licensed in this state as a nurse, dietitian, social worker,  
59.4 occupational therapist, physical therapist, or speech-language pathologist who provides  
59.5 health care services in the home independently and not through any contractual or  
59.6 employment relationship with a home care provider or other organization; or

59.7 (6) a federally qualified health center as defined in section 145.9269, when providing  
59.8 nursing services described in United States Code, title 42, section 1395x(aa)(1)(C).

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

59.10 Sec. 10. Minnesota Statutes 2025 Supplement, section 144A.474, subdivision 11, is  
59.11 amended to read:

59.12 Subd. 11. **Fines.** (a) Fines and enforcement actions under this subdivision may be assessed  
59.13 based on the level and scope of the violations described in paragraph (b) and imposed  
59.14 immediately with no opportunity to correct the violation first as follows:

59.15 (1) Level 1, no fines or enforcement;

59.16 (2) Level 2, a fine of \$500 per violation, in addition to any of the enforcement  
59.17 mechanisms authorized in section 144A.475;

59.18 (3) Level 3, a fine of \$1,000 per incident, in addition to any of the enforcement  
59.19 mechanisms authorized in section 144A.475;

59.20 (4) Level 4, a fine of \$3,000 per incident, in addition to any of the enforcement  
59.21 mechanisms authorized in section 144A.475;

59.22 (5) Level 5, a fine of \$5,000 per violation, in addition to any enforcement mechanism  
59.23 authorized in section 144A.475; and

59.24 (6) for maltreatment violations for which the licensee was determined to be responsible  
59.25 for the maltreatment under section 626.557, subdivision 9c, paragraph (c), a fine of \$1,000.  
59.26 A fine of \$5,000 may be imposed if the commissioner determines the licensee is responsible  
59.27 for maltreatment consisting of sexual assault, death, or abuse resulting in serious injury.

59.28 The fines in clauses (1) to (5) are increased and immediate fine imposition is authorized  
59.29 for both surveys and investigations conducted.

59.30 When a fine is assessed against a facility for substantiated maltreatment, the commissioner  
59.31 shall not also impose an immediate fine under this chapter for the same circumstance.

60.1 (b) Correction orders for violations are categorized by both level and scope and fines  
60.2 shall be assessed as follows:

60.3 (1) level of violation:

60.4 (i) Level 1 is a violation that will cause only minimal impact on the client and does not  
60.5 affect health or safety;

60.6 (ii) Level 2 is a violation that did not harm a client's health or safety but had the potential  
60.7 to have harmed a client's health or safety, but was not likely to cause serious injury,  
60.8 impairment, or death;

60.9 (iii) Level 3 is a violation that harmed a client's health or safety, or a violation that had  
60.10 the potential to cause more than minimal harm to the client;

60.11 (iv) Level 4 is a violation that harmed a client's health or safety, not including serious  
60.12 injury or death, or a violation that was likely to lead to serious injury or death; and

60.13 (v) Level 5 is a violation that results in serious injury or death; and

60.14 (2) scope of violation:

60.15 (i) isolated, when one or a limited number of clients are affected or one or a limited  
60.16 number of staff are involved or the situation has occurred only occasionally;

60.17 (ii) pattern, when more than a limited number of clients are affected, more than a limited  
60.18 number of staff are involved, or the situation has occurred repeatedly but is not found to be  
60.19 pervasive; and

60.20 (iii) widespread, when problems are pervasive or represent a systemic failure that has  
60.21 affected or has the potential to affect a large portion or all of the clients.

60.22 (c) If the commissioner finds that the applicant or a home care provider has not corrected  
60.23 violations by the date specified in the correction order or conditional license resulting from  
60.24 a survey or complaint investigation, the commissioner shall provide a notice of  
60.25 noncompliance with a correction order by email to the applicant's or provider's last known  
60.26 email address. The noncompliance notice must list the violations not corrected.

60.27 (d) For every violation identified by the commissioner, the commissioner shall issue an  
60.28 immediate fine pursuant to paragraph (a). The license holder must still correct the violation  
60.29 in the time specified. The issuance of an immediate fine can occur in addition to any  
60.30 enforcement mechanism authorized under section 144A.475. The immediate fine may be  
60.31 appealed as allowed under this subdivision.

61.1 (e) The license holder must pay the fines assessed on or before the payment date specified.  
61.2 If the license holder fails to fully comply with the order, the commissioner may issue a  
61.3 second fine or suspend the license until the license holder complies by paying the fine. A  
61.4 timely appeal shall stay payment of the fine until the commissioner issues a final order.

61.5 (f) A license holder shall promptly notify the commissioner in writing when a violation  
61.6 specified in the order is corrected. If upon reinspection the commissioner determines that  
61.7 a violation has not been corrected as indicated by the order, the commissioner may issue a  
61.8 second fine. The commissioner shall notify the license holder by mail to the last known  
61.9 address in the licensing record that a second fine has been assessed. The license holder may  
61.10 appeal the second fine as provided under this subdivision.

61.11 (g) A home care provider that has been assessed a fine under this subdivision has a right  
61.12 to a reconsideration or a hearing under this section and chapter 14.

61.13 (h) When a fine has been assessed, the license holder may not avoid payment by closing,  
61.14 selling, or otherwise transferring the licensed program to a third party. In such an event, the  
61.15 license holder shall be liable for payment of the fine.

61.16 (i) In addition to any fine imposed under this section, the commissioner may assess a  
61.17 penalty amount based on costs related to an investigation that results in a final order assessing  
61.18 a fine or other enforcement action authorized by this chapter.

61.19 (j) Fines collected under paragraph (a) shall be deposited in a dedicated special revenue  
61.20 account. ~~On an annual basis, the balance in the special revenue account shall be appropriated~~  
61.21 ~~to the commissioner to implement the recommendations of the advisory council established~~  
61.22 ~~in section 144A.4799. Money deposited in the account is appropriated to the commissioner~~  
61.23 on an annual basis for a competitive grant program for special projects for improving home  
61.24 care client quality of care and outcomes in Minnesota, with a specific focus on workforce  
61.25 and clinical outcomes, including projects consistent with criteria in section 144A.4799,  
61.26 subdivision 3, paragraph (c). Grants must be distributed to home care providers licensed  
61.27 under this chapter or organizations with experience in or knowledge of home care operations,  
61.28 compliance, client needs, or best practices. Each grant must be \$1,000 at minimum. A  
61.29 provider with a temporary license under this chapter is not eligible to apply for a grant. The  
61.30 commissioner may retain up to ten percent of the amount available to cover costs to  
61.31 administer the grant under this section. The commissioner must publish on the department's  
61.32 website an annual report on the fines assessed and collected, and how the appropriated  
61.33 money was allocated.

62.1 Sec. 11. Minnesota Statutes 2025 Supplement, section 144A.4799, subdivision 1, is  
62.2 amended to read:

62.3 Subdivision 1. **Membership.** (a) The commissioner of health shall appoint 14 persons  
62.4 to a home care and assisted living advisory council consisting of the following:

62.5 (1) four public members as defined in section 214.02, one of whom must be a person  
62.6 who either is receiving or has received home care services preferably within the five years  
62.7 prior to initial appointment, one of whom must be a person who has or had a family member  
62.8 receiving home care services preferably within the five years prior to initial appointment,  
62.9 one of whom must be a person who either is or has been a resident in an assisted living  
62.10 facility preferably within the five years prior to initial appointment, and one of whom must  
62.11 be a person who has or had a family member residing in an assisted living facility preferably  
62.12 within the five years prior to initial appointment;

62.13 (2) two Minnesota home care licensees representing basic and comprehensive levels of  
62.14 licensure who may be a managerial official, an administrator, a supervising registered nurse,  
62.15 or an unlicensed personnel performing home care tasks;

62.16 (3) one member representing the Minnesota Board of Nursing;

62.17 (4) one member representing the Office of Ombudsman for Long-Term Care;

62.18 (5) one member representing the Office of Ombudsman for Mental Health and  
62.19 Developmental Disabilities;

62.20 (6) one member of a county health and human services or county adult protection office;

62.21 (7) two Minnesota assisted living facility licensees representing assisted living facilities  
62.22 and assisted living facilities with dementia care levels of licensure who may be the facility's  
62.23 assisted living director, managerial official, or clinical nurse supervisor;

62.24 (8) one organization representing long-term care providers, home care providers, and  
62.25 assisted living providers in Minnesota; and

62.26 (9) one representative of a consumer advocacy organization representing individuals  
62.27 receiving long-term care from licensed home care providers or assisted living facilities.

62.28 (b) When a vacancy occurs for an appointment identified in paragraph (a), the  
62.29 commissioner must select an applicant for appointment within 81 calendar days of the  
62.30 position being posted by the secretary of state, if the application of a qualified and, if  
62.31 applicable, a licensee in good standing applicant is received within 21 days of posting. If  
62.32 no qualified applications are received within the first 21 days, the commissioner must select

63.1 an applicant for appointment within 60 calendar days of receiving the application of a  
 63.2 qualified and, if applicable, a licensee in good standing applicant.

63.3 Sec. 12. Minnesota Statutes 2024, section 144G.09, subdivision 2, is amended to read:

63.4 Subd. 2. **Regulatory functions.** (a) The commissioner shall:

63.5 (1) license, survey, and monitor without advance notice assisted living facilities in  
 63.6 accordance with this chapter and rules;

63.7 (2) survey every provisional licensee within one year of the provisional license issuance  
 63.8 date subject to the provisional licensee providing assisted living services to residents;

63.9 (3) survey assisted living facility licensees at least once every two years;

63.10 (4) investigate complaints of assisted living facilities;

63.11 (5) issue correction orders and assess civil penalties under sections 144G.30 and 144G.31;

63.12 (6) take action as authorized in section 144G.20; ~~and~~

63.13 (7) approve or disapprove proposed increases in amounts charged for housing or assisted  
 63.14 living services under sections 144G.19, subdivision 5, and 144G.40, subdivision 4; and

63.15 ~~(7)~~ (8) take other action reasonably required to accomplish the purposes of this chapter.

63.16 (b) The commissioner shall review blueprints for all new facility construction and must  
 63.17 approve the plans before construction may be commenced.

63.18 (c) The commissioner shall provide on-site review of the construction to ensure that all  
 63.19 physical environment standards are met before the facility license is complete.

63.20 Sec. 13. Minnesota Statutes 2024, section 144G.15, is amended to read:

63.21 **144G.15 CONSIDERATION OF APPLICATIONS.**

63.22 Subdivision 1. Consideration. (a) Before issuing a provisional license or license or  
 63.23 renewing a license, the commissioner shall consider an applicant's compliance history in  
 63.24 providing care in this state or any other state in a facility that provides care to children, the  
 63.25 elderly, ill individuals, or individuals with disabilities.

63.26 (b) The applicant's compliance history shall include repeat violation, rule violations, and  
 63.27 any license or certification involuntarily suspended or terminated during an enforcement  
 63.28 process.

64.1 (c) Before issuing a provisional license for an assisted living facility with a licensed  
 64.2 resident capacity of six or fewer, the commissioner shall also consider the population, size,  
 64.3 land use plan, availability of community services, and the number and size of existing  
 64.4 licensed assisted living facilities in the town, municipality, or county in which the applicant  
 64.5 seeks to operate an assisted living facility.

64.6 Subd. 2. Colocation of certain home and community-based residential settings. The  
 64.7 commissioner must not grant a provisional license for an assisted living facility with a  
 64.8 licensed resident capacity of six or fewer until the commissioner of human services  
 64.9 determines that the proposed location of the assisted living facility meets the standard  
 64.10 described in section 245A.042, subdivision 7. This paragraph applies regardless of the  
 64.11 services to be provided in the proposed assisted living facility and regardless of whether  
 64.12 any residents of the facility will receive publicly funded services.

64.13 Subd. 3. Grounds for licensing action. (e) The commissioner may deny, revoke, suspend,  
 64.14 restrict, or refuse to renew the license or impose conditions if:

64.15 (1) the applicant fails to provide complete and accurate information on the application  
 64.16 and the commissioner concludes that the missing or corrected information is needed to  
 64.17 determine if a license shall be granted;

64.18 (2) the applicant, knowingly or with reason to know, made a false statement of a material  
 64.19 fact in an application for the license or any data attached to the application or in any matter  
 64.20 under investigation by the department;

64.21 (3) the applicant refused to allow agents of the commissioner to inspect its books, records,  
 64.22 and files related to the license application, or any portion of the premises;

64.23 (4) the applicant willfully prevented, interfered with, or attempted to impede in any way:  
 64.24 (i) the work of any authorized representative of the commissioner, the ombudsman for  
 64.25 long-term care, or the ombudsman for mental health and developmental disabilities; or (ii)  
 64.26 the duties of the commissioner, local law enforcement, city or county attorneys, adult  
 64.27 protection, county case managers, or other local government personnel;

64.28 (5) the applicant, owner, controlling individual, managerial official, or assisted living  
 64.29 director for the facility has a history of noncompliance with federal or state regulations that  
 64.30 were detrimental to the health, welfare, or safety of a resident or a client; or

64.31 (6) the applicant violates any requirement in this chapter.

64.32 ~~(d) If a license is denied, the applicant has the reconsideration rights available under~~  
 64.33 ~~section 144G.16, subdivision 4.~~

65.1 Sec. 14. Minnesota Statutes 2024, section 144G.16, is amended by adding a subdivision  
65.2 to read:

65.3 Subd. 8. **Notice to affected municipality.** (a) No later than five days, excluding weekends  
65.4 and holidays, after issuing a provisional license to an assisted living facility with a licensed  
65.5 resident capacity of six or fewer, the commissioner must provide the following information  
65.6 about the provisional licensee and the facility to the affected municipality or other political  
65.7 subdivision:

65.8 (1) business name of the provisional licensee;

65.9 (2) street address of the facility;

65.10 (3) license category;

65.11 (4) licensed resident capacity; and

65.12 (5) contact information for an authorized agent of the provisional licensee.

65.13 (b) The commissioner may provide notice through electronic communication or by  
65.14 submitting a written document to the official address of the municipality or other political  
65.15 subdivision.

65.16 **EFFECTIVE DATE.** This section is effective July 1, 2026, and applies to provisional  
65.17 licenses issued on or after that date.

65.18 Sec. 15. Minnesota Statutes 2025 Supplement, section 144G.19, subdivision 5, is amended  
65.19 to read:

65.20 Subd. 5. **Change of ownership; existing contracts.** (a) Following a change of ownership,  
65.21 the new licensee must honor the terms of an assisted living contract in effect at the time of  
65.22 the change of ownership until the end of the contract term. A new licensee that proposes to  
65.23 increase the amount charged for housing or assisted living services in an assisted living  
65.24 contract replacing a contract in effect at the time of the change of ownership must provide  
65.25 the commissioner with justification for and specific documentation supporting the proposed  
65.26 increase.

65.27 (b) The commissioner must review the justification and documentation provided under  
65.28 paragraph (a) and approve or disapprove the proposed increase. The commissioner may  
65.29 request from the new licensee additional documentation or information the commissioner  
65.30 deems necessary to conduct the review. An assisted living facility must not implement a  
65.31 proposed increase described in paragraph (a) unless the commissioner approves the proposed  
65.32 increase.

66.1 Sec. 16. Minnesota Statutes 2024, section 144G.195, subdivision 1, is amended to read:

66.2 Subdivision 1. **New license not required.** (a) ~~Beginning March 15, 2025,~~ An assisted  
66.3 living facility with a licensed resident capacity of five residents or fewer may operate under  
66.4 the licensee's current license if the facility is relocated with the approval of the commissioner  
66.5 of health during the period the current license is valid.

66.6 (b) A licensee is not required to apply for a new license solely because the licensee  
66.7 receives approval to relocate a facility. The licensee's license for the relocated facility  
66.8 remains valid until the expiration date specified on the existing license. The commissioner  
66.9 of health must apply the licensing and survey cycle previously established for the facility's  
66.10 prior location to the facility's new location.

66.11 (c) A licensee must notify the commissioner of health, on a form developed by the  
66.12 commissioner, of the licensee's intent to relocate the licensee's facility and submit a  
66.13 nonrefundable relocation fee of \$3,905. The commissioner must deposit all relocation fees  
66.14 in the state treasury to be credited to the state government special revenue fund.

66.15 (d) The licensee must obtain plan review approval for the building to which the licensee  
66.16 intends to relocate the facility and a certificate of occupancy from the commissioner of labor  
66.17 and industry or the commissioner of labor and industry's delegated authority for the building.  
66.18 Upon issuance of a certificate of occupancy, the commissioner of health must review and  
66.19 inspect the building to which the licensee intends to relocate the facility ~~and approve or~~  
66.20 ~~deny the license relocation within 30 calendar days~~ and must request from the commissioner  
66.21 of human services a determination of whether the location to which the licensee intends to  
66.22 relocate complies with the standards described in section 245A.042, subdivision 7. The  
66.23 commissioner of health must approve or deny the license relocation within 30 calendar days  
66.24 after inspecting the building and receiving a determination from the commissioner of human  
66.25 services.

66.26 (e) A licensee ~~may only relocate a facility within the geographic boundaries of the~~  
66.27 ~~municipality in which the facility is currently located or within the geographic boundaries~~  
66.28 ~~of a contiguous municipality~~ located in the seven-county metropolitan area may not relocate  
66.29 outside of the seven-county metropolitan area. A licensee located outside of the seven-county  
66.30 metropolitan area may not relocate more than two hours or 120 miles from the licensee's  
66.31 previous location nor relocate within the seven-county metropolitan area.

66.32 (f) A licensee may only relocate one time in any three-year period, except that the  
66.33 commissioner may approve an additional relocation within a three-year period upon a

67.1 licensee's demonstration of an extenuating circumstance, including but not limited to the  
67.2 criteria outlined in section 256B.49, subdivision 28a, paragraph (c).

67.3 (g) A licensee that receives approval from the commissioner to relocate a facility must  
67.4 provide each resident with a new assisted living contract and comply with the coordinated  
67.5 move requirements under section 144G.55.

67.6 (h) A licensee denied approval by the commissioner of health to relocate a facility may  
67.7 continue to operate the facility in its current location, follow the requirements in section  
67.8 144G.57 and close the facility, or notify the commissioner of health of the licensee's intent  
67.9 to relocate the facility to an alternative new location. If the licensee notifies the commissioner  
67.10 of the licensee's intent to relocate the facility to an alternative new location, ~~paragraph (e)~~  
67.11 applies, including all provisions of this section apply, including paragraph (c) and the  
67.12 timelines for approving or denying the license relocation for the alternative new location.

67.13 (g) If the commissioner of health approves a relocation under this subdivision, the  
67.14 commissioner must comply with the provisions of section 144G.16, subdivision 8.

67.15 Sec. 17. Minnesota Statutes 2024, section 144G.31, subdivision 7, is amended to read:

67.16 Subd. 7. **Additional penalties.** In addition to any fine imposed under this section, the  
67.17 commissioner may:

67.18 (1) assess a penalty amount based on costs related to an investigation that results in a  
67.19 final order assessing a fine or other enforcement action authorized by this chapter; and

67.20 (2) increase a fine if the violation results in serious injury or death and the commissioner  
67.21 determines the licensee's conduct was sufficiently egregious to warrant an increase,  
67.22 notwithstanding the fine amount provided in subdivision 4, paragraph (a), clause (5).

67.23 Sec. 18. Minnesota Statutes 2024, section 144G.40, is amended by adding a subdivision  
67.24 to read:

67.25 Subd. 4. **Increase in amount charged for housing or services.** (a) If an assisted living  
67.26 facility proposes to increase the amount charged for housing or assisted living services by  
67.27 an amount that exceeds the change in the Consumer Price Index for All Urban Consumers  
67.28 published by the federal Bureau of Labor Statistics, for the most recent 12-month period  
67.29 for which data is available, the assisted living facility must provide the commissioner with  
67.30 justification for and specific documentation supporting the proposed increase.

67.31 (b) The documentation required under paragraph (a) must include:

68.1 (1) data on operational costs, including but not limited to the cost of staffing, utilities,  
68.2 maintenance, and other day-to-day expenses necessary to operate the facility;

68.3 (2) data on the proposed imposition of any new fees, but is not limited to a raw food  
68.4 fee, community fee, pharmacy choice or coordination fee, hospice choice or coordination  
68.5 fee, or activities fee;

68.6 (3) the facility's balance sheet, including projected revenues and expenses for the next  
68.7 fiscal year;

68.8 (4) data on costs related to compliance with new regulatory requirements, including but  
68.9 not limited to health and safety requirements;

68.10 (5) data on capital improvements to, upgrades to, or expansion of the facility, including  
68.11 but not limited to building renovations or new construction;

68.12 (6) a comparison of the facility's costs and fees and the costs and fees of similar facilities  
68.13 in the region where the facility is located;

68.14 (7) data on whether the facility's residents have increased needs or are requesting new  
68.15 amenities; and

68.16 (8) the percentage of revenue devoted to administrative costs and the percentage of  
68.17 revenue devoted to marketing costs.

68.18 (c) The commissioner must review the justification and documentation provided under  
68.19 paragraph (a) and approve or disapprove the proposed increase. The commissioner may  
68.20 request from the facility additional documentation or information the commissioner deems  
68.21 necessary to conduct the review. An assisted living facility must not implement a proposed  
68.22 increase described in paragraph (a) unless the commissioner approves the proposed increase.

68.23 (d) If the commissioner approves the proposed increase, approval must be conditioned  
68.24 on the facility maintaining or improving the quality of care it provides, including but not  
68.25 limited to hiring additional staff, improving staff training, updating medical equipment, or  
68.26 upgrading physical environment elements of the facility.

68.27 Sec. 19. Minnesota Statutes 2024, section 144G.41, subdivision 1, is amended to read:

68.28 Subdivision 1. **Minimum requirements.** All assisted living facilities shall:

68.29 (1) distribute to residents the assisted living bill of rights;

68.30 (2) provide services in a manner that complies with the Nurse Practice Act in sections  
68.31 148.171 to 148.285;

- 69.1 (3) utilize a person-centered planning and service delivery process;
- 69.2 (4) have and maintain a system for delegation of health care activities to unlicensed  
69.3 personnel by a registered nurse, including supervision and evaluation of the delegated  
69.4 activities as required by the Nurse Practice Act in sections 148.171 to 148.285;
- 69.5 (5) provide a means for residents to request assistance for health and safety needs 24  
69.6 hours per day, seven days per week, and maintain a log of resident requests for assistance  
69.7 and staff responses including, for each request, the time that elapsed between the resident's  
69.8 communication of the request and the staff response. The facility must retain a log for at  
69.9 least five years after the most recent request and response in the log;
- 69.10 (6) allow residents the ability to furnish and decorate the resident's unit within the terms  
69.11 of the assisted living contract;
- 69.12 (7) permit residents access to food at any time;
- 69.13 (8) allow residents to choose the resident's visitors and times of visits;
- 69.14 (9) allow the resident the right to choose a roommate if sharing a unit;
- 69.15 (10) notify the resident of the resident's right to have and use a lockable door to the  
69.16 resident's unit. The licensee shall provide the locks on the unit. Only a staff member with  
69.17 a specific need to enter the unit shall have keys, and advance notice must be given to the  
69.18 resident before entrance, when possible. An assisted living facility must not lock a resident  
69.19 in the resident's unit;
- 69.20 (11) develop and implement a staffing plan for determining its staffing level that:
- 69.21 (i) includes an evaluation, to be conducted at least twice a year, of the appropriateness  
69.22 of staffing levels in the facility;
- 69.23 (ii) ensures sufficient staffing at all times to meet the scheduled and reasonably  
69.24 foreseeable unscheduled needs of each resident as required by the residents' assessments  
69.25 and service plans on a 24-hour per day basis; and
- 69.26 (iii) ensures that the facility can respond promptly and effectively to individual resident  
69.27 emergencies and to emergency, life safety, and disaster situations affecting staff or residents  
69.28 in the facility;
- 69.29 (12) ensure that one or more persons who are trained in accordance with section 144G.61,  
69.30 subdivision 2, are available 24 hours per day, seven days per week, who are responsible for  
69.31 responding to the requests of residents for assistance with health or safety needs. Such  
69.32 persons must be:

- 70.1 (i) awake;
- 70.2 (ii) located in the same building, in an attached building, or on a contiguous campus  
70.3 with the facility in order to respond within a reasonable amount of time;
- 70.4 (iii) capable of communicating with residents;
- 70.5 (iv) capable of providing or summoning the appropriate assistance; and
- 70.6 (v) capable of following directions; ~~and~~
- 70.7 (13) provide staff access to an on-call registered nurse 24 hours per day, seven days per  
70.8 week;
- 70.9 (14) ensure a plan for facility staff to immediately attend to resident needs in a medical  
70.10 emergency, until any emergency personnel arrive, if summoned; and
- 70.11 (15) ensure a plan for facility staff to meet the nonemergency medical needs of residents  
70.12 due to falling, including needs for lift assistance.
- 70.13 **EFFECTIVE DATE.** The amendment to clause (5) is effective August 1, 2026. The  
70.14 amendment to clause (12) is effective August 1, 2027. Clauses (14) and (15) are effective  
70.15 August 1, 2027.
- 70.16 Sec. 20. Minnesota Statutes 2024, section 144G.41, subdivision 2, is amended to read:
- 70.17 Subd. 2. **Policies and procedures.** (a) Each assisted living facility must have policies  
70.18 and procedures in place to address the following ~~and keep them current~~:
- 70.19 (1) requirements in section 626.557, reporting of maltreatment of vulnerable adults;
- 70.20 (2) conducting and handling background studies on employees;
- 70.21 (3) orientation, training, and competency evaluations of staff, and a process for evaluating  
70.22 staff performance;
- 70.23 (4) handling complaints regarding staff or services provided by staff;
- 70.24 (5) conducting initial evaluations of residents' needs and the providers' ability to provide  
70.25 those services;
- 70.26 (6) conducting initial and ongoing resident evaluations and assessments of resident  
70.27 needs, including assessments by a registered nurse or appropriate licensed health professional,  
70.28 and how changes in a resident's condition are identified, managed, and communicated to  
70.29 staff and other health care providers as appropriate;
- 70.30 (7) orientation to and implementation of the assisted living bill of rights;

- 71.1 (8) infection control practices;
- 71.2 (9) reminders for medications, treatments, or exercises, if provided;
- 71.3 (10) conducting appropriate screenings, or documentation of prior screenings, to show  
71.4 that staff are free of tuberculosis, consistent with current United States Centers for Disease  
71.5 Control and Prevention standards;
- 71.6 (11) ensuring that nurses and licensed health professionals have current and valid licenses  
71.7 to practice;
- 71.8 (12) medication and treatment management;
- 71.9 (13) delegation of tasks by registered nurses or licensed health professionals;
- 71.10 (14) supervision of registered nurses and licensed health professionals; ~~and~~
- 71.11 (15) supervision of unlicensed personnel performing delegated tasks;
- 71.12 (16) emergency procedures to be initiated by facility staff when a resident experiences  
71.13 a medical emergency due to falling, a heart event, difficulty breathing, or choking, and to  
71.14 be followed until emergency personnel arrive, if summoned; and
- 71.15 (17) procedures to be initiated by facility staff after determining that a resident is not  
71.16 experiencing a medical emergency pursuant to clause (16), to meet the nonemergency  
71.17 medical needs of residents due to falling, including needs for lift assistance.
- 71.18 (b) Each assisted living facility must keep all policies and procedures current and make  
71.19 them available to a resident or the resident's representative upon request. Policies and  
71.20 procedures covering medical emergency events under paragraph (a), clause (16), must be  
71.21 provided to prospective residents, before signing an assisted living contract, for whom a  
71.22 prospective resident assessment has been performed as described under section 144G.70,  
71.23 subdivision 2, paragraph (b), and to current residents upon any changes to the policies and  
71.24 procedures covering medical emergencies under paragraph (a), clause (16).
- 71.25 **EFFECTIVE DATE.** This section is effective August 1, 2027.

71.26 Sec. 21. Minnesota Statutes 2024, section 144G.41, is amended by adding a subdivision  
71.27 to read:

71.28 Subd. 9. **Automatic external defibrillator.** (a) For purposes of this subdivision,  
71.29 "automatic external defibrillator" has the meaning given in section 403.51, subdivision 1.

71.30 (b) A facility must:

72.1 (1) maintain an automatic external defibrillator in each building on the assisted living  
 72.2 facility campus where residents may be present; and

72.3 (2) ensure each of its automatic external defibrillators is maintained and regularly tested  
 72.4 according to the manufacturer's recommendations.

72.5 **EFFECTIVE DATE.** This section is effective August 1, 2026.

72.6 Sec. 22. Minnesota Statutes 2024, section 144G.45, subdivision 3, is amended to read:

72.7 **Subd. 3. Local laws apply; delegating inspection authority.** (a) Assisted living facilities  
 72.8 shall comply with all applicable state and local governing laws, regulations, standards,  
 72.9 ordinances, and codes for fire safety, building, and zoning requirements, except a facility  
 72.10 with a licensed resident capacity of six or fewer is exempt from rental licensing regulations  
 72.11 imposed by any town, municipality, or county.

72.12 (b) At the request of a county or local unit of government, the commissioner may delegate  
 72.13 to a county agency or local unit of government the commissioner's authority to inspect an  
 72.14 existing assisted living facility with a licensed resident capacity of six or fewer that is in  
 72.15 the jurisdiction of the county or local unit of government for compliance with applicable  
 72.16 physical plant licensing requirements and zoning ordinances. If the commissioner delegates  
 72.17 the commissioner's authority to a county agency or local unit of government under this  
 72.18 subdivision, the commissioner must execute a formal delegation of authority that clearly  
 72.19 specifies what authority is being delegated to the county agency or local unit of government,  
 72.20 that the commissioner is responsible for any costs incurred by the county agency or local  
 72.21 unit of government for conducting inspections under delegated authority, and that the county  
 72.22 agency or local unit of government must not assess any additional fees for conducting an  
 72.23 inspection under delegated authority. When conducting an inspection under delegated  
 72.24 authority, the county agency or local unit of government must provide the subject of the  
 72.25 inspection with a copy of the delegation of authority.

72.26 (c) When a county agency or local unit of government is conducting an inspection under  
 72.27 delegated authority as provided in paragraph (b), the county agency or local unit of  
 72.28 government and the commissioner must coordinate their inspections to minimize visits to  
 72.29 and disruptions of the facility. A county agency or local unit of government conducting an  
 72.30 inspection must notify the commissioner of any violations or concerns within ten working  
 72.31 days of the inspection. A county agency or local unit of government that conducts inspections  
 72.32 under this subdivision must not inspect an assisted living facility more frequently than  
 72.33 annually, except a follow-up inspection is permitted before the next annual inspection to  
 72.34 verify correction of a violation discovered during the most recent inspection.

73.1 (d) The commissioner must ensure that laws, rules, and codes are uniformly enforced  
 73.2 throughout the state by reviewing at least every four years each county agency and local  
 73.3 unit of government conducting inspections under this subdivision for compliance with this  
 73.4 subdivision and other applicable laws and rules. The commissioner must ensure that a county  
 73.5 agency or local unit of government to which the commissioner has delegated the  
 73.6 commissioner's authority under this subdivision has at all times sufficient expertise to  
 73.7 conduct delegated inspections competently, and if the county agency or local unit of  
 73.8 government does not, the commissioner must immediately revoke the delegation of authority.

73.9 **EFFECTIVE DATE.** This section is effective January 1, 2027.

73.10 Sec. 23. Minnesota Statutes 2024, section 144G.60, subdivision 4, is amended to read:

73.11 Subd. 4. **Unlicensed personnel.** (a) Unlicensed personnel providing assisted living  
 73.12 services must have:

73.13 (1) successfully completed a training and competency evaluation appropriate to the  
 73.14 services provided by the facility and the topics listed in section 144G.61, subdivision 2,  
 73.15 paragraph (a); or

73.16 (2) demonstrated competency by satisfactorily completing a written or oral test on the  
 73.17 tasks the unlicensed personnel will perform and on the topics listed in section 144G.61,  
 73.18 subdivision 2, paragraph (a); and successfully demonstrated competency on topics in section  
 73.19 144G.61, subdivision 2, paragraph (a), clauses (5), (7), ~~and (8)~~, and (19), by a practical  
 73.20 skills test.

73.21 Unlicensed personnel who only provide assisted living services listed in section 144G.08,  
 73.22 subdivision 9, clauses (1) to (5), shall not perform delegated nursing or therapy tasks.

73.23 (b) Unlicensed personnel performing delegated nursing tasks in an assisted living facility  
 73.24 must:

73.25 (1) have successfully completed training and demonstrated competency by successfully  
 73.26 completing a written or oral test of the topics in section 144G.61, subdivision 2, paragraphs  
 73.27 (a) and (b), and a practical skills test on tasks listed in section 144G.61, subdivision 2,  
 73.28 paragraphs (a), clauses (5) ~~and~~, (7), and (19), and (b), clauses (3), (5), (6), and (7), and all  
 73.29 the delegated tasks they will perform;

73.30 (2) satisfy the current requirements of Medicare for training or competency of home  
 73.31 health aides or nursing assistants, as provided by Code of Federal Regulations, title 42,  
 73.32 section 483 or 484.36; or

74.1 (3) have, before April 19, 1993, completed a training course for nursing assistants that  
74.2 was approved by the commissioner.

74.3 (c) Unlicensed personnel performing therapy or treatment tasks delegated or assigned  
74.4 by a licensed health professional must meet the requirements for delegated tasks in section  
74.5 144G.62, subdivision 2, paragraph (a), and any other training or competency requirements  
74.6 within the licensed health professional's scope of practice relating to delegation or assignment  
74.7 of tasks to unlicensed personnel.

74.8 **EFFECTIVE DATE.** This section is effective August 1, 2027.

74.9 Sec. 24. Minnesota Statutes 2024, section 144G.61, subdivision 2, is amended to read:

74.10 Subd. 2. **Training and evaluation of unlicensed personnel.** (a) Training and competency  
74.11 evaluations for all unlicensed personnel must include the following:

74.12 (1) documentation requirements for all services provided;

74.13 (2) reports of changes in the resident's condition to the supervisor designated by the  
74.14 facility;

74.15 (3) basic infection control, including blood-borne pathogens;

74.16 (4) maintenance of a clean and safe environment;

74.17 (5) appropriate and safe techniques in personal hygiene and grooming, including:

74.18 (i) hair care and bathing;

74.19 (ii) care of teeth, gums, and oral prosthetic devices;

74.20 (iii) care and use of hearing aids; and

74.21 (iv) dressing and assisting with toileting;

74.22 (6) training on the prevention of falls;

74.23 (7) standby assistance techniques and how to perform them;

74.24 (8) medication, exercise, and treatment reminders;

74.25 (9) basic nutrition, meal preparation, food safety, and assistance with eating;

74.26 (10) preparation of modified diets as ordered by a licensed health professional;

74.27 (11) communication skills that include preserving the dignity of the resident and showing  
74.28 respect for the resident and the resident's preferences, cultural background, and family;

74.29 (12) awareness of confidentiality and privacy;

75.1 (13) understanding appropriate boundaries between staff and residents and the resident's  
75.2 family;

75.3 (14) procedures to use in handling various nonmedical and medical emergency situations;  
75.4 ~~and~~

75.5 (15) awareness of commonly used health technology equipment and assistive devices;

75.6 (16) recognition of and immediate response to signs and symptoms of airway, breathing,  
75.7 and circulation concerns;

75.8 (17) recognition of and immediate response to bleeding, including hemorrhage;

75.9 (18) safe techniques for emergency movement of residents; and

75.10 (19) log roll technique and spinal precautions.

75.11 (b) In addition to paragraph (a), training and competency evaluation for unlicensed  
75.12 personnel providing assisted living services must include:

75.13 (1) observing, reporting, and documenting resident status;

75.14 (2) basic knowledge of body functioning and changes in body functioning, injuries, or  
75.15 other observed changes that must be reported to appropriate personnel;

75.16 (3) reading and recording temperature, pulse, and respirations of the resident;

75.17 (4) recognizing physical, emotional, cognitive, and developmental needs of the resident;

75.18 (5) safe transfer techniques and ambulation;

75.19 (6) range of motioning and positioning; and

75.20 (7) administering medications or treatments as required.

75.21 **EFFECTIVE DATE.** This section is effective August 1, 2027.

75.22 Sec. 25. Minnesota Statutes 2024, section 144G.63, subdivision 2, is amended to read:

75.23 Subd. 2. **Content of required orientation.** (a) The orientation must contain the following  
75.24 topics:

75.25 (1) an overview of this chapter;

75.26 (2) an introduction and review of the facility's policies and procedures related to the  
75.27 provision of assisted living services by the individual staff person;

75.28 (3) handling of emergencies and use of emergency services;

76.1 (4) compliance with and reporting of the maltreatment of vulnerable adults under section  
76.2 626.557 to the Minnesota Adult Abuse Reporting Center (MAARC);

76.3 (5) the assisted living bill of rights and staff responsibilities related to ensuring the  
76.4 exercise and protection of those rights;

76.5 (6) the principles of person-centered planning and service delivery and how they apply  
76.6 to direct support services provided by the staff person;

76.7 (7) handling of residents' complaints, reporting of complaints, and where to report  
76.8 complaints, including information on the Office of Health Facility Complaints;

76.9 (8) consumer advocacy services of the Office of Ombudsman for Long-Term Care,  
76.10 Office of Ombudsman for Mental Health and Developmental Disabilities, Managed Care  
76.11 Ombudsman at the Department of Human Services, county-managed care advocates, or  
76.12 other relevant advocacy services; ~~and~~

76.13 (9) a review of the types of assisted living services the staff member will be providing  
76.14 and the facility's category of licensure; and

76.15 (10) cardiopulmonary resuscitation, the use of automatic external defibrillators, the  
76.16 facility's process for checking a resident's code status before initiating lifesaving measures,  
76.17 and requesting emergency medical assistance as soon as practicable after an automatic  
76.18 external defibrillator is used.

76.19 (b) In addition to the topics in paragraph (a), orientation may also contain training on  
76.20 providing services to residents with hearing loss. Any training on hearing loss provided  
76.21 under this subdivision must be high quality and research based, may include online training,  
76.22 and must include training on one or more of the following topics:

76.23 (1) an explanation of age-related hearing loss and how it manifests itself, its prevalence,  
76.24 and the challenges it poses to communication;

76.25 (2) health impacts related to untreated age-related hearing loss, such as increased  
76.26 incidence of dementia, falls, hospitalizations, isolation, and depression; or

76.27 (3) information about strategies and technology that may enhance communication and  
76.28 involvement, including communication strategies, assistive listening devices, hearing aids,  
76.29 visual and tactile alerting devices, communication access in real time, and closed captions.

76.30 **EFFECTIVE DATE.** This section is effective August 1, 2026.

77.1 Sec. 26. Minnesota Statutes 2024, section 144G.63, subdivision 5, is amended to read:

77.2 Subd. 5. **Required annual training.** (a) All staff that perform direct services must  
77.3 complete at least eight hours of annual training for each 12 months of employment. The  
77.4 training may be obtained from the facility or another source and must include topics relevant  
77.5 to the provision of assisted living services. The annual training must include:

77.6 (1) training on reporting of maltreatment of vulnerable adults under section 626.557;

77.7 (2) review of the assisted living bill of rights and staff responsibilities related to ensuring  
77.8 the exercise and protection of those rights;

77.9 (3) review of infection control techniques used in the home and implementation of  
77.10 infection control standards including a review of hand washing techniques; the need for and  
77.11 use of protective gloves, gowns, and masks; appropriate disposal of contaminated materials  
77.12 and equipment, such as dressings, needles, syringes, and razor blades; disinfecting reusable  
77.13 equipment; disinfecting environmental surfaces; and reporting communicable diseases;

77.14 (4) effective approaches to use to problem solve when working with a resident's  
77.15 challenging behaviors, and how to communicate with residents who have dementia,  
77.16 Alzheimer's disease, or related disorders;

77.17 (5) review of the facility's policies and procedures relating to the provision of assisted  
77.18 living services and how to implement those policies and procedures; ~~and~~

77.19 (6) the principles of person-centered planning and service delivery and how they apply  
77.20 to direct support services provided by the staff person; and

77.21 (7) cardiopulmonary resuscitation, the use of automatic external defibrillators, the  
77.22 facility's process for checking a resident's code status before initiating lifesaving measures,  
77.23 and requesting emergency medical assistance as soon as practicable after an automatic  
77.24 external defibrillator is used.

77.25 (b) In addition to the topics in paragraph (a), annual training may also contain training  
77.26 on providing services to residents with hearing loss. Any training on hearing loss provided  
77.27 under this subdivision must be high quality and research based, may include online training,  
77.28 and must include training on one or more of the following topics:

77.29 (1) an explanation of age-related hearing loss and how it manifests itself, its prevalence,  
77.30 and challenges it poses to communication;

77.31 (2) the health impacts related to untreated age-related hearing loss, such as increased  
77.32 incidence of dementia, falls, hospitalizations, isolation, and depression; or

78.1 (3) information about strategies and technology that may enhance communication and  
78.2 involvement, including communication strategies, assistive listening devices, hearing aids,  
78.3 visual and tactile alerting devices, communication access in real time, and closed captions.

78.4 **EFFECTIVE DATE.** This section is effective August 1, 2026.

78.5 Sec. 27. Minnesota Statutes 2024, section 144G.63, is amended by adding a subdivision  
78.6 to read:

78.7 Subd. 5a. **Orientation and annual training; other staff.** (a) All staff who are not subject  
78.8 to the orientation requirements in subdivisions 1 and 2 must complete an orientation on the  
78.9 topics specified under paragraph (b) within 160 hours of the employment start date. All  
78.10 staff who are not subject to the annual training requirements in subdivision 5 must complete  
78.11 annual training on the topics specified under paragraph (b).

78.12 (b) The orientation and annual training must include training on cardiopulmonary  
78.13 resuscitation, the use of automatic external defibrillators, the facility's process for checking  
78.14 a resident's code status before initiating lifesaving measures, and requesting emergency  
78.15 medical assistance as soon as practicable after an automatic external defibrillator is used.

78.16 **EFFECTIVE DATE.** This section is effective August 1, 2026.

78.17 Sec. 28. **[144G.65] NURSING STAFF REQUIREMENTS.**

78.18 Subdivision 1. **Onsite registered nurse.** (a) Except when waived under subdivision 5,  
78.19 the facility must have a registered nurse onsite 24 hours per day. The registered nurse must  
78.20 be available to provide direct resident care.

78.21 (b) For any periods when the onsite registered nurse requirements in paragraph (a) are  
78.22 waived under subdivision 5, a facility must have a registered nurse, licensed nurse  
78.23 practitioner, physician assistant, or physician available to respond immediately to telephone  
78.24 calls from the facility.

78.25 Subd. 2. **Staffing competencies.** The facility must ensure that all nurses have the specific  
78.26 competencies and skill sets necessary to care for residents' needs, as identified through  
78.27 resident assessments, and described in the service plan. Providing care includes but is not  
78.28 limited to assessing, evaluating, planning, and implementing resident care plans and  
78.29 responding to residents' needs.

78.30 Subd. 3. **Required staff ratio.** (a) The minimum staffing standard for personnel in  
78.31 assisted living facilities is as specified in this subdivision.

79.1 (b) A facility must provide nursing care to all residents in accordance with each resident's  
79.2 service plan while also providing a minimum of 3.48 hours per resident per 24 hours for  
79.3 total nurse staffing, including but not limited to a minimum of 0.55 hours per resident per  
79.4 24 hours for registered nurses and a minimum of 2.45 hours per resident per 24 hours for  
79.5 nurse aides and licensed nurse practitioners per resident per 24 hours.

79.6 (c) For purposes of this subdivision, "hours of nursing personnel" means the paid, on-duty,  
79.7 productive nursing hours of all nurses and nursing assistants, calculated on the basis of any  
79.8 given 24-hour period. "Productive nursing hours" means all on-duty hours during which  
79.9 nurses and nursing assistants are engaged in nursing duties. Not included are vacations,  
79.10 holidays, sick leave, in-service classroom training, or lunches. Also not included are the  
79.11 nonproductive nursing hours of the in-service training director. In a facility with more than  
79.12 60 licensed beds, the hours of the director of nursing are excluded.

79.13 (d) An assisted living facility that is issued a notice of noncompliance for a violation of  
79.14 this subdivision shall be assessed a civil fine of \$300 for each day of noncompliance.

79.15 Subd. 4. **Nursing supervision.** (a) Except when waived under subdivision 5, the facility  
79.16 must designate a registered nurse to serve as a charge nurse for each shift.

79.17 (b) Except when waived under subdivision 5, the facility must designate a registered  
79.18 nurse to serve as the director of nursing on a full-time basis. The director of nursing may  
79.19 serve as a charge nurse only when the facility has an average daily occupancy of 60 or fewer  
79.20 residents.

79.21 Subd. 5. **Exemption process.** (a) The commissioner shall establish a process for  
79.22 exemption to the requirements under subdivisions 1 and 4. A facility shall submit a request  
79.23 for exemption under this subdivision on a form developed and in a manner established by  
79.24 the commissioner. A requesting facility shall provide in writing to the commissioner the  
79.25 following information at a minimum:

79.26 (1) the specific requirement from which exemption is sought;

79.27 (2) a detailed explanation of the physical proximity of the requesting facility to other  
79.28 facilities within reasonable distance providing the same services as the requesting facility;

79.29 (3) the reason the facility is unable to comply with the requirement;

79.30 (4) the reason that compliance with the requirement will impose substantial hardship,  
79.31 including but not limited to the risk of the facility closing and requiring residents to move;  
79.32 and

79.33 (5) the reason that a waiver will not significantly harm residents.

80.1 Following the submission of an exemption request, the commissioner must provide public  
 80.2 notice of the requested exemption and allow a public comment period.

80.3 (b) The commissioner shall evaluate requests for exemption under this subdivision by  
 80.4 reviewing the application materials and all comments submitted during the public comment  
 80.5 period. As part of the evaluation process, the commissioner may:

80.6 (1) inspect the facility;

80.7 (2) confer with the facility manager or designee;

80.8 (3) contact residents or their representatives to determine whether they believe a waiver  
 80.9 is in the residents' best interest; and

80.10 (4) contact individuals who submitted public comment during the public comment period.

80.11 (c) The commissioner may grant an exemption if the commissioner determines that  
 80.12 compliance with the requirement from which the exemption is sought cannot be accomplished  
 80.13 without substantial hardship to the facility and granting an exemption will not significantly  
 80.14 harm residents. The commissioner may not grant an exemption if it will create an imminent  
 80.15 risk of harm to a resident.

80.16 (d) An exemption granted under this subdivision is in effect for 90 days. After 90 days,  
 80.17 the facility may request a renewal of the exemption. After one renewal, the facility must  
 80.18 submit a new request for exemption under this subdivision.

80.19 Sec. 29. Minnesota Statutes 2025 Supplement, section 145D.40, is amended by adding a  
 80.20 subdivision to read:

80.21 Subd. 5. **Health care professional.** "Health care professional" means an individual who  
 80.22 is licensed or registered by the state to provide health care services within the professional's  
 80.23 scope of practice and in accordance with state law.

80.24 Sec. 30. Minnesota Statutes 2025 Supplement, section 145D.41, subdivision 1, is amended  
 80.25 to read:

80.26 Subdivision 1. **Notice.** At least 120 days prior to the transfer of ownership or control of  
 80.27 a nonprofit nursing home or nonprofit assisted living facility to a for-profit entity, the nursing  
 80.28 home or assisted living facility must provide written notice to the attorney general, the  
 80.29 commissioner of health, and the commissioner of human services of its intent to transfer  
 80.30 ownership or control to a for-profit entity.

81.1 Sec. 31. Minnesota Statutes 2025 Supplement, section 145D.41, subdivision 2, is amended  
81.2 to read:

81.3 Subd. 2. **Information.** Together with the notice, the for-profit entity seeking to acquire  
81.4 ownership or control of the nonprofit nursing home or nonprofit assisted living facility must  
81.5 provide to the attorney general, commissioner of health, and commissioner of human services:

81.6 (1) the names of each individual with an interest in the for-profit entity and the percentage  
81.7 of interest each individual holds in the for-profit entity;

81.8 (2) a complete and detailed description of the for-profit entity's corporate structure;

81.9 (3) the names of each individual holding an interest in, and the percentage of interest  
81.10 held in, any affiliate, subsidiary, or otherwise related entity that the for-profit entity has a  
81.11 contract to provide goods or services for the operation or maintenance of the nursing home  
81.12 or assisted living facility or has a contract for goods and services to be provided to residents,  
81.13 including any real estate investment trusts if permitted under section 145D.42;

81.14 (4) for the previous five years, any filings required to be made to any federal or state  
81.15 agency;

81.16 (5) the for-profit entity's current balance sheet;

81.17 (6) all application materials required under section 144A.03 or 144G.12, as applicable;

81.18 (7) a description of the condition of the buildings the for-profit entity seeks to acquire  
81.19 or manage, identifying any cooling problems, electric medical devices present, recent exterior  
81.20 additions and replacements, external building conditions, recent flush toilet breakdowns,  
81.21 foreclosure status in the previous 12 months, heat risk, heating problems, indoor air quality,  
81.22 recent interior additions and replacements, and mold, as those terms are defined and described  
81.23 in Appendix A of the American Housing Survey for the United States: 2023;

81.24 (8) an affidavit and evidence; and

81.25 (9) other information required by the attorney general, commissioner of health, and  
81.26 commissioner of human services.

81.27 Sec. 32. Minnesota Statutes 2025 Supplement, section 145D.41, is amended by adding a  
81.28 subdivision to read:

81.29 Subd. 3. **Affidavit and evidence.** In addition to the notice required under subdivision  
81.30 1, a for-profit entity seeking to acquire ownership or control of a nonprofit nursing home  
81.31 or nonprofit assisted living facility must submit to the attorney general an affidavit and  
81.32 evidence sufficient to demonstrate that:

82.1 (1) the for-profit entity has the financial, managerial, and operational ability to operate  
82.2 or manage the nursing home or assisted living facility consistent with the requirements of:  
82.3 (i) for a nursing home, sections 144A.01 to 144A.1888, chapter 256R, and Minnesota Rules,  
82.4 chapter 4658; or (ii) for an assisted living facility, chapter 144G and Minnesota Rules,  
82.5 chapter 4659;

82.6 (2) neither the for-profit entity nor any of its owners, managerial officials, or managers  
82.7 have committed a crime listed in, or been found civilly liable for an offense listed in, section  
82.8 144A.03, subdivision 1, paragraph (b), clause (13), or 144G.12, subdivision 1, clause (13),  
82.9 as applicable;

82.10 (3) in the preceding ten years, there have been no judgments and no filed, pending, or  
82.11 completed public or private litigations, tax liens, written complaints, administrative actions,  
82.12 or investigations by a government agency against the for-profit entity or any of its owners,  
82.13 managerial officials, or managers;

82.14 (4) in the preceding ten years, the for-profit entity has not defaulted in the payment of  
82.15 money collected for others and has not discharged debts through bankruptcy proceedings;

82.16 (5) the for-profit entity will invest sufficient capital in the nursing home or assisted living  
82.17 facility to maintain or improve the facility's infrastructure and staffing;

82.18 (6)(i) housing costs or costs for services in a nursing home or assisted living facility in  
82.19 the United States over which the for-profit entity acquired ownership or control have not  
82.20 increased by more than the increase in the Consumer Price Index for all urban consumers  
82.21 published by the federal Bureau of Labor Statistics for the 12 months preceding the month  
82.22 in which the increase became effective; or (ii) if housing costs or costs for services in the  
82.23 nursing home or assisted living facility increased by more than the increase in the Consumer  
82.24 Price Index as described in item (i), the increase was justified;

82.25 (7) within five years after acquiring ownership or control of any other nursing home or  
82.26 assisted living facility in the United States, the for-profit entity did not sell or otherwise  
82.27 transfer ownership or control of the nursing home or assisted living facility to another person;  
82.28 and

82.29 (8) after acquiring ownership or control of another nursing home in the United States,  
82.30 that nursing home, with respect to the Centers for Medicare and Medicaid Services rating  
82.31 system:

82.32 (i) maintained or improved the nursing home's rating if upon acquisition of ownership  
82.33 or control the rating was three or more stars; or

83.1 (ii) improved the nursing home's rating to at least three stars if upon acquisition of  
83.2 ownership or control the rating was one or two stars.

83.3 **Sec. 33. [145D.42] PROHIBITED PRACTICES.**

83.4 A for-profit entity that acquires ownership or control of a nonprofit nursing home or  
83.5 nonprofit assisted living facility is prohibited from:

83.6 (1) interfering with the professional judgment of a health care professional providing  
83.7 care in the nursing home or assisted living facility or with a health care professional's  
83.8 diagnosis or treatment of residents in the nursing home or assisted living facility;

83.9 (2) providing unequal treatment with regard to charges for housing or services based on  
83.10 whether the resident pays for housing or services with private funds or through a public  
83.11 program;

83.12 (3) engaging in any act, practice, or course of business that would strip an asset from an  
83.13 acquired nursing home or assisted living facility or that would otherwise undermine the  
83.14 quality of, safety of, or access to care and services provided by the nursing home or assisted  
83.15 living facility;

83.16 (4) engaging in self-dealing;

83.17 (5) engaging in any acts, practices, or courses of business that result in an adverse impact  
83.18 on the health, safety, and well-being and quality of care of the residents of the nursing home  
83.19 or assisted living facility;

83.20 (6) spending less than 75 percent of the funds received by the nursing home or assisted  
83.21 living facility from public programs and state appropriations on the direct care of residents;

83.22 (7) raising resident housing costs beyond the Consumer Price Index for all urban  
83.23 consumers published by the federal Bureau of Labor Statistics for the 12 months preceding  
83.24 the month in which the increase became effective unless the for-profit entity can demonstrate  
83.25 that the increase was justified by legitimate business expenses;

83.26 (8) allowing a diminution of maintenance or a deterioration in the operations and  
83.27 infrastructure of the nursing home or assisted living facility that results in unsafe conditions  
83.28 or violations of building and other relevant codes, diminishes the property value of the  
83.29 facility, or jeopardizes the health and well-being of the residents; or

83.30 (9) for a nursing home:

83.31 (i) failing to improve in the Centers for Medicare and Medicaid Services rating if the  
83.32 nursing home's current rating is one or two stars; or

84.1 (ii) allowing a decline in the Centers for Medicare and Medicaid Services rating if the  
 84.2 nursing home's current rating is at least three stars.

84.3 Sec. 34. **[145D.43] ENFORCEMENT AND REMEDIES; NURSING HOMES AND**  
 84.4 **ASSISTED LIVING FACILITIES.**

84.5 Subdivision 1. **Equitable remedies.** (a) In addition to other remedies provided by law,  
 84.6 the attorney general may bring an action in district court to enjoin or unwind a transaction  
 84.7 or seek other equitable relief if a nonprofit assisted living facility, nonprofit nursing home,  
 84.8 or for-profit entity violates sections 145D.41 and 145D.42.

84.9 (b) In seeking injunctive relief under this section, the attorney general is not required to  
 84.10 establish irreparable harm but must instead establish that a violation of sections 145D.41  
 84.11 and 145D.42 occurred.

84.12 Subd. 2. **Failure to provide information.** Failure of the entities involved in a transaction  
 84.13 subject to sections 145D.41 and 145D.42 to provide timely information as required by the  
 84.14 attorney general, the commissioner of health, or the commissioner of human services is an  
 84.15 independent and sufficient ground for a court to enjoin or unwind the transaction or provide  
 84.16 other equitable relief, provided the attorney general notifies the entities of the inadequacy  
 84.17 of the information provided and provides the entities with a reasonable opportunity to remedy  
 84.18 the inadequacy.

84.19 Subd. 3. **Enforcement.** In addition to the remedies provided under this section or other  
 84.20 law, the attorney general may enforce sections 145D.41 and 145D.42 pursuant to section  
 84.21 8.31.

84.22 Subd. 4. **Civil penalties; attorney fees.** (a) An officer, director, or other executive found  
 84.23 to have violated sections 145D.41 and 145D.42 shall be subject to a civil penalty of up to  
 84.24 \$50,000 for each violation. A nonprofit assisted living facility, nonprofit nursing home, or  
 84.25 for-profit entity that is a party to or materially participated in a transaction found to have  
 84.26 violated sections 145D.41 and 145D.42 shall be subject to a civil penalty of up to \$500,000.

84.27 (b) A court may also award reasonable attorney fees and costs of investigation and  
 84.28 litigation for an action brought under this section.

84.29 **EFFECTIVE DATE.** This section is effective August 1, 2026, and applies to violations  
 84.30 occurring on or after that date.

85.1       Sec. 35. **DIRECTION TO COMMISSIONER OF HEALTH; SMALL ASSISTED**  
85.2 **LIVING FACILITY LICENSURE.**

85.3       (a) The commissioner of health must convene a group of interested parties to examine  
85.4 the licensing requirements under Minnesota Statutes, chapter 144G, for assisted living  
85.5 facilities with a licensed resident capacity of five residents or fewer. The group must develop  
85.6 a new licensing category applicable to such facilities to account for health and safety  
85.7 requirements and practical realities of operating small assisted living facilities that  
85.8 predominantly serve individuals receiving customized living services under the federally  
85.9 approved brain injury, community access for disability inclusion, and elderly waiver plans.

85.10       (b) The commissioner must develop draft legislative language to establish a new assisted  
85.11 living license category for facilities with a licensed resident capacity of five residents or  
85.12 fewer.

85.13       (c) The commissioner must submit the draft legislation to the chairs and ranking minority  
85.14 members of the legislative committees with jurisdiction over health and human services  
85.15 policy and finance by January 1, 2028.

85.16       Sec. 36. **SPECIAL PROJECTS GRANT PROGRAM FOR HOME CARE**  
85.17 **PROVIDERS.**

85.18       By December 31, 2028, the commissioner of health must distribute the balance as of  
85.19 January 1, 2027, in the special revenue account under Minnesota Statutes, section 144A.474,  
85.20 subdivision 11, paragraph (j), under a competitive grant program for special projects for  
85.21 improving home care client quality of care and outcomes in Minnesota, with a specific focus  
85.22 on workforce and clinical outcomes, including projects consistent with criteria in Minnesota  
85.23 Statutes, section 144A.4799, subdivision 3, paragraph (c). Grants must be distributed to  
85.24 home care providers licensed under Minnesota Statutes, chapter 144A, or organizations  
85.25 with experience in or knowledge of home care operations, compliance, client needs, or best  
85.26 practices. Each grant must be \$1,000 at minimum. A provider with a temporary license  
85.27 under Minnesota Statutes, chapter 144A, is not eligible to apply for a grant. Any amount  
85.28 that has not been awarded as a grant by December 31, 2028, must be used for the annual  
85.29 distributions under Minnesota Statutes, section 144A.474, subdivision 11, paragraph (j),  
85.30 beginning January 1, 2029.

85.31       Sec. 37. **REPEALER.**

85.32       Minnesota Statutes 2024, section 144A.04, subdivision 7, is repealed.

86.1

**ARTICLE 5**

86.2

**DIRECT CARE AND TREATMENT**

86.3 Section 1. Minnesota Statutes 2024, section 15.43, subdivision 3, is amended to read:

86.4 Subd. 3. **Other exemptions.** The ~~commissioners~~ commissioner of ~~human services and~~  
86.5 ~~corrections and Direct Care and Treatment executive board~~ may by rule prescribe procedures  
86.6 for the acceptance of gifts from any person or organization, provided that such gifts are  
86.7 accepted by the commissioner or executive board, or a designated representative of the  
86.8 commissioner or executive board, and that such gifts are used solely for the direct benefit  
86.9 of patients, clients, or inmates under the jurisdiction of the accepting state officer.

86.10 Sec. 2. Minnesota Statutes 2025 Supplement, section 144.121, subdivision 1a, is amended  
86.11 to read:

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

- 86.16 (1) medical or veterinary equipment \$ 130
- 86.17 (2) dental x-ray equipment \$ 60
- 86.18 (3) x-ray equipment not used on \$ 130
- 86.19 humans or animals
- 86.20 (4) devices with sources of ionizing \$ 130
- 86.21 radiation not used on humans or
- 86.22 animals
- 86.23 (5) security screening system \$ 160
- 86.24 (6) radiation therapy and accelerator \$ 1,000
- 86.25 x-ray equipment
- 86.26 (7) industrial accelerator x-ray \$ 300
- 86.27 equipment

86.28 (b) Electron microscopy equipment is exempt from the registration fee requirements of  
86.29 this section.

86.30 (c) For purposes of this section, a security screening system means ionizing  
86.31 radiation-producing equipment designed and used for security screening of humans who  
86.32 are in the custody of a correctional or detention facility or who are civilly committed in a  
86.33 secure treatment facility, and used by the facility to image and identify contraband items  
86.34 concealed within or on all sides of a human body.

87.1 (d) For purposes of this section, a correctional or detention facility is a facility licensed  
 87.2 under section 241.021 and operated by a state agency or political subdivision charged with  
 87.3 detection, enforcement, or incarceration in respect to state criminal and traffic laws.

87.4 (e) For purposes of this section, a secure treatment facility includes the facilities listed  
 87.5 in sections 253B.02, subdivision 18a, and 253D.02, subdivision 13.

87.6 (f) The commissioner shall adopt rules to establish requirements for the use of security  
 87.7 screening systems. Notwithstanding section 14.125, the authority to adopt these rules does  
 87.8 not expire.

87.9 Sec. 3. Minnesota Statutes 2024, section 144.121, subdivision 9, is amended to read:

87.10 Subd. 9. **Exemption from examination requirements; operators of security screening**  
 87.11 **systems.** (a) An employee of a correctional ~~or~~ detention, or secure treatment facility who  
 87.12 operates a security screening system and the facility in which the system is being operated  
 87.13 are exempt from the requirements of subdivisions 5 and 6.

87.14 (b) An employee of a correctional or detention facility who operates a security screening  
 87.15 system and the facility in which the system is being operated must meet the requirements  
 87.16 of a variance to Minnesota Rules, parts 4732.0305 and 4732.0565, issued under Minnesota  
 87.17 Rules, parts 4717.7000 to 4717.7050. This paragraph expires on December 31 of the year  
 87.18 that the permanent rules adopted by the commissioner governing security screening systems  
 87.19 are published in the State Register.

87.20 (c) An employee of a secure treatment facility who operates a security screening system  
 87.21 and the facility in which the system is being operated must meet the requirements of a  
 87.22 variance to Minnesota Rules, parts 4732.0305 and 4732.0565, issued under Minnesota  
 87.23 Rules, parts 4717.7000 to 4717.7050.

## 87.24 ARTICLE 6

### 87.25 MISCELLANEOUS

87.26 Section 1. Minnesota Statutes 2025 Supplement, section 256B.0625, subdivision 17, is  
 87.27 amended to read:

87.28 Subd. 17. **Transportation costs.** (a) "Nonemergency medical transportation service"  
 87.29 means motor vehicle transportation provided by a public or private person that serves  
 87.30 Minnesota health care program beneficiaries who do not require emergency ambulance  
 87.31 service, as defined in section 144E.001, subdivision 3, to obtain covered medical services.

88.1 (b) For purposes of this subdivision, "rural urban commuting area" or "RUCA" means  
88.2 a census-tract based classification system under which a geographical area is determined  
88.3 to be urban, rural, or super rural. This paragraph expires ~~July 1, 2026, for medical assistance~~  
88.4 ~~fee-for-service and January 1, 2027, for prepaid medical assistance~~ upon implementation  
88.5 of the administrator under subdivision 18i.

88.6 (c) Medical assistance covers medical transportation costs incurred solely for obtaining  
88.7 emergency medical care or transportation costs incurred by eligible persons in obtaining  
88.8 emergency or nonemergency medical care when paid directly to an ambulance company,  
88.9 nonemergency medical transportation company, or other recognized providers of  
88.10 transportation services. Medical transportation must be provided by:

88.11 (1) nonemergency medical transportation providers who meet the requirements of this  
88.12 subdivision;

88.13 (2) ambulances, as defined in section 144E.001, subdivision 2;

88.14 (3) taxicabs that meet the requirements of this subdivision;

88.15 (4) public transportation, within the meaning of "public transportation" as defined in  
88.16 section 174.22, subdivision 7; or

88.17 (5) not-for-hire vehicles, including volunteer drivers, as defined in section 65B.472,  
88.18 subdivision 1, paragraph (p).

88.19 (d) Medical assistance covers nonemergency medical transportation provided by  
88.20 nonemergency medical transportation providers enrolled in the Minnesota health care  
88.21 programs. All nonemergency medical transportation providers must comply with the  
88.22 operating standards for special transportation service as defined in sections 174.29 to 174.30  
88.23 and Minnesota Rules, chapter 8840, and all drivers must be individually enrolled with the  
88.24 commissioner and reported on the claim as the individual who provided the service. All  
88.25 nonemergency medical transportation providers shall bill for nonemergency medical  
88.26 transportation services in accordance with Minnesota health care programs criteria. Publicly  
88.27 operated transit systems, volunteers, and not-for-hire vehicles are exempt from the  
88.28 requirements outlined in this paragraph.

88.29 (e) An organization may be terminated, denied, or suspended from enrollment if:

88.30 (1) the provider has not initiated background studies on the individuals specified in  
88.31 section 174.30, subdivision 10, paragraph (a), clauses (1) to (3); or

88.32 (2) the provider has initiated background studies on the individuals specified in section  
88.33 174.30, subdivision 10, paragraph (a), clauses (1) to (3), and:

89.1 (i) the commissioner has sent the provider a notice that the individual has been  
89.2 disqualified under section 245C.14; and

89.3 (ii) the individual has not received a disqualification set-aside specific to the special  
89.4 transportation services provider under sections 245C.22 and 245C.23.

89.5 (f) The administrative agency of nonemergency medical transportation must:

89.6 (1) adhere to the policies defined by the commissioner;

89.7 (2) pay nonemergency medical transportation providers for services provided to  
89.8 Minnesota health care programs beneficiaries to obtain covered medical services;

89.9 (3) provide data monthly to the commissioner on appeals, complaints, no-shows, canceled  
89.10 trips, and number of trips by mode; and

89.11 (4) by July 1, 2016, in accordance with subdivision 18e, utilize a web-based single  
89.12 administrative structure assessment tool that meets the technical requirements established  
89.13 by the commissioner, reconciles trip information with claims being submitted by providers,  
89.14 and ensures prompt payment for nonemergency medical transportation services. This  
89.15 paragraph expires ~~July 1, 2026, for medical assistance fee-for-service and January 1, 2027,~~  
89.16 ~~for prepaid medical assistance~~ upon implementation of the administrator under subdivision  
89.17 18i.

89.18 (g) Effective ~~July 1, 2026, for medical fee-for-service and January 1, 2027, for prepaid~~  
89.19 ~~medical assistance,~~ upon implementation of the administrator under subdivision 18i, the  
89.20 administrative agency of nonemergency medical transportation must:

89.21 (1) adhere to the policies defined by the commissioner;

89.22 (2) pay nonemergency medical transportation providers for services provided to  
89.23 Minnesota health care program beneficiaries to obtain covered medical services; and

89.24 (3) provide data monthly to the commissioner on appeals, complaints, no-shows, canceled  
89.25 trips, and number of trips by mode.

89.26 (h) Until the commissioner implements the single administrative structure and delivery  
89.27 system under subdivision 18e, clients shall obtain their level-of-service certificate from the  
89.28 commissioner or an entity approved by the commissioner that does not dispatch rides for  
89.29 clients using modes of transportation under paragraph (n), clauses (4), (5), (6), and (7). This  
89.30 paragraph expires ~~July 1, 2026, for medical assistance fee-for-service and January 1, 2027,~~  
89.31 ~~for prepaid medical assistance~~ upon implementation of the administrator under subdivision  
89.32 18i.

90.1 (i) The commissioner may use an order by the recipient's attending physician, advanced  
90.2 practice registered nurse, physician assistant, or a medical or mental health professional to  
90.3 certify that the recipient requires nonemergency medical transportation services.

90.4 Nonemergency medical transportation providers shall perform driver-assisted services for  
90.5 eligible individuals, when appropriate. Driver-assisted service includes passenger pickup  
90.6 at and return to the individual's residence or place of business, assistance with admittance  
90.7 of the individual to the medical facility, and assistance in passenger securement or in securing  
90.8 of wheelchairs, child seats, or stretchers in the vehicle.

90.9 (j) Nonemergency medical transportation providers must take clients to the health care  
90.10 provider using the most direct route, and must not exceed 30 miles for a trip to a primary  
90.11 care provider or 60 miles for a trip to a specialty care provider, unless the client receives  
90.12 authorization from the local agency. This paragraph expires ~~July 1, 2026, for medical~~  
90.13 ~~assistance fee-for-service and January 1, 2027, for prepaid medical assistance~~ upon  
90.14 implementation of the administrator under subdivision 18i.

90.15 (k) ~~Effective July 1, 2026, for medical assistance fee-for-service and January 1, 2027,~~  
90.16 ~~for prepaid medical assistance,~~ upon implementation of the administrator under subdivision  
90.17 18i, nonemergency medical transportation providers must take clients to the health care  
90.18 provider using the most direct route and must not exceed 30 miles for a trip to a primary  
90.19 care provider or 60 miles for a trip to a specialty care provider, unless the client receives  
90.20 authorization from the administrator.

90.21 (l) Nonemergency medical transportation providers may not bill for separate base rates  
90.22 for the continuation of a trip beyond the original destination. Nonemergency medical  
90.23 transportation providers must maintain trip logs, which include pickup and drop-off times,  
90.24 signed by the medical provider or client, whichever is deemed most appropriate, attesting  
90.25 to mileage traveled to obtain covered medical services. Clients requesting client mileage  
90.26 reimbursement must sign the trip log attesting mileage traveled to obtain covered medical  
90.27 services.

90.28 (m) The administrative agency shall use the level of service process established by the  
90.29 commissioner to determine the client's most appropriate mode of transportation. If public  
90.30 transit or a certified transportation provider is not available to provide the appropriate service  
90.31 mode for the client, the client may receive a onetime service upgrade.

90.32 (n) The covered modes of transportation are:

91.1 (1) client reimbursement, which includes client mileage reimbursement provided to  
91.2 clients who have their own transportation, or to family or an acquaintance who provides  
91.3 transportation to the client;

91.4 (2) volunteer transport, which includes transportation by volunteers using their own  
91.5 vehicle;

91.6 (3) unassisted transport, which includes transportation provided to a client by a taxicab  
91.7 or public transit. If a taxicab or public transit is not available, the client can receive  
91.8 transportation from another nonemergency medical transportation provider;

91.9 (4) assisted transport, which includes transport provided to clients who require assistance  
91.10 by a nonemergency medical transportation provider;

91.11 (5) lift-equipped/ramp transport, which includes transport provided to a client who is  
91.12 dependent on a device and requires a nonemergency medical transportation provider with  
91.13 a vehicle containing a lift or ramp;

91.14 (6) protected transport, which includes transport provided to a client who has received  
91.15 a prescreening that has deemed other forms of transportation inappropriate and who requires  
91.16 a provider: (i) with a protected vehicle that is not an ambulance or police car and has safety  
91.17 locks, a video recorder, and a transparent thermoplastic partition between the passenger and  
91.18 the vehicle driver; and (ii) who is certified as a protected transport provider; and

91.19 (7) stretcher transport, which includes transport for a client in a prone or supine position  
91.20 and requires a nonemergency medical transportation provider with a vehicle that can transport  
91.21 a client in a prone or supine position.

91.22 (o) The local agency shall be the single administrative agency and shall administer and  
91.23 reimburse for modes defined in paragraph (n) according to paragraphs (r) to (t) when the  
91.24 commissioner has developed, made available, and funded the web-based single administrative  
91.25 structure, assessment tool, and level of need assessment under subdivision 18e. The local  
91.26 agency's financial obligation is limited to funds provided by the state or federal government.  
91.27 This paragraph expires ~~July 1, 2026, for medical assistance fee-for-service and January 1,~~  
91.28 ~~2027, for prepaid medical assistance~~ upon implementation of the administrator under  
91.29 subdivision 18i.

91.30 (p) The commissioner shall:

91.31 (1) verify that the mode and use of nonemergency medical transportation is appropriate;

91.32 (2) verify that the client is going to an approved medical appointment; and

92.1 (3) investigate all complaints and appeals.

92.2 (q) The administrative agency shall pay for the services provided in this subdivision and  
 92.3 seek reimbursement from the commissioner, if appropriate. As vendors of medical care,  
 92.4 local agencies are subject to the provisions in section 256B.041, the sanctions and monetary  
 92.5 recovery actions in section 256B.064, and Minnesota Rules, parts 9505.2160 to 9505.2245.  
 92.6 This paragraph expires ~~July 1, 2026, for medical assistance fee-for-service and January 1,~~  
 92.7 ~~2027, for prepaid medical assistance~~ upon implementation of the administrator under  
 92.8 subdivision 18i.

92.9 (r) Payments for nonemergency medical transportation must be paid based on the client's  
 92.10 assessed mode under paragraph (m), not the type of vehicle used to provide the service. The  
 92.11 medical assistance reimbursement rates for nonemergency medical transportation services  
 92.12 that are payable by or on behalf of the commissioner for nonemergency medical  
 92.13 transportation services are:

92.14 (1) \$0.22 per mile for client reimbursement;

92.15 (2) up to 100 percent of the Internal Revenue Service business deduction rate for volunteer  
 92.16 transport;

92.17 (3) equivalent to the standard fare for unassisted transport when provided by public  
 92.18 transit, and \$12.10 for the base rate and \$1.43 per mile when provided by a nonemergency  
 92.19 medical transportation provider;

92.20 (4) \$14.30 for the base rate and \$1.43 per mile for assisted transport;

92.21 (5) \$19.80 for the base rate and \$1.70 per mile for lift-equipped/ramp transport;

92.22 (6) \$75 for the base rate and \$2.40 per mile for protected transport; and

92.23 (7) \$60 for the base rate and \$2.40 per mile for stretcher transport, and \$9 per trip for  
 92.24 an additional attendant if deemed medically necessary. This paragraph expires ~~July 1, 2026,~~  
 92.25 ~~for medical assistance fee-for-service and January 1, 2027, for prepaid medical assistance~~  
 92.26 upon implementation of the administrator under subdivision 18i.

92.27 (s) Effective ~~July 1, 2026, for medical assistance fee-for-service and January 1, 2027,~~  
 92.28 upon implementation of the administrator under subdivision 18i, for prepaid medical  
 92.29 assistance, payments for nonemergency medical transportation must be paid based on the  
 92.30 client's assessed mode under paragraph (m), not the type of vehicle used to provide the  
 92.31 service.

93.1 (t) The base rate for nonemergency medical transportation services in areas defined  
 93.2 under RUCA to be super rural is equal to 111.3 percent of the respective base rate in  
 93.3 paragraph (r), clauses (1) to (7). The mileage rate for nonemergency medical transportation  
 93.4 services in areas defined under RUCA to be rural or super rural areas is:

93.5 (1) for a trip equal to 17 miles or less, equal to 125 percent of the respective mileage  
 93.6 rate in paragraph (r), clauses (1) to (7); and

93.7 (2) for a trip between 18 and 50 miles, equal to 112.5 percent of the respective mileage  
 93.8 rate in paragraph (r), clauses (1) to (7). This paragraph expires ~~July 1, 2026, for medical~~  
 93.9 ~~assistance fee for service and January 1, 2027, for prepaid medical assistance~~ upon  
 93.10 implementation of the administrator under subdivision 18i.

93.11 (u) For purposes of reimbursement rates for nonemergency medical transportation  
 93.12 services under paragraphs (r) to (t), the zip code of the recipient's place of residence shall  
 93.13 determine whether the urban, rural, or super rural reimbursement rate applies. This paragraph  
 93.14 expires ~~July 1, 2026, for medical assistance fee for service and January 1, 2027, for prepaid~~  
 93.15 ~~medical assistance~~ upon implementation of the administrator under subdivision 18i.

93.16 (v) The commissioner, when determining reimbursement rates for nonemergency medical  
 93.17 transportation, shall exempt all modes of transportation listed under paragraph (n) from  
 93.18 Minnesota Rules, part 9505.0445, item R, subitem (2).

93.19 (w) Effective for the first day of each calendar quarter in which the price of gasoline as  
 93.20 posted publicly by the United States Energy Information Administration exceeds \$3.00 per  
 93.21 gallon, the commissioner shall adjust the rate paid per mile in paragraph (r) by one percent  
 93.22 up or down for every increase or decrease of ten cents for the price of gasoline. The increase  
 93.23 or decrease must be calculated using a base gasoline price of \$3.00. The percentage increase  
 93.24 or decrease must be calculated using the average of the most recently available price of all  
 93.25 grades of gasoline for Minnesota as posted publicly by the United States Energy Information  
 93.26 Administration. This paragraph expires ~~July 1, 2026, for medical assistance fee for service~~  
 93.27 ~~and January 1, 2027, for prepaid medical assistance~~ upon implementation of the administrator  
 93.28 under subdivision 18i.

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

93.30 Sec. 2. Minnesota Statutes 2025 Supplement, section 256B.0625, subdivision 18i, is  
 93.31 amended to read:

93.32 Subd. 18i. **Administration of nonemergency medical transportation.** (a) Effective  
 93.33 ~~July 1, 2026, for medical assistance fee for service and January 1, 2027, for prepaid medical~~

94.1 ~~assistance~~, the commissioner must contract either statewide or regionally for the  
 94.2 administration of the nonemergency medical transportation program in compliance with  
 94.3 the provisions of this chapter. The contract must include the administration of the  
 94.4 nonemergency medical transportation benefit for those enrolled in managed care as described  
 94.5 in section 256B.69.

94.6 (b) The commissioner must provide six months notice to counties, managed care  
 94.7 organizations, and county-based purchasing organizations before implementing the  
 94.8 administrator required under this subdivision.

94.9 (c) The commissioner must notify the revisor of statutes when the administrator under  
 94.10 this subdivision is implemented.

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

94.12 Sec. 3. Laws 2025, First Special Session chapter 3, article 8, section 43, the effective date,  
 94.13 is amended to read:

94.14 **EFFECTIVE DATE.** Paragraph (b) is effective ~~July 1, 2026, for medical assistance~~  
 94.15 ~~fee-for-service and January 1, 2027, for prepaid medical assistance~~ upon implementation  
 94.16 of the administrator under Minnesota Statutes, section 256B.0625, subdivision 18i. The  
 94.17 commissioner of human services must notify the revisor of statutes when the administrator  
 94.18 under Minnesota Statutes, section 256B.0625, subdivision 18i, is implemented. Paragraph  
 94.19 (c) is effective on the latest of the following: (1) January 1, 2026; (2) federal approval of  
 94.20 the medical assistance program changes in this section; (3) federal approval of the  
 94.21 amendments in this act to Minnesota Statutes, section 256B.76, subdivision 6; (4) federal  
 94.22 approval of the amendments in this act to Minnesota Statutes, section 256B.761; or (5)  
 94.23 federal approval of all necessary federal waivers to implement the managed care organization  
 94.24 assessment in Minnesota Statutes, section 295.525. The commissioner of human services  
 94.25 shall notify the revisor of statutes when federal approval is obtained.

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

## 94.27 **ARTICLE 7**

### 94.28 **DEPARTMENT OF HUMAN SERVICES APPROPRIATIONS**

#### 94.29 Section 1. **HUMAN SERVICES APPROPRIATIONS.**

94.30 The sums shown in the columns marked "Appropriations" are added to or, if shown in  
 94.31 parentheses, are subtracted from the appropriations in Laws 2025, First Special Session  
 94.32 chapter 9, article 12, to the agency and for the purposes specified in this article. The  
 94.33 appropriations are from the general fund or other named fund and are available for the fiscal

95.1 years indicated for each purpose. The figures "2026" and "2027" used in this article mean  
 95.2 that the addition to or subtraction from the appropriation listed under them is available for  
 95.3 the fiscal year ending June 30, 2026, or June 30, 2027, respectively. Base adjustments mean  
 95.4 the addition to or subtraction from the base level adjustment set in Laws 2025, First Special  
 95.5 Session chapter 9, article 12. Appropriations and reductions to appropriations for the fiscal  
 95.6 year ending June 30, 2026, are effective the day following final enactment unless a different  
 95.7 effective date is explicit.

		<u><b>APPROPRIATIONS</b></u>	
		<u><b>Available for the Year</b></u>	
		<u><b>Ending June 30</b></u>	
		<u><b>2026</b></u>	<u><b>2027</b></u>
95.12	Sec. 2. <u><b>TOTAL APPROPRIATION</b></u>	<u><b>\$ (822,000)</b></u>	<u><b>\$ 16,626,000</b></u>

95.13 The amounts that may be spent for each  
 95.14 purpose are specified in the following sections  
 95.15 and subdivisions.

95.16	Sec. 3. <u><b>CENTRAL OFFICE; OPERATIONS</b></u>	<u><b>\$ -0-</b></u>	<u><b>\$ 1,371,000</b></u>
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95.17 **Base Level Adjustment.** The general fund  
 95.18 base is increased by \$262,000 in fiscal year  
 95.19 2028 and increased by \$300,000 in fiscal year  
 95.20 2029.

95.21	Sec. 4. <u><b>CENTRAL OFFICE; HEALTH CARE</b></u>	<u><b>\$ -0-</b></u>	<u><b>\$ 482,000</b></u>
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95.22 **Base Level Adjustment.** The general fund  
 95.23 base is increased by \$953,000 in fiscal year  
 95.24 2028 and increased by \$918,000 in fiscal year  
 95.25 2029.

95.26	Sec. 5. <u><b>CENTRAL OFFICE; AGING AND</b></u>		
95.27	<u><b>DISABILITY SERVICES</b></u>	<u><b>\$ -0-</b></u>	<u><b>\$ 12,364,000</b></u>

95.28 Subdivision 1. **MnCHOICES Redesign Working**  
 95.29 **Group**

95.30 \$450,000 in fiscal year 2027 is for a contract  
 95.31 related to the MnCHOICES redesign working  
 95.32 group. The base for this appropriation is  
 95.33 \$500,000 in fiscal year 2028, \$250,000 in  
 95.34 fiscal year 2029, \$0 in fiscal year 2030, and  
 95.35 \$0 in fiscal year 2031.

96.1 **Subd. 2. Waiver Case Management Quality**  
 96.2 **Working Group**

96.3 \$350,000 in fiscal year 2027 is for a contract  
 96.4 related to the waiver case management quality  
 96.5 working group. The base for this appropriation  
 96.6 is \$150,000 in fiscal year 2028 and \$0 in fiscal  
 96.7 year 2029.

96.8 **Subd. 3. Case Management and Home and**  
 96.9 **Community-Based Services Rates Study**

96.10 \$200,000 in fiscal year 2027 is for a rates  
 96.11 study for case management and home and  
 96.12 community-based services. This is a onetime  
 96.13 appropriation and is available until June 30,  
 96.14 2028. The base for this appropriation is  
 96.15 \$400,000 in fiscal year 2028, \$200,000 in  
 96.16 fiscal year 2029, \$0 in fiscal year 2030, and  
 96.17 \$0 in fiscal year 2031.

96.18 **Subd. 4. Supported-Decision-Making Programs**  
 96.19 **Administration**

96.20 \$30,000 in fiscal year 2027 is for a contract  
 96.21 to administer supported-decision-making  
 96.22 grants under Laws 2023, chapter 61, article 1,  
 96.23 section 61. This is a onetime appropriation  
 96.24 and is available until June 30, 2028.

96.25 **Subd. 5. Base Level Adjustment**

96.26 The general fund base is increased by  
 96.27 \$22,592,000 in fiscal year 2028 and increased  
 96.28 by \$24,619,000 in fiscal year 2029.

96.29 **Sec. 6. CENTRAL OFFICE; BEHAVIORAL**  
 96.30 **HEALTH**

<u>\$</u>	<u>-0-</u>	<u>\$</u>	<u>150,000</u>
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96.31 **Subdivision 1. Access to Services for**  
 96.32 **Incarcerated Individuals Evaluation**

96.33 \$150,000 in fiscal year 2027 is for community  
 96.34 engagement and evaluation related reentry  
 96.35 services.

97.1 Subd. 2. Base Level Adjustment

97.2 The general fund base is increased by  
 97.3 \$353,000 in fiscal year 2028 and increased by  
 97.4 \$336,000 in fiscal year 2029.

97.5 Sec. 7. CENTRAL OFFICE; OFFICE OF  
 97.6 INSPECTOR GENERAL \$ -0- \$ 1,284,000

97.7 Base Level Adjustment. The general fund  
 97.8 base is increased by \$1,500,000 in fiscal year  
 97.9 2028 and increased by \$1,500,000 in fiscal  
 97.10 year 2029.

97.11 Sec. 8. FORECASTED PROGRAMS;  
 97.12 HOUSING SUPPORT \$ -0- \$ 10,057,000

97.13 Sec. 9. FORECASTED PROGRAMS;  
 97.14 MEDICAL ASSISTANCE \$ -0- \$ (422,000)

97.15 Sec. 10. FORECASTED PROGRAMS;  
 97.16 BEHAVIORAL HEALTH FUND \$ -0- \$ (19,220,000)

97.17 Sec. 11. GRANT PROGRAMS; REFUGEE  
 97.18 SERVICE GRANTS \$ -0- \$ 10,000,000

97.19 Human Services Response Contingency  
 97.20 Account. \$10,000,000 in fiscal year 2026 is  
 97.21 for the human services response contingency  
 97.22 account established under Minnesota Statutes,  
 97.23 section 256.044. This is a onetime  
 97.24 appropriation.

97.25 Sec. 12. GRANT PROGRAMS; OTHER  
 97.26 LONG-TERM CARE GRANTS \$ (822,000) \$ 55,000

97.27 Subdivision 1. Supported-Decision-Making  
 97.28 Programs

97.29 \$2,000,000 in fiscal year 2027 is for  
 97.30 supported-decision-making grants under Laws  
 97.31 2023, chapter 61, article 1, section 61. This is  
 97.32 a onetime appropriation and is available until  
 97.33 June 30, 2028.

98.1 Subd. 2. **Base Level Adjustment**

98.2 The general fund base is decreased by  
 98.3 \$1,925,000 in fiscal year 2028 and \$1,925,000  
 98.4 in fiscal year 2029.

98.5 Sec. 13. **GRANT PROGRAMS; DISABILITY**  
 98.6 **GRANTS**

\$ -0- \$ (145,000)

98.7 **Base Level Adjustment.** The general fund  
 98.8 base is decreased by \$956,000 in fiscal year  
 98.9 2028 and decreased by \$956,000 in fiscal year  
 98.10 2029.

98.11 Sec. 14. **GRANT PROGRAMS; SUBSTANCE**  
 98.12 **USE DISORDER GRANTS**

\$ -0- \$ 650,000

98.13 Subdivision 1. **Todd County; Peer Recovery**  
 98.14 **Support**

98.15 \$300,000 in fiscal year 2027 is for a grant to  
 98.16 Todd County for a contract with an  
 98.17 organization operating in Todd County to  
 98.18 provide daily peer recovery support services  
 98.19 and special sessions for individuals who are  
 98.20 in substance use recovery, are transitioning  
 98.21 out of incarceration, or have experienced  
 98.22 trauma.

98.23 Subd. 2. **Thrive Family Recovery Resources**

98.24 \$350,000 in fiscal year 2027 is for a grant to  
 98.25 Thrive Family Recovery Resources for a pilot  
 98.26 program that provides family peer services,  
 98.27 education, resource navigation, and general  
 98.28 support for families impacted by substance  
 98.29 use disorder. By January 20, 2027, the  
 98.30 commissioner must submit a report to the  
 98.31 chairs and ranking minority members of the  
 98.32 legislative committees with jurisdiction over  
 98.33 human services that evaluates the results of  
 98.34 the pilot program and makes recommendations  
 98.35 for developing an ongoing grant program to

99.1 provide supportive services and education for  
99.2 families impacted by substance use disorder.

99.3 This is a onetime appropriation.

99.4 **Subd. 3. Base Level Adjustment**

99.5 The general fund base is increased by  
99.6 \$300,000 in fiscal year 2028 and \$300,000 in  
99.7 fiscal year 2029.

99.8 Sec. 15. Laws 2023, chapter 61, article 1, section 67, subdivision 3, as amended by Laws  
99.9 2024, chapter 125, article 8, section 10, is amended to read:

99.10 Subd. 3. **Evaluation and report.** (a) The Metropolitan Center for Independent Living  
99.11 must contract with a third party to evaluate the pilot project's impact on health care costs,  
99.12 retention of personal care assistants, and patients' and providers' satisfaction of care. The  
99.13 evaluation must include the number of participants, the hours of care provided by participants,  
99.14 and the retention of participants from semester to semester.

99.15 (b) By January 15, ~~2026~~ 2028, the Metropolitan Center for Independent Living must  
99.16 report the findings under paragraph (a) to the chairs and ranking minority members of the  
99.17 legislative committees with jurisdiction over human services finance and policy.

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

99.19 Sec. 16. Laws 2023, chapter 61, article 9, section 2, subdivision 5, as amended by Laws  
99.20 2024, chapter 125, article 8, section 12, is amended to read:

99.21 Subd. 5. **Central Office; Aging and Disability**  
99.22 **Services** 40,115,000 11,995,000

99.23 (a) **Employment Supports Alignment Study.**  
99.24 \$50,000 in fiscal year 2024 and \$200,000 in  
99.25 fiscal year 2025 are to conduct an interagency  
99.26 employment supports alignment study. The  
99.27 base for this appropriation is \$150,000 in fiscal  
99.28 year 2026 and \$100,000 in fiscal year 2027.

99.29 (b) **Case Management Training**  
99.30 **Curriculum.** \$377,000 in fiscal year 2024 and  
99.31 \$377,000 in fiscal year 2025 are to develop  
99.32 and implement a curriculum and training plan

100.1 to ensure all lead agency assessors and case  
100.2 managers have the knowledge and skills  
100.3 necessary to fulfill support planning and  
100.4 coordination responsibilities for individuals  
100.5 who use home and community-based disability  
100.6 services and live in own-home settings. This  
100.7 is a onetime appropriation.

100.8 **(c) Office of Ombudsperson for Long-Term**  
100.9 **Care.** \$875,000 in fiscal year 2024 and  
100.10 \$875,000 in fiscal year 2025 are for additional  
100.11 staff and associated direct costs in the Office  
100.12 of Ombudsperson for Long-Term Care.

100.13 **(d) Direct Care Services Corps Pilot Project.**  
100.14 \$500,000 in fiscal year 2024 is from the  
100.15 general fund for a grant to the Metropolitan  
100.16 Center for Independent Living for the direct  
100.17 care services corps pilot project. Up to \$25,000  
100.18 may be used by the Metropolitan Center for  
100.19 Independent Living for administrative costs.  
100.20 This is a onetime appropriation and is  
100.21 available until June 30, ~~2026~~ 2027.

100.22 **(e) Research on Access to Long-Term Care**  
100.23 **Services and Financing.** Any unexpended  
100.24 amount of the fiscal year 2023 appropriation  
100.25 referenced in Laws 2021, First Special Session  
100.26 chapter 7, article 17, section 16, estimated to  
100.27 be \$300,000, is canceled. The amount canceled  
100.28 is appropriated in fiscal year 2024 for the same  
100.29 purpose.

100.30 **(f) Native American Elder Coordinator.**  
100.31 \$441,000 in fiscal year 2024 and \$441,000 in  
100.32 fiscal year 2025 are for the Native American  
100.33 elder coordinator position under Minnesota  
100.34 Statutes, section 256.975, subdivision 6.

101.1 **(g) Grant Administration Carryforward.**

101.2 (1) Of this amount, \$8,154,000 in fiscal year  
101.3 2024 is available until June 30, 2027.

101.4 (2) Of this amount, \$1,071,000 in fiscal year  
101.5 2025 is available until June 30, 2027.

101.6 (3) Of this amount, \$19,000,000 in fiscal year  
101.7 2024 is available until June 30, 2029.

101.8 **(h) Base Level Adjustment.** The general fund  
101.9 base is increased by \$8,189,000 in fiscal year  
101.10 2026 and increased by \$8,093,000 in fiscal  
101.11 year 2027.

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

101.13 Sec. 17. Laws 2024, chapter 125, article 1, section 47, is amended to read:

101.14 Sec. 47. **DIRECTION TO COMMISSIONER; PEDIATRIC HOSPITAL-TO-HOME**  
101.15 **TRANSITION PILOT PROGRAM.**

101.16 (a) The commissioner of human services must award a single competitive grant to a  
101.17 home care nursing provider to develop and implement, in coordination with the commissioner  
101.18 of health, Fairview Masonic Children's Hospital, Gillette Children's Specialty Healthcare,  
101.19 and Children's Minnesota of St. Paul and Minneapolis, a pilot program to expedite and  
101.20 facilitate pediatric hospital-to-home discharges for patients receiving services in this state  
101.21 under medical assistance, including under the community alternative care waiver, community  
101.22 access for disability inclusion waiver, and developmental disabilities waiver.

101.23 (b) Grant money awarded under this section must be used only to support the  
101.24 administrative, training, and auxiliary services necessary to reduce:

101.25 (1) delayed discharge days due to unavailability of home care nursing staffing to  
101.26 accommodate complex pediatric patients;

101.27 (2) avoidable rehospitalization days for pediatric patients;

101.28 (3) unnecessary emergency department utilization by pediatric patients following  
101.29 discharge;

101.30 (4) long-term nursing needs for pediatric patients; and

102.1 (5) the number of school days missed by pediatric patients.

102.2 (c) Grant money must not be used to supplant payment rates for services covered under  
102.3 Minnesota Statutes, chapter 256B.

102.4 (d) No later than December 15, ~~2026~~ 2027, the commissioner must prepare a report  
102.5 summarizing the impact of the pilot program that includes but is not limited to: (1) the  
102.6 number of delayed discharge days eliminated; (2) the number of rehospitalization days  
102.7 eliminated; (3) the number of unnecessary emergency department admissions eliminated;  
102.8 (4) the number of missed school days eliminated; and (5) an estimate of the return on  
102.9 investment of the pilot program.

102.10 (e) The commissioner must submit the report under paragraph (d) to the chairs and  
102.11 ranking minority members of the legislative committees with jurisdiction over health and  
102.12 human services finance and policy.

102.13 Sec. 18. Laws 2024, chapter 125, article 8, section 2, subdivision 4, is amended to read:

102.14 Subd. 4. **Central Office; Aging and Disability**  
102.15 **Services**

(2,664,000)

4,164,000

102.16 (a) **Tribal Vulnerable Adult and**

102.17 **Developmental Disabilities Targeted Case**

102.18 **Management Medical Assistance Benefit.**

102.19 \$200,000 in fiscal year 2025 is for a contract

102.20 to develop a Tribal vulnerable adult and

102.21 developmental disabilities targeted case

102.22 management medical assistance benefit under

102.23 Minnesota Statutes, section 256B.0924. This

102.24 is a onetime appropriation. Notwithstanding

102.25 Minnesota Statutes, section 16A.28,

102.26 subdivision 3, this appropriation is available

102.27 until June 30, 2027.

102.28 (b) **Disability Services Person-Centered**

102.29 **Engagement and Navigation Study.**

102.30 \$600,000 in fiscal year 2025 is for the

102.31 disability services person-centered engagement

102.32 and navigation study. This is a onetime

102.33 appropriation. Notwithstanding Minnesota

103.1 Statutes, section 16A.28, subdivision 3, this  
103.2 appropriation is available until June 30, 2026.

103.3 **(c) Pediatric Hospital-to-Home Transition**  
103.4 **Pilot Program Administration.** \$300,000 in  
103.5 fiscal year 2025 is for a contract related to the  
103.6 pediatric hospital-to-home transition pilot  
103.7 program. This is a onetime appropriation.  
103.8 Notwithstanding Minnesota Statutes, section  
103.9 16A.28, subdivision 3, this appropriation is  
103.10 available until June 30, ~~2027~~ 2028.

103.11 **(d) Reimbursement for Community-First**  
103.12 **Services and Supports Workers Report.**  
103.13 \$250,000 in fiscal year 2025 is for a contract  
103.14 related to the reimbursement for  
103.15 community-first services and supports workers  
103.16 report. This is a onetime appropriation.  
103.17 Notwithstanding Minnesota Statutes, section  
103.18 16A.28, subdivision 3, this appropriation is  
103.19 available until June 30, 2026.

103.20 **(e) Carryforward Authority.**  
103.21 Notwithstanding Minnesota Statutes, section  
103.22 16A.28, subdivision 3, \$758,000 in fiscal year  
103.23 2025 is available until June 30, 2026, and  
103.24 \$2,687,000 in fiscal year 2025 is available  
103.25 until June 30, 2027.

103.26 **(f) Base Level Adjustment.** The general fund  
103.27 base is increased by \$340,000 in fiscal year  
103.28 2026 and increased by \$340,000 in fiscal year  
103.29 2027.

104.1 Sec. 19. Laws 2024, chapter 125, article 8, section 2, subdivision 14, as amended by Laws  
 104.2 2025, First Special Session chapter 9, article 12, section 29, is amended to read:

104.3 Subd. 14. **Grant Programs; Disabilities Grants** 1,650,000 9,574,000

104.4 **(a) Capital Improvement for Accessibility.**

104.5 \$400,000 in fiscal year 2025 is for a payment  
 104.6 to Anoka County to make capital  
 104.7 improvements to existing space in the Anoka  
 104.8 County Human Services building in the city  
 104.9 of Blaine, including making bathrooms fully  
 104.10 compliant with the Americans with Disabilities  
 104.11 Act with adult changing tables and ensuring  
 104.12 barrier-free access for the purposes of  
 104.13 improving and expanding the services an  
 104.14 existing building tenant can provide to adults  
 104.15 with developmental disabilities. This is a  
 104.16 onetime appropriation.

104.17 **(b) Dakota County Disability Services**

104.18 **Workforce Shortage Pilot Project.** \$500,000  
 104.19 in fiscal year 2025 is for a grant to Dakota  
 104.20 County for innovative solutions to the  
 104.21 disability services workforce shortage. Up to  
 104.22 \$250,000 of this amount must be used to  
 104.23 develop and test an online application for  
 104.24 matching requests for services from people  
 104.25 with disabilities to available staff, and up to  
 104.26 \$250,000 of this amount must be used to  
 104.27 develop a communities-for-all program that  
 104.28 engages businesses, community organizations,  
 104.29 neighbors, and informal support systems to  
 104.30 promote community inclusion of people with  
 104.31 disabilities. By October 1, 2026, the  
 104.32 commissioner shall report the outcomes and  
 104.33 recommendations of these pilot projects to the  
 104.34 chairs and ranking minority members of the  
 104.35 legislative committees with jurisdiction over

105.1 human services finance and policy. This is a  
105.2 onetime appropriation. Notwithstanding  
105.3 Minnesota Statutes, section 16A.28,  
105.4 subdivision 3, this appropriation is available  
105.5 until June 30, 2027.

105.6 **(c) Pediatric Hospital-to-Home Transition**  
105.7 **Pilot Program.** \$1,040,000 in fiscal year 2025  
105.8 is for the pediatric hospital-to-home pilot  
105.9 program. This is a onetime appropriation.  
105.10 Notwithstanding Minnesota Statutes, section  
105.11 16A.28, subdivision 3, this appropriation is  
105.12 available until June 30, ~~2027~~ 2028.

105.13 **(d) Artists With Disabilities Support.**  
105.14 \$690,000 in fiscal year 2025 is for a payment  
105.15 to a nonprofit organization licensed under  
105.16 Minnesota Statutes, chapter 245D, located on  
105.17 Minnehaha Avenue West in Saint Paul, and  
105.18 that supports artists with disabilities in creating  
105.19 visual and performing art that challenges  
105.20 society's views of persons with disabilities.  
105.21 This is a onetime appropriation.  
105.22 Notwithstanding Minnesota Statutes, section  
105.23 16A.28, subdivision 3, this appropriation is  
105.24 available until June 30, 2027.

105.25 **(e) Emergency Relief Grants for Rural**  
105.26 **EIDBI Providers.** \$600,000 in fiscal year  
105.27 2025 is for emergency relief grants for EIDBI  
105.28 providers. This is a onetime appropriation.  
105.29 Notwithstanding Minnesota Statutes, section  
105.30 16A.28, subdivision 3, this appropriation is  
105.31 available until June 30, 2027.

105.32 **(f) Self-Advocacy Grants for Persons with**  
105.33 **Intellectual and Developmental Disabilities.**  
105.34 \$250,000 in fiscal year 2025 is for  
105.35 self-advocacy grants under Minnesota Statutes,

106.1 section 256.477, subdivision 1, paragraph (a),  
106.2 clauses (5) to (7), and for administrative costs.  
106.3 This is a onetime appropriation and is  
106.4 available until June 30, 2027.

106.5 **(g) Electronic Visit Verification**  
106.6 **Implementation Grants.** \$864,000 in fiscal  
106.7 year 2025 is for electronic visit verification  
106.8 implementation grants. This is a onetime  
106.9 appropriation. Notwithstanding Minnesota  
106.10 Statutes, section 16A.28, subdivision 3, this  
106.11 appropriation is available until June 30, 2027.

106.12 **(h) Aging and Disability Services for**  
106.13 **Immigrant and Refugee Communities.**  
106.14 \$250,000 in fiscal year 2025 is for a payment  
106.15 to SEWA-AIFW to address aging, disability,  
106.16 and mental health needs for immigrant and  
106.17 refugee communities. This is a onetime  
106.18 appropriation and is available until June 30,  
106.19 2027.

106.20 **(i) License Transition Support for Small**  
106.21 **Disability Waiver Providers.** \$3,150,000 in  
106.22 fiscal year 2025 is for license transition  
106.23 payments to small disability waiver providers.  
106.24 This is a onetime appropriation.  
106.25 Notwithstanding Minnesota Statutes, section  
106.26 16A.28, subdivision 3, this appropriation is  
106.27 available until June 30, 2027.

106.28 **(j) Own home services provider**  
106.29 **capacity-building grants.** \$1,519,000 in fiscal  
106.30 year 2025 is for the own home services  
106.31 provider capacity-building grant program.  
106.32 Notwithstanding Minnesota Statutes, section  
106.33 16A.28, subdivision 3, this appropriation is  
106.34 available until June 30, 2027. This is a onetime  
106.35 appropriation.

107.1 (k) **Continuation of Centers for**  
 107.2 **Independent Living HCBS Access Grants.**  
 107.3 \$311,000 in fiscal year 2024 is for continued  
 107.4 funding of grants awarded under Laws 2021,  
 107.5 First Special Session chapter 7, article 17,  
 107.6 section 19, as amended by Laws 2022, chapter  
 107.7 98, article 15, section 15. This is a onetime  
 107.8 appropriation and is available until June 30,  
 107.9 2025.

107.10 (l) **Base Level Adjustment.** The general fund  
 107.11 base is increased by \$811,000 in fiscal year  
 107.12 2026 and increased by \$811,000 in fiscal year  
 107.13 2027.

107.14 Sec. 20. Laws 2025, First Special Session chapter 3, article 20, section 19, subdivision 1,  
 107.15 is amended to read:

107.16 Subdivision 1. ~~Intensive Residential Treatment~~  
 107.17 ~~Services~~ Community Health Unit; Hennepin  
 107.18 County

107.19 \$563,000 in fiscal year 2026 is for a grant to  
 107.20 the city of Brooklyn Park ~~as start-up funding~~  
 107.21 ~~for an intensive residential treatment services~~  
 107.22 ~~and residential crisis stabilization services~~  
 107.23 ~~facility~~ for the city of Brooklyn Park's  
 107.24 Community Health Unit, operating out of the  
 107.25 Brooklyn Park Police Department. This is a  
 107.26 onetime appropriation and is available until  
 107.27 June 30, ~~2027~~ 2028.

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

107.29 Sec. 21. **TRANSFERS AND CANCELLATIONS.**

107.30 Subdivision 1. **MnCHOICES modification grants.** The fiscal year 2027 general fund  
 107.31 base appropriation for MnCHOICES modifications first established under Laws 2023,  
 107.32 chapter 61, article 9, section 2, subdivision 16, is reduced from \$125,000 to \$0. The general  
 107.33 fund base for this purpose is \$0 in fiscal year 2028 and \$0 in fiscal year 2029.

108.1 Subd. 2. **Day training and habilitation facility grants.** The fiscal year 2028 and fiscal  
108.2 year 2029 general fund base appropriations for grant allocations to counties for day training  
108.3 and habilitation services for adults with developmental disabilities when provided as a social  
108.4 service under Minnesota Statutes, sections 252.41 to 252.46, are reduced from \$811,000 to  
108.5 \$0. The general fund base for this purpose is \$0 in fiscal year 2028 and \$0 in fiscal year  
108.6 2029.

108.7 Subd. 3. **Innovation grants.** The fiscal year 2027 general fund base appropriation for  
108.8 the innovation grants program under Minnesota Statutes, section 256B.0921, is reduced  
108.9 from \$1,925,000 to \$0. The general fund base for this purpose is \$0 in fiscal year 2028 and  
108.10 \$0 in fiscal year 2029.

108.11 Subd. 4. **Preadmission screening grant program.** The fiscal year 2027 general fund  
108.12 base appropriation for the preadmission screening grant program under Minnesota Statutes,  
108.13 section 256.975, subdivision 7d, paragraph (b), is reduced from \$20,000 to \$0. The general  
108.14 fund base for this purpose is \$0 in fiscal year 2028 and \$0 in fiscal year 2029.

108.15 Subd. 5. **2023 long-term services and supports loan program.** Any unencumbered  
108.16 and unexpended amount of the long-term services and supports program under Minnesota  
108.17 Statutes, section 256.4792, subdivision 8a, estimated to be \$70,854,000, is transferred from  
108.18 the special revenue fund to the general fund and is canceled.

108.19 Subd. 6. **2024 long-term services and supports loan program.** Any unencumbered  
108.20 and unexpended amount of the fiscal year 2026 general fund base appropriation for the  
108.21 long-term services and supports loan program first established under Laws 2024, chapter  
108.22 125, article 8, section 2, subdivision 12, paragraph (e), estimated to be \$822,000, is canceled.

108.23 Subd. 7. **Human services response contingency account transfer.** The commissioner  
108.24 of management and budget must transfer \$10,000,000 in fiscal year 2026 from the general  
108.25 fund to the human services response contingency account established under Minnesota  
108.26 Statutes, section 256.044. This is a onetime transfer.

108.27 Sec. 22. **APPROPRIATIONS GIVEN EFFECT ONCE.**

108.28 If an appropriation or transfer in this article is enacted more than once during the 2026  
108.29 regular session, the appropriation or transfer must be given effect once.

108.30 Sec. 23. **EXPIRATION OF UNCODIFIED LANGUAGE.**

108.31 All uncodified language contained in this article expires on June 30, 2027, unless a  
108.32 different expiration date is explicit.

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**ARTICLE 8**

**OTHER AGENCY APPROPRIATIONS**

**Section 1. OTHER AGENCY APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are added to or, if shown in parentheses, are subtracted from the appropriations in Laws 2025, First Special Session chapter 9, article 14, to the agencies and for the purposes specified in this article. The appropriations are from the general fund or other 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 addition or subtraction from the appropriation listed under them is available for the fiscal year ending June 30, 2026, or June 30, 2027, respectively. Base adjustments mean the addition to or subtraction from the base level adjustment set in Laws 2025, First Special Session chapter 9, article 14. Supplemental appropriations and reductions to appropriations for the fiscal year ending June 30, 2026, are effective the day following final enactment unless a different effective date is explicit.

<b><u>APPROPRIATIONS</u></b>		
<b><u>Available for the Year</u></b>		
<b><u>Ending June 30</u></b>		
	<b><u>2026</u></b>	<b><u>2027</u></b>

<b>Sec. 2. <u>COMMISSIONER OF HEALTH;</u></b>			
<b><u>TOTAL APPROPRIATION</u></b>	<b><u>\$</u></b>	<b><u>-0-</u></b>	<b><u>\$ 4,177,000</u></b>

The amounts that may be spent for each purpose are specified in the following sections.

<b>Sec. 3. <u>HEALTH PROTECTION</u></b>	<b><u>\$</u></b>	<b><u>-0-</u></b>	<b><u>\$ 4,177,000</u></b>
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**Subdivision 1. Small Assisted Living Facility Licensure**

\$150,000 in fiscal year 2027 is appropriated from the general fund to the commissioner of health to develop small assisted living facility licensure draft legislation. This is a onetime appropriation and is available until June 30, 2028.

**Subd. 2. Base Level Adjustment**

The general fund base is increased by \$16,958,000 in fiscal year 2028 and increased by \$16,767,000 in fiscal year 2029.

110.1 Sec. 4. ATTORNEY GENERAL; OVERSIGHT AND ENFORCEMENT OF  
 110.2 MINNESOTA STATUTES, SECTIONS 145D.41 TO 145D.43.

110.3 \$112,000 in fiscal year 2027 is appropriated from the general fund to the attorney general  
 110.4 for oversight and enforcement of Minnesota Statutes, sections 145D.41 to 145D.43.

110.5 Sec. 5. Laws 2024, chapter 125, article 8, section 2, subdivision 20, is amended to read:

110.6	<b>Subd. 20. Direct Care and Treatment -</b>		
110.7	<b>Operations</b>	-0-	6,094,000

110.8 **(a) Free Communication Services for**  
 110.9 **Patients and Clients.** \$1,368,000 in fiscal  
 110.10 year 2025 is for free communication services  
 110.11 under article 6, section 1. This is a onetime  
 110.12 appropriation. Notwithstanding Minnesota  
 110.13 Statutes, section 16A.28, subdivision 3, this  
 110.14 appropriation is available until June 30, 2026.

110.15 **(b) Direct Care and Treatment Capacity;**  
 110.16 **Miller Building.** \$1,796,000 in fiscal year  
 110.17 2025 is to design a replacement facility for the  
 110.18 Miller Building on the Anoka Metro Regional  
 110.19 Treatment Center campus. This is a onetime  
 110.20 appropriation. Notwithstanding Minnesota  
 110.21 Statutes, section 16A.28, subdivision 3, this  
 110.22 appropriation is available until June 30, 2027.

110.23 **(c) Direct Care and Treatment County**  
 110.24 **Correctional Facility Support Pilot**  
 110.25 **Program.** \$2,387,000 in fiscal year 2025 is  
 110.26 to establish a two-year county correctional  
 110.27 facility support pilot program. The pilot  
 110.28 program must: (1) provide education and  
 110.29 support to counties and county correctional  
 110.30 facilities on protocols and best practices for  
 110.31 the provision of involuntary medications for  
 110.32 mental health treatment; (2) provide technical  
 110.33 assistance to expand access to injectable  
 110.34 psychotropic medications in county

111.1 correctional facilities; and (3) survey county  
111.2 correctional facilities and their contracted  
111.3 medical providers on their capacity to provide  
111.4 injectable psychotropic medications, including  
111.5 involuntary administration of medications,  
111.6 and barriers to providing these services. This  
111.7 is a onetime appropriation. Notwithstanding  
111.8 Minnesota Statutes, section 16A.28,  
111.9 subdivision 3, this appropriation is available  
111.10 until June 30, ~~2026~~ 2027.

111.11 **(d) Advisory Committee for Direct Care**  
111.12 **and Treatment.** \$482,000 in fiscal year 2025  
111.13 is for the administration of the advisory  
111.14 committee for the operation of Direct Care  
111.15 and Treatment. This is a onetime  
111.16 appropriation. Notwithstanding Minnesota  
111.17 Statutes, section 16A.28, subdivision 3, this  
111.18 appropriation is available until June 30, 2027.

111.19 **(e) Base Level Adjustment.** The general fund  
111.20 base is increased by \$31,000 in fiscal year  
111.21 2026 and increased by \$0 in fiscal year 2027.

111.22 Sec. 6. Laws 2025, First Special Session chapter 3, article 21, section 3, subdivision 2, is  
111.23 amended to read:

111.24 **Subd. 2. Substance Use Treatment, Recovery,**  
111.25 **and Prevention Grants**

111.26 \$3,000,000 in fiscal year 2026 and \$3,000,000  
111.27 in fiscal year 2027 are from the general fund  
111.28 for substance use treatment, recovery, and  
111.29 prevention grants under Minnesota Statutes,  
111.30 section 342.72. The commissioner may use  
111.31 up to \$300,000 of this appropriation for  
111.32 administration.

112.1 Sec. 7. **APPROPRIATIONS GIVEN EFFECT ONCE.**

112.2 If an appropriation or transfer in this article is enacted more than once during the 2026  
112.3 regular session, the appropriation or transfer must be given effect once.

112.4 Sec. 8. **EXPIRATION OF UNCODIFIED LANGUAGE.**

112.5 All uncodified language contained in this article expires on June 30, 2027, unless a  
112.6 different expiration date is explicit.

APPENDIX  
Article locations for S4476-2

ARTICLE 1	CONTINUITY OF CARE.....	Page.Ln 2.4
ARTICLE 2	AGING AND DISABILITY SERVICES.....	Page.Ln 8.5
ARTICLE 3	BEHAVIORAL HEALTH.....	Page.Ln 40.4
ARTICLE 4	LONG-TERM CARE FACILITY REGULATION.....	Page.Ln 53.19
ARTICLE 5	DIRECT CARE AND TREATMENT.....	Page.Ln 86.1
ARTICLE 6	MISCELLANEOUS.....	Page.Ln 87.24
ARTICLE 7	DEPARTMENT OF HUMAN SERVICES APPROPRIATIONS.....	Page.Ln 94.27
ARTICLE 8	OTHER AGENCY APPROPRIATIONS.....	Page.Ln 109.1

#### **144A.04 QUALIFICATIONS FOR LICENSE.**

Subd. 7. **Minimum nursing staff requirement.** The minimum staffing standard for nursing personnel in certified nursing homes is as specified in this subdivision.

(a) The minimum number of hours of nursing personnel to be provided in a nursing home is the greater of two hours per resident per 24 hours or 0.95 hours per standardized resident day. Upon transition to the 34 group, RUG-III resident classification system, the 0.95 hours per standardized resident day shall no longer apply.

(b) For purposes of this subdivision, "hours of nursing personnel" means the paid, on-duty, productive nursing hours of all nurses and nursing assistants, calculated on the basis of any given 24-hour period. "Productive nursing hours" means all on-duty hours during which nurses and nursing assistants are engaged in nursing duties. Examples of nursing duties may be found in Minnesota Rules, part 4655.6400. Not included are vacations, holidays, sick leave, in-service classroom training, or lunches. Also not included are the nonproductive nursing hours of the in-service training director. In homes with more than 60 licensed beds, the hours of the director of nursing are excluded. "Standardized resident day" means the sum of the number of residents in each case mix class multiplied by the case mix weight for that resident class, as found in Minnesota Rules, part 9549.0059, subpart 2, calculated on the basis of a facility's census for any given day. For the purpose of determining a facility's census, the commissioner of health shall exclude the resident days claimed by the facility for resident therapeutic leave or bed hold days.

(c) Calculation of nursing hours per standardized resident day is performed by dividing total hours of nursing personnel for a given period by the total of standardized resident days for that same period.

(d) A nursing home that is issued a notice of noncompliance under section 144A.10, subdivision 5, for a violation of this subdivision, shall be assessed a civil fine of \$300 for each day of noncompliance, subject to section 144A.10, subdivisions 7 and 8.

#### **256B.055 ELIGIBILITY CATEGORIES.**

Subd. 14. **Persons detained by law.** (a) Medical assistance may be paid for an inmate of a correctional facility who is conditionally released as authorized under section 241.26, 244.065, or 631.425, if the individual does not require the security of a public detention facility and is housed in a halfway house or community correction center, or under house arrest and monitored by electronic surveillance in a residence approved by the commissioner of corrections, and if the individual meets the other eligibility requirements of this chapter.

(b) An individual who is enrolled in medical assistance, and who is charged with a crime and incarcerated for less than 12 months shall be suspended from eligibility at the time of incarceration until the individual is released. Upon release, medical assistance eligibility is reinstated without reapplication using a reinstatement process and form, if the individual is otherwise eligible.

(c) An individual, regardless of age, who is considered an inmate of a public institution as defined in Code of Federal Regulations, title 42, section 435.1010, and who meets the eligibility requirements in section 256B.056, is not eligible for medical assistance, except for covered services received while an inpatient in a medical institution as defined in Code of Federal Regulations, title 42, section 435.1010. Security issues, including costs, related to the inpatient treatment of an inmate are the responsibility of the entity with jurisdiction over the inmate.

#### **256B.0921 HOME AND COMMUNITY-BASED SERVICES INNOVATION POOL.**

The commissioner of human services shall develop an initiative to provide incentives for innovation in: (1) achieving integrated competitive employment; (2) achieving integrated competitive employment for youth under age 25 upon their graduation from school; (3) living in the most integrated setting; and (4) other outcomes determined by the commissioner. The commissioner shall seek requests for proposals and shall contract with one or more entities to provide incentive payments for meeting identified outcomes.

#### **256B.4907 ADVISORY TASK FORCE ON WAIVER REIMAGINE.**

Subdivision 1. **Membership; co-chairs.** (a) The Advisory Task Force on Waiver Reimagine consists of the following members:

(1) one member of the house of representatives, appointed by the speaker of the house;

APPENDIX  
Repealed Minnesota Statutes: S4476-2

(2) one member of the house of representatives, appointed by the leader of the house of representatives Democratic-Farmer-Labor caucus;

(3) one member of the senate, appointed by the senate majority leader;

(4) one member of the senate, appointed by the senate minority leader;

(5) four individuals currently receiving disability waiver services who are under the age of 65, appointed by the governor;

(6) one county employee who conducts long-term care consultation services assessments for persons under the age of 65, appointed by the Minnesota Association of County Social Services Administrators;

(7) one representative of the Department of Human Services with knowledge of the requirements for a provider to participate in disability waiver service programs and of the administration of benefits, appointed by the commissioner of human services;

(8) one employee of the Minnesota Council on Disability, appointed by the Minnesota Council on Disability;

(9) two representatives of disability advocacy organizations, appointed by the governor;

(10) two family members of individuals who are receiving disability waiver services, appointed by the governor;

(11) two providers of disability waiver services for persons who are under the age of 65, appointed by the governor;

(12) one employee from the Office of Ombudsman for Mental Health and Developmental Disabilities, appointed by the ombudsman;

(13) one employee from the Olmstead Implementation Office, appointed by the director of the office;

(14) the assistant commissioner of the Department of Human Services administration that oversees disability services; and

(15) a member of the Minnesota Disability Law Center, appointed by the executive director of Mid-Minnesota Legal Aid.

(b) Each appointing authority must make appointments by September 30, 2025. Appointments made by an agency or commissioner may also be made by a designee.

(c) In making task force appointments, the governor must ensure representation from greater Minnesota.

(d) The Office of Collaboration and Dispute Resolution must convene the task force.

(e) The task force members must elect co-chairs from the membership of the task force at the first task force meeting.

**Subd. 2. Meetings; administrative support.** (a) The first meeting of the task force must be convened no later than November 30, 2025. The task force must meet at least quarterly. Meetings are subject to chapter 13D. The task force may meet by telephone or interactive technology consistent with section 13D.015.

(b) The Department of Human Services shall provide meeting space and administrative and research support to the task force.

**Subd. 3. Duties.** (a) The task force must make findings and recommendations related to waiver reimagine in Minnesota, including but not limited to the following:

(1) consolidation of the existing four disability home and community-based waiver service programs into two waiver programs;

(2) budgets based on the needs of the individual that are not tied to location of services, including resources beyond those required to meet assessed needs that may be necessary for the individual to live in the least restrictive environment;

(3) criteria and processes for provider rate exceptions and individualized budget exceptions;

APPENDIX  
Repealed Minnesota Statutes: S4476-2

(4) appropriate assessments, including the MnCHOICES 2.0 assessment tool, in determining service needs and individualized budgets;

(5) covered services under each disability waiver program, including any proposed adjustments to the menu of services;

(6) service planning and authorization processes for disability waiver services;

(7) a plan of support, financial and otherwise, to live in the person's own home and in the most integrated setting as defined under Title 2 of the Americans with Disabilities Act Integration Mandate and in Minnesota's Olmstead Plan;

(8) intended and unintended outcomes of waiver reimagine; and

(9) other items related to waiver reimagine as necessary.

(b) The task force must seek input from the public, counties, persons receiving disability waiver services, families of persons receiving disability waiver services, providers, state agencies, and advocacy groups.

(c) The task force must hold public meetings to gather information to fulfill the purpose of the task force. The meetings must be accessible by remote participants.

(d) The Department of Human Services shall provide relevant data and research to the task force to facilitate the task force's work.

Subd. 4. **Compensation; expenses.** Members of the task force may receive compensation and expense reimbursement as provided in section 15.059, subdivision 3.

Subd. 5. **Report.** (a) The task force shall submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over disability waiver services no later than January 15, 2027, that describes any concerns or recommendations related to waiver reimagine as identified by the task force.

(b) The report required under Laws 2021, First Special Session chapter 7, article 13, section 75, subdivision 4, as amended by Laws 2024, chapter 108, article 1, section 28, must be presented to the task force prior to December 15, 2026.

Subd. 6. **Task force does not expire.** Notwithstanding section 15.059, subdivision 6, the task force under this section does not expire.

**256S.205 CUSTOMIZED LIVING SERVICES; DISPROPORTIONATE SHARE RATE ADJUSTMENTS.**

Subd. 7. **Expiration.** This section expires May 31, 2028.

***Laws 2019, First Special Session chapter 9, article 5, section 86, as amended by Laws 2020, First Special Session chapter 2, article 3, section 2***

Sec. 2. Laws 2019, First Special Session chapter 9, article 5, section 86, is amended to read:

**Sec. 86. DISABILITY WAIVER RECONFIGURATION.**

Subdivision 1. **Intent.** It is the intent of the legislature to reform the medical assistance waiver programs for people with disabilities to simplify administration of the programs. Disability waiver reconfiguration must incentivize inclusive, person-centered, individualized supports and services; enhance each person's self-determination and personal authority over the person's service choice; align benefits across waivers; ensure equity across programs and populations; promote long-term sustainability of waiver services; and maintain service stability and continuity of care while prioritizing, promoting, and creating incentives for independent, integrated, and individualized supports and services chosen by each person through an informed decision-making process and person-centered planning.

Subd. 2. **Report.** By January 15, 2021, the commissioner of human services shall submit a report to the members of the legislative committees with jurisdiction over human services on any necessary waivers, state plan amendments, requests for new funding or realignment of existing funds, any changes to state statute or rule, and any other federal authority necessary to implement this section. The report must include information about the commissioner's work to collect feedback and input from providers, persons accessing home and community-based services waivers and their families, and client advocacy organizations.

Subd. 3. **Proposal.** By January 15, 2021, the commissioner shall develop a proposal to reconfigure the medical assistance waivers provided in sections 256B.092 and 256B.49. The proposal shall include all necessary plans for implementing two home and community-based services waiver programs, as authorized under section 1915(c) of the Social Security Act that serve persons who are determined to require the levels of care provided in a nursing home, a hospital, a neurobehavioral hospital, or an intermediate care facility for persons with developmental disabilities. The proposal must include in each home and community-based waiver program options to self-direct services. Before submitting the final report to the legislature, the commissioner shall publish a draft report with sufficient time for interested persons to offer additional feedback.

**EFFECTIVE DATE.** This section is effective the day following final enactment.  
***Laws 2021, First Special Session chapter 7, article 13, section 73, as amended by Laws 2025, First Special Session chapter 9, article 2, section 56***

Sec. 56. Laws 2021, First Special Session chapter 7, article 13, section 73, is amended to read:

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

(a) Effective January 1, 2027, or upon federal approval, whichever is later, the commissioner of human services must implement a two-home and community-based services waiver program structure, as authorized under section 1915(c) of the federal Social Security Act, that serves persons who are determined by a certified assessor to require the levels of care provided in a nursing home, a hospital, a neurobehavioral hospital, or an intermediate care facility for persons with developmental disabilities.

(b) The commissioner of human services must implement an individualized budget methodology, as authorized under section 1915(c) of the federal Social Security Act, that serves persons who are determined by a certified assessor to require the levels of care provided in a nursing home, a hospital, a neurobehavioral hospital, or an intermediate care facility for persons with developmental disabilities.

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

(1) the person is assessed to need the level of care delivered in a hospital setting as evidenced by the submission of the Department of Human Services form 7096, primary medical provider's documentation of medical monitoring and treatment needs;

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(2) the person is assessed to receive a support range budget of E or H; and

(3) the person does not receive community residential services, family residential services, integrated community supports services, or customized living services.

(d) Home care nursing services funded through the budget exception developed under paragraph (c) must be ordered by a physician, physician assistant, or advanced practice registered nurse. If the participant chooses home care nursing, the home care nursing services must be performed by a registered nurse or licensed practical nurse practicing within the registered nurse's or licensed practical nurse's scope of practice as defined under Minnesota Statutes, sections 148.171 to 148.285. If after a person's annual reassessment under Minnesota Statutes, section 256B.0911, any requirements of this paragraph or paragraph (c) are no longer met, the commissioner must terminate the budget exception.

(e) The commissioner of human services may seek all federal authority necessary to implement this section.

(f) The commissioner must ensure that the new waiver service menu and individual budgets allow people to live in their own home, family home, or any home and community-based setting of their choice. The commissioner must ensure, within available resources and subject to state and federal regulations and law, that waiver reimagine does not result in unintended service disruptions.

(g) No later than July 1, 2026, the commissioner must:

(1) develop and implement an online support planning and tracking tool to provide information in an accessible format to support informed choice for people using disability waiver services that allows access to the total budget available to a person, the services for which they are eligible, and the services they have chosen and used;

(2) explore operability options that facilitate real-time tracking of a person's remaining available budget throughout the service year; and

(3) seek input from people with disabilities about the online support planning and tracking tool prior to the tool's implementation.

**EFFECTIVE DATE.** This section is effective the day following final enactment.  
*Laws 2021, First Special Session chapter 7, article 13, section 75, subdivision 1, as amended by Laws 2024, chapter 108, article 1, section 28;*

**Sec. 75. DIRECTION TO COMMISSIONER OF HUMAN SERVICES; WAIVER REIMAGINE AND INFORMED CHOICE STAKEHOLDER CONSULTATION.**

Subdivision 1. **Stakeholder consultation; generally.** (a) The commissioner of human services must consult with and seek input and assistance from stakeholders concerning potential adjustments to the streamlined service menu from waiver reimagine phase I and to the existing rate exemption criteria and process.

(b) The commissioner of human services must consult with ~~and~~<sub>2</sub> seek input and assistance from, and collaborate with stakeholders concerning the development and implementation of waiver reimagine phase II, including criteria and a process for individualized budget exemptions, and how waiver reimagine phase II can support and expand informed choice and informed decision making, including integrated employment, independent living, and self-direction, consistent with Minnesota Statutes, section 256B.4905.

(c) The commissioner of human services must consult with, seek input and assistance from, and collaborate with stakeholders concerning the implementation and revisions of the MnCHOICES 2.0 assessment tool.