

**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; 62A.135, subdivision 1; 62A.46, subdivision 2; 72A.13, subdivision

1.10 1; 144.0724, by adding a subdivision; 144.121, subdivision 9; 144.1503, subdivision

1.11 7; 144.292, subdivision 6; 144A.291, subdivision 2; 144A.471, subdivision 8;

1.12 144G.09, subdivision 2; 144G.15; 144G.16, by adding a subdivision; 144G.195,

1.13 subdivision 1; 144G.31, subdivision 7; 144G.40, by adding a subdivision; 144G.41,

1.14 subdivisions 1, 2, by adding a subdivision; 144G.45, subdivision 3; 144G.60,

1.15 subdivision 4; 144G.61, subdivision 2; 144G.63, subdivisions 2, 5, by adding a

1.16 subdivision; 245A.04, subdivisions 2, 2a; 245A.042, by adding a subdivision;

1.17 254A.03, subdivision 2; 254B.17; 256.01, subdivision 21; 256B.04, subdivisions

1.18 5, 23, by adding subdivisions; 256B.0625, by adding a subdivision; 256B.064,

1.19 subdivisions 1c, 1d, 2; 256B.0659, subdivisions 12, 16, 17, 19; 256B.0761,

1.20 subdivision 2; 256B.0911, subdivision 26; 256B.0913, subdivision 4; 256B.092,

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

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

1.23 2; 144.121, subdivision 1a; 144A.474, subdivision 11; 144A.4799, subdivision 1;

1.24 144G.19, subdivision 5; 145D.40, by adding a subdivision; 145D.41, subdivisions

1.25 1, 2, by adding a subdivision; 254B.02, subdivision 5; 254B.0503, subdivision 1;

1.26 254B.0509, subdivision 2; 256.4792, subdivisions 1, 7, by adding a subdivision;

1.27 256B.0625, subdivisions 17, 18i; 256B.064, subdivision 1a; 256B.092, subdivision

1.28 3b; 256B.49, subdivision 17a; 256B.85, subdivision 7; 256I.04, subdivision 2a;

1.29 Laws 2023, chapter 61, article 1, sections 61, subdivision 4, as amended; 67,

1.30 subdivision 3, as amended; article 9, section 2, subdivision 5, as amended; Laws

1.31 2024, chapter 125, article 1, section 47; article 8, section 2, subdivisions 4, 14, as

1.32 amended, 20; Laws 2025, First Special Session chapter 3, article 8, section 43;

1.33 article 20, section 19, subdivision 1; article 21, section 3, subdivision 2; Laws

1.34 2025, First Special Session chapter 9, article 2, section 58, subdivision 9; article

1.35 4, sections 2; 23; 38; 39; 40; 41; 42; 43; 44; 50; proposing coding for new law in

1.36 Minnesota Statutes, chapters 62A; 144A; 145D; 256B; repealing Minnesota Statutes

1.37 2024, sections 256B.055, subdivision 14; 256B.0921; Minnesota Statutes 2025

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

2.1 7; Laws 2019, First Special Session chapter 9, article 5, section 86, as amended;
 2.2 Laws 2021, First Special Session chapter 7, article 13, sections 73, as amended;
 2.3 75, subdivision 1, as amended.

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

2.5 **ARTICLE 1**

2.6 **CONTINUITY OF CARE**

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

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

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

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

2.14 (1) 24-hour customized living services;

2.15 (2) community residential services;

2.16 (3) customized living services;

2.17 (4) family residential services; and

2.18 (5) integrated community supports.

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

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

2.29 (1) identify all the provider's clients whose services might be affected by the payment
 2.30 withhold the commissioner intends to impose, including but not limited to all clients paying
 2.31 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 2024, section 62A.135, subdivision 1, is amended to read:

8.8 Subdivision 1. **Definitions.** For purposes of this section, the following terms have the
 8.9 meanings given ~~them~~:

8.10 ~~(a)~~ (1) "fixed indemnity policy" is a policy form, other than an accidental death and
 8.11 dismemberment policy, a disability income policy, or a long-term care policy as defined in
 8.12 section 62A.46, subdivision 2, that pays a predetermined, specified, fixed benefit for services
 8.13 provided. Fixed indemnity policy includes short-term home health and nursing care insurance
 8.14 under section 62A.70. Claim costs under these forms are generally not subject to inflation,
 8.15 although they may be subject to changes in the utilization of health care services. For policy
 8.16 forms providing both expense-incurred and fixed benefits, the policy form is a fixed
 8.17 indemnity policy if 50 percent or more of the total claims are for predetermined, specified,
 8.18 fixed benefits;

8.19 ~~(b)~~ (2) "guaranteed renewable" means that, during the renewal period (to a specified
 8.20 age) renewal cannot be declined nor coverage changed by the insurer for any reason other
 8.21 than nonpayment of premiums, fraud, or misrepresentation, but the insurer can revise rates
 8.22 on a class basis upon approval by the commissioner;

8.23 ~~(c)~~ (3) "noncancelable" means that, during the renewal period (to a specified age) renewal
 8.24 cannot be declined nor coverage changed by the insurer for any reason other than nonpayment
 8.25 of premiums, fraud, or misrepresentation and that rates cannot be revised by the insurer.
 8.26 This includes policies that are guaranteed renewable to a specified age, such as 60 or 65, at
 8.27 guaranteed rates; and

8.28 ~~(d)~~ (4) "average annualized premium" means the average of the estimated annualized
 8.29 premium per covered person based on the anticipated distribution of business using all
 8.30 significant criteria having a price difference, such as age, sex, amount, dependent status,
 8.31 mode of payment, and rider frequency. For filing of rate revisions, the amount is the
 8.32 anticipated average assuming the revised rates have fully taken effect.

9.1 Sec. 2. Minnesota Statutes 2024, section 62A.46, subdivision 2, is amended to read:

9.2 Subd. 2. **Long-term care policy.** (a) "Long-term care policy" means an individual or
 9.3 group policy, certificate, subscriber contract, or other evidence of coverage that provides
 9.4 benefits for prescribed long-term care, including nursing facility services or home care
 9.5 services, or both nursing facility services and home care services, pursuant to the
 9.6 requirements of sections 62A.46 to 62A.56. Long-term care policy does not include
 9.7 short-term home health and nursing care insurance under section 62A.70.

9.8 (b) Sections 62A.46, 62A.48, and 62A.52 to 62A.56 do not apply to a long-term care
 9.9 policy issued to ~~(a)~~ (1) an employer or employers or to the trustee of a fund established by
 9.10 an employer where only employees or retirees, and dependents of employees or retirees,
 9.11 are eligible for coverage or ~~(b)~~ (2) to a labor union or similar employee organization. ~~The~~
 9.12 associations exempted from the requirements of sections 62A.3099 to 62A.44 under 62A.31,
 9.13 subdivision 1, clause (c) shall not be subject to the provisions of sections 62A.46 to 62A.56
 9.14 until July 1, 1988.

9.15 Sec. 3. **[62A.70] SHORT-TERM HOME HEALTH AND NURSING CARE**
 9.16 **INSURANCE.**

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

9.19 (b) "Activities of daily living" has the meaning given in section 62S.01, subdivision 2.

9.20 (c) "Cognitive impairment" has the meaning given in section 62S.01, subdivision 9.

9.21 (d) "Free-look period" means a period with a duration of at least 30 days, beginning the
 9.22 date the policy, certificate, contract, or other evidence of coverage is issued and delivered
 9.23 to the insured, during which an insured may cancel the policy, certificate, contract, or other
 9.24 evidence of coverage and receive a full refund of all paid insurance premiums.

9.25 (e) "Home health agency" has the meaning given in section 62A.46, subdivision 10.

9.26 (f) "Insured" means a person covered under a short-term home health and nursing care
 9.27 insurance policy.

9.28 (g) "Nursing facility" has the meaning given in section 62A.46, subdivision 3.

9.29 (h) "Plan of care" has the meaning given in section 62A.46, subdivision 8.

9.30 (i) "Qualified insurer" means an entity licensed under chapter 62A or 62C.

10.1 (j) "Short-term home health and nursing care insurance" means an individual or group
 10.2 policy, certificate, subscriber contract, or other evidence of coverage that provides benefits
 10.3 for short-term home health services or short-term nursing care services. Short-term home
 10.4 health and nursing care insurance does not include:

10.5 (1) a long-term care policy, as defined in section 62A.46, subdivision 2;

10.6 (2) long-term care insurance, as defined in section 62S.01, subdivision 18;

10.7 (3) Medicare supplement policies, as defined in section 62A.3099, subdivision 18; or

10.8 (4) major medical, disability income, or hospital confinement indemnity policies.

10.9 (k) "Short-term home health services" means one or more of the following services to
 10.10 care for and treat an insured that are provided by a home health agency in a noninstitutional
 10.11 setting pursuant to a written diagnosis or assessment and plan of care:

10.12 (1) nursing and related personal care services under the direction of a registered nurse,
 10.13 including the services of a home health aide;

10.14 (2) physical therapy;

10.15 (3) speech therapy;

10.16 (4) respiratory therapy;

10.17 (5) occupational therapy;

10.18 (6) nutritional services provided by a licensed dietitian;

10.19 (7) homemaker services, meal preparation, and similar nonmedical services;

10.20 (8) medical social services; and

10.21 (9) other similar medical services and health-related support services.

10.22 (l) "Short-term nursing care services" means services to care for and treat an insured
 10.23 that are provided by a nursing facility pursuant to a written diagnosis or assessment and
 10.24 plan of care.

10.25 (m) "Waiting period" means a specified time period that an insured must wait before
 10.26 some or all of the insured's coverage becomes effective.

10.27 Subd. 2. **Short-term home health and nursing care insurance approval.** (a) A qualified
 10.28 insurer may offer, issue, deliver, and renew short-term home health and nursing care
 10.29 insurance if the insurance meets the requirements of this section.

11.1 (b) Short-term home health and nursing care insurance may be offered, issued, delivered,
 11.2 or renewed only by a qualified insurer.

11.3 (c) Short-term home health and nursing care insurance must not be offered, issued,
 11.4 delivered, or renewed until the short-term home health and nursing care insurance is approved
 11.5 by the commissioner as necessary under sections 62A.02 and 62A.135.

11.6 Subd. 3. **Policy requirements.** (a) Short-term home health and nursing care insurance
 11.7 must provide benefits upon the insured's:

11.8 (1) cognitive impairment; or

11.9 (2) inability to perform at least two activities of daily living without substantial assistance.

11.10 (b) Short-term home health and nursing care insurance must not provide coverage for a
 11.11 period exceeding 360 days.

11.12 (c) Short-term home health and nursing care insurance must provide a free-look period.

11.13 (d) Short-term home health and nursing care insurance must not be canceled due to an
 11.14 insured's deterioration in health status or use of benefits.

11.15 (e) An insurer may deny the renewal of a policy, certificate, contract, or other evidence
 11.16 of coverage of short-term home health and nursing care insurance only for:

11.17 (1) nonpayment of a premium by the insured;

11.18 (2) fraud or misrepresentation by the insured;

11.19 (3) termination of the insurer's authority to transact business in the state; or

11.20 (4) the insured's exhaustion of the maximum benefit period.

11.21 (f) Upon the conversion or replacement by an insurer of a policy, certificate, contract,
 11.22 or other evidence of coverage containing a waiting period, the insurer is prohibited from
 11.23 establishing a waiting period that differs from the original waiting period.

11.24 Subd. 4. **Required disclosures.** Short-term home health and nursing care insurance must
 11.25 not be offered or issued without providing the following written disclosures:

11.26 (1) a statement, in bold text, that the policy, certificate, contract, or other evidence of
 11.27 coverage is supplemental health insurance; is not long-term care insurance; and is not a
 11.28 policy under the Minnesota partnership for long-term care program;

11.29 (2) a clear and understandable explanation of the free-look period; and

11.30 (3) a clear and understandable explanation of all renewability and continuity provisions.

12.1 Sec. 4. Minnesota Statutes 2024, section 72A.13, subdivision 1, is amended to read:

12.2 Subdivision 1. **Penalties.** Any company, corporation, association, society, or other
12.3 insurer, or any officer or agent thereof, which or who solicits, issues or delivers to any
12.4 person in this state any policy in violation of the provisions of sections 60A.06, subdivision
12.5 3 ~~or~~, 62A.01 to 62A.10, or 62A.70 may be punished by a fine of not more than \$200 for
12.6 each offense, and the commissioner may revoke the license of any company, corporation,
12.7 association, society, or other insurer of another state or country, or of the agent thereof,
12.8 which or who willfully violates any provision of sections 60A.06, subdivision 3 ~~or~~, 62A.01
12.9 to 62A.10, or 62A.70.

12.10 Sec. 5. Minnesota Statutes 2025 Supplement, section 144.0724, subdivision 2, is amended
12.11 to read:

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

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

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

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

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

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

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

12.31 (g) "Nursing facility level of care determination" means the assessment process that
12.32 results in a determination of a resident's or prospective resident's need for nursing facility

13.1 level of care as established in subdivision 11 for purposes of medical assistance payment
 13.2 of long-term care services for:

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

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

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

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

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

13.8 (h) Effective January 1, 2027, or upon federal approval, whichever is later, "nursing

13.9 facility level of care determination" means the assessment process that results in a

13.10 determination of a resident's or prospective resident's need for nursing facility level of care:

13.11 (1) as established in subdivision 11 for purposes of medical assistance payment of

13.12 long-term care services for:

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

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

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

13.16 (2) as established in subdivision 11a for purposes of medical assistance payment of

13.17 long-term care services for brain injury and community access for disability and inclusion

13.18 waivers under section 256B.49.

13.19 ~~(h)~~ (i) "Patient Driven Payment Model" or "PDPM" means the case mix reimbursement

13.20 classification system for residents in nursing facilities based on the resident's condition,

13.21 diagnosis, and the care the resident received at the time of the MDS assessment with an

13.22 ARD on or after October 1, 2025.

13.23 ~~(h)~~ (j) "Resource utilization group" or "RUG" means the case mix reimbursement

13.24 classification system for residents in nursing facilities according to the resident's clinical

13.25 and functional status as reflected in data supplied by the facility's MDS with an ARD on or

13.26 before September 30, 2025.

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

14.1 Sec. 6. Minnesota Statutes 2024, section 144.0724, is amended by adding a subdivision
14.2 to read:

14.3 Subd. 11a. **Nursing facility level of care; BI and CADI waivers.** (a) Effective January
14.4 1, 2027, or upon federal approval, whichever is later, a determination of need for nursing
14.5 facility level of care for brain injury and community access for disability and inclusion
14.6 waivers under section 256B.49 must meet one of the following criteria:

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

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

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

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

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

14.20 Sec. 7. Minnesota Statutes 2024, section 144.292, subdivision 6, is amended to read:

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

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

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

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

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

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

15.3 (1) \$10 if there are no records available;

15.4 (2) \$30 for copies of records of up to 25 pages;

15.5 (3) \$50 for copies of records of up to 100 pages;

15.6 (4) \$50, plus an additional 20 cents per page for pages 101 and above; or

15.7 (5) \$500 for any request.

15.8 (d) A provider or its representative may charge a \$10 retrieval fee, but must not charge
15.9 a per page fee or x-ray fee to provide copies of records requested by a patient or the patient's
15.10 authorized representative if the request for copies of records is for purposes of appealing a
15.11 denial of Social Security disability income or Social Security disability benefits under title
15.12 II or title XVI of the Social Security Act. Notwithstanding the foregoing, a provider or its
15.13 representative must not charge a fee, including a retrieval fee, to provide copies of records
15.14 requested by a patient or the patient's authorized representative if the request for copies of
15.15 records is for purposes of appealing a denial of Social Security disability income or Social
15.16 Security disability benefits under title II or title XVI of the Social Security Act when the
15.17 patient is receiving public assistance, represented by an attorney on behalf of a civil legal
15.18 services program, or represented by a volunteer attorney program based on indigency. The
15.19 patient or the patient's representative must submit one of the following to show that they
15.20 are entitled to receive records without charge under this paragraph:

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

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

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

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

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

15.29 (e) A provider or its representative may charge a \$10 retrieval fee, but must not charge
15.30 a per page fee or x-ray fee to provide copies of records requested by a patient or the patient's
15.31 authorized representative if the request for copies of records is for purposes of a disability
15.32 determination by the department's state medical review team. Notwithstanding the foregoing,

16.1 a provider or its representative must not charge a fee, including a retrieval fee, to provide
 16.2 copies of records requested by a patient or the patient's authorized representative if the
 16.3 request for copies of records is for purposes of a disability determination by the department's
 16.4 state medical review team when the patient is receiving public assistance. To show that the
 16.5 patient or the patient's representative is entitled to receive records without charge under this
 16.6 paragraph, the patient or the patient's representative must submit either the patient's public
 16.7 assistance statement from the county or state administering assistance or the patient's benefits
 16.8 statement from the Social Security Administration.

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

16.10 Sec. 8. Minnesota Statutes 2024, section 245A.04, subdivision 2, is amended to read:

16.11 Subd. 2. **Notification of affected municipality.** The commissioner must not issue a
 16.12 license under this chapter without giving 30 calendar days' written notice to the affected
 16.13 municipality or other political subdivision unless the program is considered a permitted
 16.14 single-family residential use under sections 245A.11 and 245A.14. If the program is
 16.15 considered a permitted single-family residence, the commissioner must give the affected
 16.16 municipality or other political subdivision written notice of the issuance no later than five
 16.17 days after issuing the license, excluding weekends and holidays. The written notice must
 16.18 include the prospective license holder's name and contact information, the license type and
 16.19 capacity, and the proposed address of the licensed facility or program. The commissioner
 16.20 may provide notice through electronic communication. The notification must be given
 16.21 before the first issuance of a license under this chapter and annually after that time if annual
 16.22 notification is requested in writing by the affected municipality or other political subdivision.
 16.23 State funds must not be made available to or be spent by an agency or department of state,
 16.24 county, or municipal government for payment to a residential or nonresidential program
 16.25 licensed under this chapter until the provisions of this subdivision have been complied with
 16.26 in full. The provisions of this subdivision shall not apply to programs located in hospitals.

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

16.29 Sec. 9. Minnesota Statutes 2024, section 245A.04, subdivision 2a, is amended to read:

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

17.1 (b) At the request of a county or local unit of government, the commissioner may delegate
17.2 to a county agency or local unit of government the commissioner's or local agency's authority
17.3 to inspect an existing residential program serving six or fewer persons for compliance with
17.4 zoning ordinances and applicable physical plant licensing requirements. If the commissioner
17.5 delegates the commissioner's or local agency's authority to a county agency or local unit of
17.6 government under this subdivision, the commissioner must execute a formal delegation of
17.7 authority that clearly specifies what authority is being delegated to the county agency or
17.8 local unit of government, that the commissioner is responsible for any costs incurred by the
17.9 county agency or local unit of government for conducting inspections under delegated
17.10 authority, and that the county agency or local unit of government must not assess any
17.11 additional fees for conducting an inspection under delegated authority. When conducting
17.12 an inspection under delegated authority, the county agency or local unit of government must
17.13 provide the subject of the inspection with a copy of the delegation of authority.

17.14 (c) When a county agency or local unit of government is conducting an inspection under
17.15 delegated authority as provided in paragraph (b), the county agency or local unit of
17.16 government and the agency responsible for licensing inspections must coordinate inspections
17.17 to minimize visits to and disruptions of the residential program. A county agency or local
17.18 unit of government conducting an inspection must notify the commissioner of any violations
17.19 or concerns within ten days of the inspection, excluding weekends and holidays. A county
17.20 agency or local unit of government that conducts inspections under this subdivision must
17.21 not inspect a residential program more frequently than annually, except a follow-up inspection
17.22 is permitted before the next annual inspection to verify correction of a violation discovered
17.23 during the most recent inspection.

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

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

17.29 Sec. 10. Minnesota Statutes 2024, section 245A.042, is amended by adding a subdivision
17.30 to read:

17.31 **Subd. 7. Colocation of certain home and community-based residential settings.** (a)
17.32 Effective July 1, 2026, the commissioner must not authorize services in or issue an initial
17.33 license under this chapter or chapter 245D for any of the following residential settings or

18.1 programs unless the proposed setting meets the heightened home and community-based
18.2 setting standards described in this subdivision:

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

18.4 (2) an adult foster care home;

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

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

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

18.10 (b) Newly licensed settings enumerated in paragraph (a) must not be located on the same
18.11 property or on an adjoining property of any existing community residential setting, any
18.12 existing adult foster care setting, any existing setting providing family residential services
18.13 to an adult, any existing setting providing customized living services with a resident capacity
18.14 of six or fewer, any existing setting providing 24-hour customized living services with a
18.15 resident capacity of six or fewer, or any existing assisted living facility licensed under
18.16 chapter 144G with a resident capacity of six or fewer. The requirements of this paragraph
18.17 apply regardless of who owns or controls the existing setting. The commissioner must
18.18 comply with section 245A.11, subdivision 4, when authorizing services or issuing an initial
18.19 license under this subdivision.

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

18.26 Sec. 11. Minnesota Statutes 2024, section 256.01, subdivision 21, is amended to read:

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

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

19.6 Sec. 12. Minnesota Statutes 2025 Supplement, section 256.4792, subdivision 1, is amended
 19.7 to read:

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

19.13 Sec. 13. Minnesota Statutes 2025 Supplement, section 256.4792, subdivision 7, is amended
 19.14 to read:

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

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

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

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

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

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

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

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

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

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

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

20.16 Sec. 14. Minnesota Statutes 2025 Supplement, section 256.4792, is amended by adding
20.17 a subdivision to read:

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

20.21 Sec. 15. Minnesota Statutes 2024, section 256B.04, is amended by adding a subdivision
20.22 to read:

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

20.29 (b) Interpretive guidelines issued by the commissioner under this subdivision do not
20.30 have the force and effect of law and have no precedential effect but may be relied on by
20.31 consumers, providers of service, county agencies, the Department of Human Services, and
20.32 others concerned until revoked or modified. An interpretive guideline may be expressly

21.1 revoked or modified by the commissioner or by the issuance of another interpretive guideline
 21.2 but may not be revoked or modified retroactively to the detriment of consumers, providers
 21.3 of service, county agencies, the Department of Human Services, or others concerned. A
 21.4 change in the law or an interpretation of the law occurring after the interpretive guidelines
 21.5 are issued, whether in the form of a statute, court decision, administrative ruling, or
 21.6 subsequent interpretive guideline, results in the revocation or modification of the previously
 21.7 adopted guidelines to the extent that the change affects the guidelines.

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

21.11 Sec. 16. Minnesota Statutes 2024, section 256B.04, is amended by adding a subdivision
 21.12 to read:

21.13 Subd. 29. **Certified assessor team.** The commissioner must employ certified assessors
 21.14 within the department to conduct assessments under section 256B.0911 on behalf of lead
 21.15 agencies under conditions and circumstances determined by the commissioner. Certified
 21.16 assessors employed by the commissioner may conduct assessments in addition to other
 21.17 duties as assigned, except the certified assessors employed by the commissioner must not
 21.18 perform any responsibilities of a lead agency described in section 256B.0911 other than
 21.19 assessments. Nothing in this subdivision creates an obligation for the commissioner to
 21.20 provide the department's certified assessors to conduct assessments on behalf of a lead
 21.21 agency.

21.22 Sec. 17. Minnesota Statutes 2024, section 256B.0659, subdivision 12, is amended to read:

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

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

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

- 22.1 (1) full name of personal care assistant and individual provider number;
- 22.2 (2) provider name and telephone numbers;
- 22.3 (3) full name of recipient and either the recipient's medical assistance identification
- 22.4 number or date of birth;
- 22.5 (4) consecutive dates, including month, day, and year, and arrival and departure times
- 22.6 with a.m. or p.m. notations;
- 22.7 (5) signatures of recipient or the responsible party;
- 22.8 (6) personal signature of the personal care assistant;
- 22.9 (7) any shared ~~care~~ services provided, if applicable;
- 22.10 (8) a statement that it is a federal crime to provide false information on personal care
- 22.11 service billings for medical assistance payments;
- 22.12 (9) dates and location of recipient stays in a hospital, care facility, or incarceration; and
- 22.13 (10) any time spent traveling, as described in subdivision 1, paragraph (i), including
- 22.14 start and stop times with a.m. and p.m. designations, the origination site, and the destination
- 22.15 site.

22.16 Sec. 18. Minnesota Statutes 2024, section 256B.0659, subdivision 16, is amended to read:

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

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

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

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

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

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

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

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

22.25 recipients; or

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

22.27 district or private school.

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

22.29 as subdivision 2.

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

- 23.1 (1) services for more than three recipients by one personal care assistant at one time;
- 23.2 (2) staff requirements for child care programs under chapter 245C;
- 23.3 (3) caring for multiple recipients in more than one setting;
- 23.4 (4) additional units of personal care assistance based on the selection of the option; and
- 23.5 (5) use of more than one personal care assistance provider agency for the shared ~~care~~
23.6 services.

23.7 (f) The option of shared ~~personal care assistance~~ services is elected by the recipient or
23.8 the responsible party with the assistance of the assessor. The option must be determined
23.9 appropriate based on the ages of the recipients, compatibility, and coordination of their
23.10 assessed care needs. The recipient or the responsible party, in conjunction with the qualified
23.11 professional, shall arrange the setting and grouping of shared services based on the individual
23.12 needs and preferences of the recipients. The personal care assistance provider agency shall
23.13 offer the recipient or the responsible party the option of shared services or one-on-one
23.14 personal care assistance services or a combination of both. The recipient or the responsible
23.15 party may withdraw from participating in a shared services arrangement at any time.

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

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

- 23.23 (1) receive training specific for each recipient served; and
- 23.24 (2) follow all required documentation requirements for time and services provided.

23.25 (i) A qualified professional shall:

- 23.26 (1) evaluate the ability of the personal care assistant to provide services ~~for all of~~ to all
23.27 the recipients in a shared setting;
- 23.28 (2) visit the shared setting as shared services are being provided at least once every six
23.29 months or whenever needed for response to a recipient's request for increased supervision
23.30 of the personal care assistance staff;
- 23.31 (3) provide ongoing monitoring and evaluation of the effectiveness and appropriateness
23.32 of the shared services;

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

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

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

24.8 Sec. 19. Minnesota Statutes 2024, section 256B.0659, subdivision 17, is amended to read:

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

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

24.18 (c) The commissioner shall provide a rate system for shared ~~personal care assistance~~
 24.19 services. For two ~~persons~~ recipients sharing services, the rate paid to a personal care
 24.20 assistance provider agency for the shared services must not exceed one and one-half times
 24.21 the rate paid for serving a single ~~individual~~, and recipient. For three ~~persons~~ recipients
 24.22 sharing services, the rate paid to a personal care assistance provider agency for the shared
 24.23 services must not exceed twice the rate paid for serving a single ~~individual~~ recipient. These
 24.24 rates apply only when all ~~of the~~ criteria for ~~the shared care~~ ~~personal care assistance service~~
 24.25 ~~have been~~ services are met.

24.26 (d) Of the additional revenue for shared services provided to two recipients, the personal
 24.27 care assistance provider agency must use 95 percent for the purposes specified in paragraph

24.28 (e). Of the additional revenue for shared services provided to three recipients, the personal
 24.29 care assistance provider agency must use 95 percent for the purposes specified in paragraph
 24.30 (e).

24.31 (e) A personal care assistance provider agency must use the percentages of additional
 24.32 revenue for shared services specified in paragraph (d) for the wages and wage-related costs
 24.33 of the personal care assistant providing the shared services. The personal care assistance

25.1 provider agency must not use additional revenue for shared services to pay for mileage
 25.2 reimbursements, uniform allowances, health and dental insurance, life insurance, disability
 25.3 insurance, long-term care insurance, contributions to employee retirement accounts if the
 25.4 contribution is not a function of wages, or any other employee benefits.

25.5 Sec. 20. Minnesota Statutes 2024, section 256B.0659, subdivision 19, is amended to read:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

26.25 Sec. 21. Minnesota Statutes 2024, section 256B.0911, subdivision 26, is amended to read:

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

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

27.4 (c) Effective January 1, 2027, or upon federal approval, whichever is later, the
 27.5 determination of need for nursing facility level of care must be made based on criteria in
 27.6 section 144.0724, subdivision 11, or for brain injury and community access for disability
 27.7 inclusion waiver services provided under section 256B.49 based on criteria in section
 27.8 144.0724, subdivision 11a.

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

27.10 Sec. 22. Minnesota Statutes 2024, section 256B.0913, subdivision 4, is amended to read:

27.11 Subd. 4. **Eligibility for funding for services for nonmedical assistance recipients.** (a)
 27.12 Funding for services under the alternative care program is available to persons who meet
 27.13 the following criteria:

27.14 (1) the person is a citizen of the United States or a United States national;

27.15 (2) the person has been determined by a community assessment under section 256B.0911
 27.16 to be a person who would require the level of care provided in a nursing facility, as
 27.17 determined under section 256B.0911, subdivision 26, but for the provision of services under
 27.18 the alternative care program;

27.19 (3) the person is age 65 or older;

27.20 (4) the person would be eligible for medical assistance within 135 days of admission to
 27.21 a nursing facility;

27.22 (5) the person is not ineligible for the payment of long-term care services by the medical
 27.23 assistance program due to an asset transfer penalty under section 256B.0595 or equity
 27.24 interest in the home exceeding \$500,000 as stated in section 256B.056;

27.25 (6) the person needs long-term care services that are not funded through other state or
 27.26 federal funding, or other health insurance or other third-party insurance such as long-term
 27.27 care insurance. For purposes of this clause, short-term home health and nursing care insurance
 27.28 under section 62A.70 does not constitute health or other third-party insurance;

27.29 (7) except for individuals described in clause (8), the monthly cost of the alternative
 27.30 care services funded by the program for this person does not exceed 75 percent of the
 27.31 monthly limit described under section 256S.18. This monthly limit does not prohibit the
 27.32 alternative care client from payment for additional services, but in no case may the cost of

28.1 additional services purchased under this section exceed the difference between the client's
28.2 monthly service limit defined under section 256S.04, and the alternative care program
28.3 monthly service limit defined in this paragraph. If care-related supplies and equipment or
28.4 environmental modifications and adaptations are or will be purchased for an alternative
28.5 care services recipient, the costs may be prorated on a monthly basis for up to 12 consecutive
28.6 months beginning with the month of purchase. If the monthly cost of a recipient's other
28.7 alternative care services exceeds the monthly limit established in this paragraph, the annual
28.8 cost of the alternative care services shall be determined. In this event, the annual cost of
28.9 alternative care services shall not exceed 12 times the monthly limit described in this
28.10 paragraph;

28.11 (8) for individuals assigned a case mix classification A as described under section
28.12 256S.18, with (i) no dependencies in activities of daily living, or (ii) up to two dependencies
28.13 in bathing, dressing, grooming, walking, and eating when the dependency score in eating
28.14 is three or greater as determined by an assessment performed under section 256B.0911, the
28.15 monthly cost of alternative care services funded by the program cannot exceed \$593 per
28.16 month for all new participants enrolled in the program on or after July 1, 2011. This monthly
28.17 limit shall be applied to all other participants who meet this criteria at reassessment. This
28.18 monthly limit shall be increased annually as described in section 256S.18. This monthly
28.19 limit does not prohibit the alternative care client from payment for additional services, but
28.20 in no case may the cost of additional services purchased exceed the difference between the
28.21 client's monthly service limit defined in this clause and the limit described in clause (7) for
28.22 case mix classification A;

28.23 (9) the person is making timely payments of the assessed monthly fee. A person is
28.24 ineligible if payment of the fee is over 60 days past due, unless the person agrees to:

28.25 (i) the appointment of a representative payee;

28.26 (ii) automatic payment from a financial account;

28.27 (iii) the establishment of greater family involvement in the financial management of
28.28 payments; or

28.29 (iv) another method acceptable to the lead agency to ensure prompt fee payments; and

28.30 (10) for a person participating in consumer-directed community supports, the person's
28.31 monthly service limit must be equal to the monthly service limits in clause (7), except that
28.32 a person assigned a case mix classification L must receive the monthly service limit for
28.33 case mix classification A.

29.1 (b) The lead agency may extend the client's eligibility as necessary while making
29.2 arrangements to facilitate payment of past-due amounts and future premium payments.
29.3 Following disenrollment due to nonpayment of a monthly fee, eligibility shall not be
29.4 reinstated for a period of 30 days.

29.5 (c) Alternative care funding under this subdivision is not available for a person who is
29.6 a medical assistance recipient or who would be eligible for medical assistance without a
29.7 spenddown or waiver obligation. A person whose initial application for medical assistance
29.8 and the elderly waiver program is being processed may be served under the alternative care
29.9 program for a period up to 60 days. If the individual is found to be eligible for medical
29.10 assistance, medical assistance must be billed for services payable under the federally
29.11 approved elderly waiver plan and delivered from the date the individual was found eligible
29.12 for the federally approved elderly waiver plan. Notwithstanding this provision, alternative
29.13 care funds may not be used to pay for any service the cost of which: (i) is payable by medical
29.14 assistance; (ii) is used by a recipient to meet a waiver obligation; or (iii) is used to pay a
29.15 medical assistance income spenddown for a person who is eligible to participate in the
29.16 federally approved elderly waiver program under the special income standard provision.

29.17 (d) Alternative care funding is not available for a person who resides in a licensed nursing
29.18 home, certified boarding care home, hospital, or intermediate care facility, except for case
29.19 management services which are provided in support of the discharge planning process for
29.20 a nursing home resident or certified boarding care home resident to assist with a relocation
29.21 process to a community-based setting.

29.22 (e) Alternative care funding is not available for a person whose income is greater than
29.23 the maintenance needs allowance under section 256S.05, but equal to or less than 120 percent
29.24 of the federal poverty guideline effective July 1 in the fiscal year for which alternative care
29.25 eligibility is determined, who would be eligible for the elderly waiver with a waiver
29.26 obligation.

29.27 Sec. 23. Minnesota Statutes 2025 Supplement, section 256B.092, subdivision 3b, is
29.28 amended to read:

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

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

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

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

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

30.11 (2) new services authorized;

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

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

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

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

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

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

30.27 Sec. 24. Minnesota Statutes 2024, section 256B.092, subdivision 5, is amended to read:

30.28 Subd. 5. **Federal waivers.** (a) The commissioner shall apply for any federal waivers
 30.29 necessary to secure, to the extent allowed by law, federal financial participation under United
 30.30 States Code, title 42, sections 1396 et seq., as amended, for the provision of services to
 30.31 persons who, in the absence of the services, would need the level of care provided in a
 30.32 regional treatment center or a community intermediate care facility for persons with

31.1 developmental disabilities. The commissioner may seek amendments to the waivers or apply
31.2 for additional waivers under United States Code, title 42, sections 1396 et seq., as amended,
31.3 to contain costs. The commissioner shall ensure that payment for the cost of providing home
31.4 and community-based alternative services under the federal waiver plan shall not exceed
31.5 the cost of intermediate care services including day training and habilitation services that
31.6 would have been provided without the waived services.

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

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

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

31.29 ~~(d) The commissioner shall seek federal approval to allow for the reconfiguration of the~~
31.30 ~~1915(e) home and community-based waivers in this section, as authorized under section~~
31.31 ~~1915(e) of the federal Social Security Act, to implement a two-waiver program structure.~~

31.32 ~~(e) The transition to two disability home and community-based services waiver programs~~
31.33 ~~must align with the independent living first policy under section 256B.4905. Unless~~
31.34 ~~superseded by any other state or federal law, waiver eligibility criteria shall be the same for~~

32.1 ~~each waiver. The waiver program that a person uses shall be determined by the support~~
 32.2 ~~planning process and whether the person chooses to live in a provider-controlled setting or~~
 32.3 ~~in the person's own home.~~

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

32.7 Sec. 25. Minnesota Statutes 2024, section 256B.49, subdivision 11, is amended to read:

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

32.14 (1) promote the support of persons with disabilities in the most integrated settings;

32.15 (2) expand the availability of services for persons who are eligible for medical assistance;

32.16 (3) promote cost-effective options to institutional care; and

32.17 (4) obtain federal financial participation.

32.18 (b) The provision of waiver services to medical assistance recipients with disabilities
 32.19 shall comply with the requirements outlined in the federally approved applications for home
 32.20 and community-based services and subsequent amendments, including provision of services
 32.21 according to a service plan designed to meet the needs of the individual. For purposes of
 32.22 this section, the approved home and community-based application is considered the necessary
 32.23 federal requirement.

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

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

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

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

33.10 ~~(g) The commissioner shall seek federal approval to allow for the reconfiguration of the~~
 33.11 ~~1915(e) home and community-based waivers in this section, as authorized under section~~
 33.12 ~~1915(e) of the federal Social Security Act, to implement a two-waiver program structure.~~

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

33.16 Sec. 26. Minnesota Statutes 2025 Supplement, section 256B.49, subdivision 17a, is
 33.17 amended to read:

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

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

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

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

- 34.1 (1) changes in the number of units authorized;
- 34.2 (2) new services authorized;
- 34.3 (3) changes in the values used to calculate service rates under section 256B.4914, except
- 34.4 for automatic adjustments required under section 256B.4914, subdivisions 5 and 5b;
- 34.5 (4) changes in the person's level of need that require an increase in the amount of services
- 34.6 authorized;
- 34.7 (5) documentation detailing why the previous amount of services is not sufficient to
- 34.8 meet the person's needs; and
- 34.9 (6) anticipated impact if the total service amount is not increased to the proposed amount.
- 34.10 (e) Except for rate increases required under section 256B.4914, subdivisions 5 and 5b,
- 34.11 and rate changes authorized by the 2025 legislature, the commissioner must not approve
- 34.12 service agreements under paragraph (c) that are not the result of either a documented change
- 34.13 in a person's assessed needs or documented evidence that the previous level of service was
- 34.14 insufficient to meet the person's assessed needs.
- 34.15 ~~(f) This subdivision expires upon full implementation of waiver reimagine. The~~
- 34.16 ~~commissioner must inform the revisor of statutes when waiver reimagine is fully~~
- 34.17 ~~implemented.~~
- 34.18 Sec. 27. Minnesota Statutes 2025 Supplement, section 256B.85, subdivision 7, is amended
- 34.19 to read:
- 34.20 Subd. 7. **Community first services and supports; covered services.** Services and
- 34.21 supports covered under CFSS include:
- 34.22 (1) assistance to accomplish activities of daily living (ADLs), instrumental activities of
- 34.23 daily living (IADLs), and health-related procedures and tasks through hands-on assistance
- 34.24 to accomplish the task or constant supervision and cueing to accomplish the task;
- 34.25 (2) assistance to acquire, maintain, or enhance the skills necessary for the participant to
- 34.26 accomplish activities of daily living, instrumental activities of daily living, or health-related
- 34.27 tasks;
- 34.28 (3) expenditures for items, services, supports, environmental modifications, or goods,
- 34.29 including assistive technology. These expenditures must:
- 34.30 (i) relate to a need identified in a participant's CFSS service delivery plan; and

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

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

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

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

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

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

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

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

35.19 ~~(10)~~ (11) worker training and development services as described in subdivision 18a.

35.20 Sec. 28. Minnesota Statutes 2024, section 256B.85, is amended by adding a subdivision
 35.21 to read:

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

35.29 (b) An agency-provider must offer a participant or the participant's representative the
 35.30 option of shared services, one-on-one services, or a combination of both shared services
 35.31 and one-on-one services when shared services are authorized by the commissioner. The
 35.32 option of shared services may be elected at the sole discretion of either the participant or

36.1 the participant's representative. The participant or the participant's representative may
36.2 withdraw from participating in a shared services arrangement at any time.

36.3 Sec. 29. Minnesota Statutes 2024, section 256B.85, is amended by adding a subdivision
36.4 to read:

36.5 Subd. 7d. **Shared services rates under the agency-provider model.** The commissioner
36.6 shall provide a rate system for shared services. For two participants sharing services, the
36.7 rate paid to an agency-provider for the shared services must not exceed one and one-half
36.8 times the rate paid for serving a single participant. For three participants sharing services,
36.9 the rate paid to an agency-provider for the shared services must not exceed twice the rate
36.10 paid for serving a single participant. These rates apply only when all criteria for shared
36.11 services are met.

36.12 Sec. 30. Minnesota Statutes 2024, section 256B.85, is amended by adding a subdivision
36.13 to read:

36.14 Subd. 7e. **Pass-through for shared services under the agency-provider model.** (a)
36.15 Of the additional revenue for shared services provided to two participants, the
36.16 agency-provider must use 95 percent for the purposes specified in paragraph (b). Of the
36.17 additional revenue for shared services provided to three participants, the agency-provider
36.18 must use 95 percent for the purposes specified in paragraph (b).

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

36.26 Sec. 31. Minnesota Statutes 2024, section 256B.85, is amended by adding a subdivision
36.27 to read:

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

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

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

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

37.13 Sec. 32. Minnesota Statutes 2024, section 256B.85, is amended by adding a subdivision
 37.14 to read:

37.15 Subd. 7g. **Pass-through for shared services under the budget model.** For shared
 37.16 services provided under the budget model, participant employers must pay the individual
 37.17 provider support worker providing the shared services a percentage of the minimum wage
 37.18 specified in the agreement negotiated under chapter 179A, as made applicable to individual
 37.19 providers under section 179A.54, that is in effect at the time the services are provided. The
 37.20 required percentages are specified in clauses (1) and (2):

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

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

37.27 Sec. 33. **[256B.8502] COMMUNITY FIRST SERVICES AND SUPPORTS;**
 37.28 **DEFINITIONS.**

37.29 Subdivision 1. **Scope.** For the purposes of this section and sections 256B.85 and
 37.30 256B.851, the terms in this section have the meanings given.

37.31 Subd. 2. **Additional revenue for shared services.** "Additional revenue for shared
 37.32 services" means the difference between the rate paid to an agency-provider for serving a

38.1 single participant and the sum of the rates paid to an agency-provider for shared services
 38.2 provided to more than one recipient.

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

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

38.11 Sec. 34. Laws 2023, chapter 61, article 1, section 61, subdivision 4, as amended by Laws
 38.12 2025, First Special Session chapter 9, article 2, section 57, is amended to read:

38.13 **Subd. 4. Evaluation and report.** By December 1, 2024, the commissioner must submit
 38.14 to the chairs and ranking minority members of the legislative committees with jurisdiction
 38.15 over human services finance and policy an interim report on the impact and outcomes of
 38.16 the grants, including the number of grants awarded and the organizations receiving the
 38.17 grants. The interim report must include any available evidence of how grantees were able
 38.18 to increase utilization of supported decision making and reduce or avoid more restrictive
 38.19 forms of decision making such as guardianship and conservatorship. By December 1, 2026,
 38.20 the commissioner must submit to the chairs and ranking minority members of the legislative
 38.21 committees with jurisdiction over human services finance and policy a ~~final~~ second interim
 38.22 report on the impact and outcomes of the grants, including any updated information from
 38.23 the interim report and the total number of people served by the grants. The ~~final~~ second
 38.24 interim report must also detail how the money was used to achieve the requirements in
 38.25 subdivision 3, paragraph (b). By December 1, 2028, the commissioner must submit to the
 38.26 chairs and ranking minority members of the legislative committees with jurisdiction over
 38.27 human services finance and policy a final report on the impact and outcomes of the grants,
 38.28 including any updated information from the interim reports and the total number of people
 38.29 served by the grants.

38.30 Sec. 35. Laws 2025, First Special Session chapter 9, article 2, section 58, subdivision 9,
 38.31 is amended to read:

38.32 **Subd. 9. Savings determinations.** (a) When preparing the forecast for state revenue and
 38.33 expenditures under Minnesota Statutes, section 16A.103, the commissioner of management

39.1 and budget must assume ~~the following reductions of~~ a reduction of \$82,246,000 in human
 39.2 services general fund spending for the biennium beginning July 1, 2027, until the end of
 39.3 the legislative session that enacts a budget for the commissioner of human services for the
 39.4 biennium beginning July 1, 2027:

39.5 ~~(1) if a bond appropriation for the replacement of the Miller Building on the Anoka~~
 39.6 ~~Metro Regional Treatment Center Campus is enacted during a 2025 special session,~~
 39.7 ~~\$177,542,000; or~~

39.8 ~~(2) if a bond appropriation for the replacement of the Miller Building on the Anoka~~
 39.9 ~~Metro Regional Treatment Center Campus is not enacted during a 2025 special session,~~
 39.10 ~~\$143,542,000.~~

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

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

39.19 **Sec. 36. WAIVER CASE MANAGEMENT QUALITY WORKING GROUP.**

39.20 Subdivision 1. Establishment. The commissioner of human services must convene a
 39.21 waiver case management quality working group to develop recommendations related to
 39.22 county provision of home and community-based waiver case management services without
 39.23 the use of contractors.

39.24 Subd. 2. Membership. At a minimum, the working group must include the following
 39.25 members:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

41.19 Subd. 5. **Meetings; administrative support.** (a) The first meeting of the working group
 41.20 must be convened no later than August 1, 2026. The working group must meet at least
 41.21 monthly. Meetings are subject to Minnesota Statutes, chapter 13D. The working group may
 41.22 meet by telephone or interactive technology consistent with Minnesota Statutes, section
 41.23 13D.015.

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

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

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

42.1 **Sec. 37. DIRECTION TO COMMISSIONER; CASE MANAGEMENT AND HOME**
 42.2 **AND COMMUNITY-BASED SERVICES RATES STUDY.**

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

42.11 (b) By January 15, 2028, the commissioner must submit to the chairs and ranking minority
 42.12 members of the legislative committees with jurisdiction over human services policy and
 42.13 finance a report on the initial results of the analysis required under this section. By January
 42.14 15, 2029, the commissioner must submit to the chairs and ranking minority members of the
 42.15 legislative committees with jurisdiction over human services policy and finance a final
 42.16 report that includes legislative language necessary to modify existing or implement new
 42.17 rate methodologies and a detailed fiscal analysis.

42.18 **Sec. 38. MNCHOICES REDESIGN WORKING GROUP.**

42.19 Subdivision 1. Establishment. The commissioner of human services shall convene a
 42.20 MnCHOICES redesign working group to develop recommendations related to state provision
 42.21 of MnCHOICES assessments under Minnesota Statutes, section 256B.0911, subdivision
 42.22 14, paragraph (g).

42.23 Subd. 2. Membership. At a minimum, the working group must include the following
 42.24 members:

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

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

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

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

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

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

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

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

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

43.10 Recommendations must include:

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

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

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

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

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

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

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

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

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

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

44.3 Sec. 39. **DIRECTION TO COMMISSIONER OF HUMAN SERVICES;**
 44.4 **IMPLEMENTATION OF NEW NURSING FACILITY LEVEL OF CARE CRITERIA.**

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

44.10 Sec. 40. **DIRECTION TO COMMISSIONER OF HUMAN SERVICES; INCREASE**
 44.11 **TIERED RATES FOR FAMILY RESIDENTIAL AND LIFE SHARING SERVICES.**

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

44.16 (1) for tier 3, tier 4, and tier 5, by 20 percent;

44.17 (2) for tier 6, by 30 percent;

44.18 (3) for children in tiers 1 to 3, by adding an additional \$50 per day; and

44.19 (4) for children in tiers 4 to 6, by adding an additional \$100 per day.

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

44.22 Sec. 41. **DIRECTION TO COMMISSIONER; ENVIRONMENTAL**
 44.23 **ACCESSIBILITY ADAPTATIONS FOR HOMES.**

44.24 By October 1, 2026, the commissioner of human services must submit to the Centers
 44.25 for Medicare and Medicaid Services waiver plan amendments for the brain injury, community
 44.26 access for disability inclusion, community alternative care, and developmental disabilities
 44.27 1915(c) waivers to implement the following reforms to environmental accessibility
 44.28 adaptations for homes:

44.29 (1) separate the treatment of home modifications from the treatment of vehicle
 44.30 modifications;

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

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

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

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

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

45.11 Sec. 42. **DIRECTION TO COMMISSIONER; ENVIRONMENTAL**

45.12 **ACCESSIBILITY ADAPTATIONS FOR VEHICLES.**

45.13 (a) By October 1, 2026, the commissioner of human services must submit to the Centers
 45.14 for Medicare and Medicaid Services waiver plan amendments for the brain injury, community
 45.15 access for disability inclusion, community alternative care, and developmental disabilities
 45.16 1915(c) waivers to implement the following reforms to environmental accessibility
 45.17 adaptations for vehicles:

45.18 (1) separate the treatment of vehicle modifications from the treatment of home
 45.19 modifications;

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

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

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

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

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

46.1 Sec. 43. **REVISOR INSTRUCTION.**

46.2 (a) The revisor of statutes shall renumber the definitions in Minnesota Statutes, section
46.3 256B.85, subdivision 2, and the definitions in Minnesota Statutes, section 256B.851,
46.4 subdivision 2, as subdivisions in Minnesota Statutes, section 256B.8502, rearranging the
46.5 renumbered and existing definitions in Minnesota Statutes, section 256B.8502, as necessary
46.6 to place them in alphabetical order. The revisor of statutes shall revise all statutory
46.7 cross-references consistent with this recoding.

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

46.12 Sec. 44. **REPEALER.**

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

46.14 (b) Minnesota Statutes 2025 Supplement, sections 256B.4907, subdivisions 1, 2, 3, 4,
46.15 5, and 6; and 256S.205, subdivision 7, are repealed.

46.16 (c) Laws 2019, First Special Session chapter 9, article 5, section 86, as amended by
46.17 Laws 2020, First Special Session chapter 2, article 3, section 2; and Laws 2021, First Special
46.18 Session chapter 7, article 13, sections 73, as amended by Laws 2025, First Special Session
46.19 chapter 9, article 2, section 56; and 75, subdivision 1, as amended by Laws 2024, chapter
46.20 108, article 1, section 28, are repealed.

46.21 **ARTICLE 3**46.22 **BEHAVIORAL HEALTH**

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

46.24 Subd. 2. **American Indian programs.** There is hereby created a section of American
46.25 Indian programs, within the Alcohol and Drug Abuse Section of the Department of Human
46.26 Services, to be headed by a special assistant for American Indian programs on substance
46.27 misuse and substance use disorder and two assistants to that position. The section shall be
46.28 staffed with all personnel necessary to fully administer programming for substance misuse
46.29 and substance use disorder services for American Indians in the state. The special assistant
46.30 position shall be filled by a person with considerable practical experience in and
46.31 understanding of substance misuse and substance use disorder in the American Indian
46.32 community, who shall be responsible to the director of the Alcohol and Drug Abuse Section

47.1 created in subdivision 1 and shall be in the unclassified service. The special assistant shall
 47.2 meet and consult with the American Indian Advisory Council as described in section
 47.3 254A.035 and serve as a liaison to the Minnesota Indian Affairs Council and tribes to report
 47.4 on the status of substance misuse and substance use disorder among American Indians in
 47.5 the state of Minnesota. The special assistant with the approval of the director shall:

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

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

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

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

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

47.16 Subd. 5. **Tribal allocation.** The commissioner may make direct payments to Tribal
 47.17 Nation servicing agencies from money allocated under this section to support individuals
 47.18 with substance use disorders and determine eligibility for behavioral health fund payments.
 47.19 The payment must not be less than 133 percent of the Tribal Nations payment for the fiscal
 47.20 year ending June 30, 2009, adjusted in proportion to the statewide change in the appropriation
 47.21 for this chapter.

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

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

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

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

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

47.30 (3) is not a jail or prison;

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

- 48.1 (5) admits individuals who are 18 years of age or older;
- 48.2 (6) is registered as a board and lodging or lodging establishment according to section
48.3 157.17;
- 48.4 (7) has awake staff on site whenever a client is present;
- 48.5 (8) has staff who are at least 18 years of age and meet the requirements of section
48.6 245G.11, subdivision 1, paragraph (b);
- 48.7 (9) has emergency behavioral procedures that meet the requirements of section 245G.16;
- 48.8 (10) meets the requirements of section 245G.08, subdivision 5, if administering
48.9 medications to clients;
- 48.10 (11) meets the abuse prevention requirements of section 245A.65, including a policy on
48.11 fraternization and the mandatory reporting requirements of section 626.557;
- 48.12 (12) documents coordination with the treatment provider to ensure compliance with
48.13 section 254B.03, subdivision 2;
- 48.14 (13) protects client funds and ensures freedom from exploitation by meeting the
48.15 provisions of section 245A.04, subdivision 13;
- 48.16 (14) has a grievance procedure that meets the requirements of section 245G.15,
48.17 subdivision 2; and
- 48.18 (15) has sleeping and bathroom facilities for men and women separated by a door that
48.19 is locked, has an alarm, or is supervised by awake staff.
- 48.20 (b) Programs providing children's mental health crisis admissions and stabilization under
48.21 section 245.4882, subdivision 6, are eligible vendors of room and board.
- 48.22 (c) Programs providing children's residential services under section 245.4882, except
48.23 services for individuals who have a placement under chapter 260C or 260D, are eligible
48.24 vendors of room and board.
- 48.25 (d) A vendor that is not licensed as a residential treatment program must have a policy
48.26 to address staffing coverage when a client may unexpectedly need to be present at the room
48.27 and board site.
- 48.28 (e) No new vendors for room and board services may be approved after June 30, 2025,
48.29 to receive payments from the behavioral health fund, under the provisions of section 254B.04,
48.30 subdivision 2a. Room and board vendors that were approved and operating prior to July 1,
48.31 2025, may continue to receive payments from the behavioral health fund for services provided

49.1 ~~until June 30, 2027. Room and board vendors~~ and providing services in accordance with
 49.2 section 254B.04, subdivision 2a, will no longer be eligible to claim reimbursement for room
 49.3 and board services provided on or after ~~July~~ January 1, 2027, except as provided under
 49.4 paragraph (f).

49.5 (f) Room and board vendors that were approved and operating prior to July 1, 2025,
 49.6 providing services in accordance with section 254B.04, subdivision 2a, and have submitted
 49.7 before December 31, 2026, a substantially complete application and any required reports
 49.8 for either initial licensure as a residential treatment program under chapters 245A and 245G,
 49.9 or applicable Tribal license, may continue to receive payments from the behavioral health
 49.10 fund until the license is issued or denied.

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

49.13 Subd. 2. **Annual adjustments.** Effective January 1, 2027, and annually thereafter, the
 49.14 commissioner of human services must adjust the payment rates under ~~subdivision 1~~ section
 49.15 254B.0505, subdivision 1, clauses (1) to (9), according to the change from the midpoint of
 49.16 the previous rate year to the midpoint of the rate year for which the rate is being determined
 49.17 using the Centers for Medicare and Medicaid Services Medicare Economic Index as
 49.18 forecasted in the fourth quarter of the calendar year before the rate year. Notwithstanding
 49.19 this subdivision, rates must not be adjusted lower than those established on January 1, 2026.

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

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

49.22 **254B.17 WITHDRAWAL MANAGEMENT START-UP AND**
 49.23 **CAPACITY-BUILDING GRANTS.**

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

- 50.1 (1) costs associated with hiring staff or contracting with medical services providers;
- 50.2 (2) costs associated with staff retention;
- 50.3 (3) the purchase of office equipment and supplies;
- 50.4 (4) the purchase of software;
- 50.5 (5) costs associated with obtaining applicable and required licenses;
- 50.6 (6) business formation costs;
- 50.7 (7) costs associated with staff training; ~~and~~
- 50.8 (8) the purchase of medical equipment and supplies necessary to meet health and safety
- 50.9 requirements;
- 50.10 (9) costs associated with adding or improving physical space;
- 50.11 (10) start-up costs associated with adding a new location; and
- 50.12 (11) costs associated with becoming ASAM certified for medically managed levels of
- 50.13 care.

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

50.15 Subd. 23. **Medical assistance costs for certain inmates.** (a) The commissioner shall

50.16 execute an interagency agreement with the commissioner of corrections to recover the state

50.17 cost attributable to medical assistance eligibility for inmates of public institutions admitted

50.18 to a medical institution on an inpatient basis. The annual amount to be transferred from the

50.19 Department of Corrections under the agreement must include all eligible state medical

50.20 assistance costs, including administrative costs incurred by the Department of Human

50.21 Services, attributable to inmates under state and county jurisdiction admitted to medical

50.22 institutions on an inpatient basis that are related to the implementation of section 256B.055,

50.23 subdivision 14, paragraph (c). This paragraph expires upon the effective date of paragraph

50.24 (b).

50.25 (b) Effective January 1, 2028, or upon federal approval, whichever is later, the

50.26 commissioner shall execute an interagency agreement with the commissioner of corrections

50.27 to recover the state cost attributable to medical assistance eligibility for inmates of public

50.28 institutions admitted to a medical institution on an inpatient basis. The annual amount to

50.29 be transferred from the Department of Corrections under the agreement must include all

50.30 eligible state medical assistance costs, including administrative costs incurred by the

50.31 Department of Human Services, attributable to inmates under state and county jurisdiction

51.1 admitted to medical institutions on an inpatient basis that are related to the implementation
 51.2 of section 256B.0618, paragraph (b).

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

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

51.5 (a) An inmate of a correctional facility who is conditionally released under section
 51.6 241.26, 244.065, or 631.425 is eligible for medical assistance if the individual:

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

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

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

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

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

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

51.18 (2) by an eligible juvenile in accordance with the Consolidated Appropriations Act,
 51.19 2023, Public Law 117-328, part 5121; or

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

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

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

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

51.25 Subdivision 1. **Generally.** Effective January 1, 2028, or upon federal approval, whichever
 51.26 is later, medical assistance covers carceral targeted case management services in accordance
 51.27 with section 256B.0761 and United States Code, title 42, sections 1396a(a)(84); 1396d(a)(32);
 51.28 1397bb(d); and 1397jj(b)(2) and (7).

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

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

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

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

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

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

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

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

52.27 (3) individuals eligible for medical assistance who are currently incarcerated at a section
 52.28 1115 reentry demonstration pilot facility and meet the participation requirements in section
 52.29 256B.0761, subdivision 2.

52.30 Subd. 4. **Carceral targeted case management services.** (a) For individuals eligible for
 52.31 services under subdivision 3, clause (1) or (2), carceral targeted case management care
 52.32 coordination is available for 30 days before release and up to 180 days postrelease. For
 52.33 individuals eligible for services under subdivision 3, clause (3), carceral targeted case

53.1 management care coordination is available for up to 90 days before release and up to 180
53.2 days postrelease.

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

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

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

53.8 (i) the desired goals of the individual;

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

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

53.13 (iv) housing arrangements postrelease;

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

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

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

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

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

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

53.29 Subd. 5. Carceral targeted case management provider standards. Providers eligible
53.30 to receive medical assistance reimbursement under this section must enroll as a Minnesota

54.1 Health Care Programs provider. To qualify as a provider of carceral targeted case
 54.2 management services, a provider must:

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

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

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

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

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

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

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

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

54.19 (9) have a procedure that (i) notifies the recipient of any conflict of interest if the targeted
 54.20 case management service provider also provides the recipient's services and supports, (ii)
 54.21 provides information on all potential conflicts of interest, (iii) obtains the recipient's informed
 54.22 consent, and (iv) provides the recipient with alternatives; and

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

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

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

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

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

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

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

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

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

55.13 (b) Effective January 1, 2028, or upon federal approval, whichever is later,
55.14 notwithstanding section 256B.0618, individuals are eligible to receive services under this
55.15 demonstration if they are eligible under section 256B.055, subdivision 3a, 6, 7, 7a, 9, 15,
55.16 16, or 17, as determined by the commissioner in collaboration with correctional facilities,
55.17 local governments, and Tribal governments.

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

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

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

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

55.30 (2) the residence is: (i) licensed by the commissioner of human services under Minnesota
55.31 Rules, parts 9555.5050 to 9555.6265; (ii) certified by a county human services agency prior
55.32 to July 1, 1992, using the standards under Minnesota Rules, parts 9555.5050 to 9555.6265;

56.1 (iii) licensed by the commissioner under Minnesota Rules, parts 2960.0010 to 2960.0120,
 56.2 with a variance under section 245A.04, subdivision 9; or (iv) licensed under section 245D.02,
 56.3 subdivision 4a, as a community residential setting by the commissioner of human services;

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

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

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

56.12 (1) located on Indian reservations and subject to tribal health and safety requirements;

56.13 or

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

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

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

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

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

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

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

56.26 or

56.27 (iv) meeting the requirements for unlicensed personnel under sections 144A.43 to
 56.28 144A.483;

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

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

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

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

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

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

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

57.20 (c) One-half of one percent of the revenue deposited in the general fund under paragraph
57.21 (a), is appropriated to the commissioner of human services for the compulsive gambling
57.22 treatment program established under section 245.98. One-half of one percent of the revenue
57.23 deposited in the general fund under paragraph (a), is appropriated to the commissioner of
57.24 human services for a grant to the state affiliate recognized by the National Council on
57.25 Problem Gambling to increase public awareness of problem gambling, education and training
57.26 for individuals and organizations providing effective treatment services to problem gamblers
57.27 and their families, and research relating to problem gambling. Money appropriated by this
57.28 paragraph must supplement and must not replace existing state funding for these programs.
57.29 The balance of amounts appropriated under this paragraph that are unencumbered and
57.30 unspent at the close of a fiscal year are available in the next fiscal year for the same purposes
57.31 and shall not cancel to the fund from which appropriated.

57.32 (d) The commissioner of human services must provide to the state affiliate recognized
57.33 by the National Council on Problem Gambling a monthly statement of the amounts deposited

58.1 under paragraph (c). Beginning January 1, 2022, the commissioner of human services must
 58.2 provide to the chairs and ranking minority members of the legislative committees with
 58.3 jurisdiction over treatment for problem gambling and to the state affiliate recognized by the
 58.4 National Council on Problem Gambling an annual reconciliation of the amounts deposited
 58.5 under paragraph (c). The annual reconciliation under this paragraph must include the amount
 58.6 allocated to the commissioner of human services for the compulsive gambling treatment
 58.7 program established under section 245.98, and the amount allocated to the state affiliate
 58.8 recognized by the National Council on Problem Gambling. The annual reconciliation must
 58.9 also include any rollover amounts from the previous fiscal year and the utilization of those
 58.10 amounts during the current reporting period.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

59.22 Sec. 23. **DIRECTION TO COMMISSIONER; CARCERAL TARGETED CASE**
59.23 **MANAGEMENT SERVICES BILLING UNITS.**

59.24 The commissioner of human services must establish a new billing code for carceral
59.25 targeted case management services. The commissioner must identify reimbursement rates
59.26 for the newly defined codes, as required under Minnesota Statutes, section 256B.0619,

60.1 subdivision 6. The new billing codes must correspond to a 15-minute unit. The new billing
 60.2 codes must be available for 180 days postrelease.

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

60.5 Sec. 24. **REPEALER.**

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

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

60.9 **ARTICLE 4**

60.10 **LONG-TERM CARE FACILITY REGULATION**

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

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

60.21 Sec. 2. **[144A.082] AUTOMATIC EXTERNAL DEFIBRILLATOR.**

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

60.24 (b) A nursing home must:

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

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

60.29 (3) as part of initial orientation and annually thereafter, ensure all nursing home personnel
 60.30 receive training in cardiopulmonary resuscitation, the use of automatic external defibrillators,

61.1 the nursing home's process for checking a resident's code status before initiating lifesaving
 61.2 measures, and requesting emergency medical assistance as soon as practicable after an
 61.3 automatic external defibrillator is used.

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

61.5 Sec. 3. Minnesota Statutes 2024, section 144A.291, subdivision 2, is amended to read:

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

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

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

61.13 (3) state examination, \$125;

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

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

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

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

61.19 (8) reinstatement fee, \$250;

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

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

61.22 ~~(11)~~ (9) reciprocity verification fee, \$50;

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

61.24 ~~(13)~~ (11) continuing education fees:

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

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

61.27 ~~(14)~~ (12) education review, \$100;

61.28 ~~(15)~~ (13) fee to a sponsor for review of individual continuing education seminars,
 61.29 institutes, workshops, or home study courses:

- 62.1 (i) for less than seven clock hours, \$30; and
- 62.2 (ii) for seven or more clock hours, \$50;
- 62.3 ~~(16)~~ (14) fee to a licensee for review of continuing education seminars, institutes,
- 62.4 workshops, or home study courses not previously approved for a sponsor and submitted
- 62.5 with an application for license renewal:
- 62.6 (i) for less than seven clock hours total, \$30; and
- 62.7 (ii) for seven or more clock hours total, \$50;
- 62.8 ~~(17)~~ (15) late renewal fee, \$75;
- 62.9 ~~(18)~~ (16) fee to a licensee for verification of licensure status and examination scores,
- 62.10 \$30;
- 62.11 ~~(19)~~ (17) registration as a registered continuing education sponsor, \$1,000;
- 62.12 ~~(20)~~ mail (18) mailing list labels, \$75; and
- 62.13 ~~(21)~~ (19) annual assisted living program education provider fee, \$2,500.
- 62.14 (b) The revenue generated from the fees must be deposited in an account in the state
- 62.15 government special revenue fund.
- 62.16 Sec. 4. Minnesota Statutes 2024, section 144A.471, subdivision 8, is amended to read:
- 62.17 Subd. 8. **Exemptions from home care services licensure.** (a) Except as otherwise
- 62.18 provided in this chapter, home care services that are provided by the state, counties, or other
- 62.19 units of government must be licensed under this chapter.
- 62.20 (b) An exemption under this subdivision does not excuse the exempted individual or
- 62.21 organization from complying with applicable provisions of the home care bill of rights in
- 62.22 section 144A.44. The following individuals or organizations are exempt from the requirement
- 62.23 to obtain a home care provider license:
- 62.24 (1) an individual or organization that offers, provides, or arranges for personal care
- 62.25 assistance services under the medical assistance program as authorized under sections
- 62.26 256B.0625, subdivision 19a, and 256B.0659;
- 62.27 (2) a provider that is licensed by the commissioner of human services to provide
- 62.28 semi-independent living services for persons with developmental disabilities under section
- 62.29 252.275 and Minnesota Rules, parts 9525.0900 to 9525.1020;

63.1 (3) a provider that is licensed by the commissioner of human services to provide home
 63.2 and community-based services for persons with developmental disabilities under section
 63.3 256B.092 and Minnesota Rules, parts 9525.1800 to 9525.1930;

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

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

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

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

63.13 Sec. 5. Minnesota Statutes 2025 Supplement, section 144A.474, subdivision 11, is amended
 63.14 to read:

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

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

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

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

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

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

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

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

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

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

64.7 (1) level of violation:

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

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

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

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

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

64.18 (2) scope of violation:

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

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

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

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

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

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

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

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

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

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

65.24 (j) Fines collected under paragraph (a) shall be deposited in a dedicated special revenue
65.25 account. ~~On an annual basis, the balance in the special revenue account shall be appropriated~~
65.26 ~~to the commissioner to implement the recommendations of the advisory council established~~
65.27 ~~in section 144A.4799. Money deposited in the account is appropriated to the commissioner~~
65.28 on an annual basis for a competitive grant program for special projects for improving home
65.29 care client quality of care and outcomes in Minnesota, with a specific focus on workforce
65.30 and clinical outcomes, including projects consistent with criteria in section 144A.4799,
65.31 subdivision 3, paragraph (c). Grants must be distributed to home care providers licensed
65.32 under this chapter or organizations with experience in or knowledge of home care operations,
65.33 compliance, client needs, or best practices. Each grant must be \$1,000 at minimum. A
65.34 provider with a temporary license under this chapter is not eligible to apply for a grant. The

66.1 commissioner may retain up to ten percent of the amount available to cover costs to
66.2 administer the grant under this section. The commissioner must publish on the department's
66.3 website an annual report on the fines assessed and collected, and how the appropriated
66.4 money was allocated.

66.5 Sec. 6. Minnesota Statutes 2025 Supplement, section 144A.4799, subdivision 1, is amended
66.6 to read:

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

66.9 (1) four public members as defined in section 214.02, one of whom must be a person
66.10 who either is receiving or has received home care services preferably within the five years
66.11 prior to initial appointment, one of whom must be a person who has or had a family member
66.12 receiving home care services preferably within the five years prior to initial appointment,
66.13 one of whom must be a person who either is or has been a resident in an assisted living
66.14 facility preferably within the five years prior to initial appointment, and one of whom must
66.15 be a person who has or had a family member residing in an assisted living facility preferably
66.16 within the five years prior to initial appointment;

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

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

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

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

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

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

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

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

67.1 (b) When a vacancy occurs for an appointment identified in paragraph (a), the
 67.2 commissioner must select an applicant for appointment within 81 calendar days of the
 67.3 position being posted by the secretary of state, if the application of a qualified and, if
 67.4 applicable, a licensee in good standing applicant is received within 21 days of posting. If
 67.5 no qualified applications are received within the first 21 days, the commissioner must select
 67.6 an applicant for appointment within 60 calendar days of receiving the application of a
 67.7 qualified and, if applicable, a licensee in good standing applicant.

67.8 Sec. 7. Minnesota Statutes 2024, section 144G.09, subdivision 2, is amended to read:

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

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

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

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

67.15 (4) investigate complaints of assisted living facilities;

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

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

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

67.20 ~~(7)~~ (8) take other action reasonably required to accomplish the purposes of this chapter.

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

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

67.25 Sec. 8. Minnesota Statutes 2024, section 144G.15, is amended to read:

67.26 **144G.15 CONSIDERATION OF APPLICATIONS.**

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

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

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

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

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

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

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

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

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

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

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

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

69.4 Sec. 9. Minnesota Statutes 2024, section 144G.16, is amended by adding a subdivision to
 69.5 read:

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

69.11 (1) business name of the provisional licensee;

69.12 (2) street address of the facility;

69.13 (3) license category;

69.14 (4) licensed resident capacity; and

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

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

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

69.21 Sec. 10. Minnesota Statutes 2025 Supplement, section 144G.19, subdivision 5, is amended
 69.22 to read:

69.23 Subd. 5. **Change of ownership; existing contracts.** (a) Following a change of ownership,
 69.24 the new licensee must honor the terms of an assisted living contract in effect at the time of
 69.25 the change of ownership until the end of the contract term. A new licensee that proposes to
 69.26 increase the amount charged for housing or assisted living services in an assisted living
 69.27 contract replacing a contract in effect at the time of the change of ownership must provide
 69.28 the commissioner with justification for and specific documentation supporting the proposed
 69.29 increase.

69.30 (b) The commissioner must review the justification and documentation provided under
 69.31 paragraph (a) and approve or disapprove the proposed increase. The commissioner may

70.1 request from the new licensee additional documentation or information the commissioner
 70.2 deems necessary to conduct the review. An assisted living facility must not implement a
 70.3 proposed increase described in paragraph (a) unless the commissioner approves the proposed
 70.4 increase.

70.5 Sec. 11. Minnesota Statutes 2024, section 144G.195, subdivision 1, is amended to read:

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

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

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

70.19 (d) The licensee must obtain plan review approval for the building to which the licensee
 70.20 intends to relocate the facility and a certificate of occupancy from the commissioner of labor
 70.21 and industry or the commissioner of labor and industry's delegated authority for the building.
 70.22 Upon issuance of a certificate of occupancy, the commissioner of health must review and
 70.23 inspect the building to which the licensee intends to relocate the facility ~~and approve or~~
 70.24 ~~deny the license relocation within 30 calendar days~~ and must request from the commissioner
 70.25 of human services a determination of whether the location to which the licensee intends to
 70.26 relocate complies with the standards described in section 245A.042, subdivision 7. The
 70.27 commissioner of health must approve or deny the license relocation within 30 calendar days
 70.28 after inspecting the building and receiving a determination from the commissioner of human
 70.29 services.

70.30 (e) A licensee ~~may only relocate a facility within the geographic boundaries of the~~
 70.31 ~~municipality in which the facility is currently located or within the geographic boundaries~~
 70.32 ~~of a contiguous municipality~~ located in the seven-county metropolitan area may not relocate
 70.33 outside of the seven-county metropolitan area. A licensee located outside of the seven-county

71.1 metropolitan area may not relocate more than two hours or 120 miles from the licensee's
 71.2 previous location nor relocate within the seven-county metropolitan area.

71.3 (f) A licensee may only relocate one time in any three-year period, except that the
 71.4 commissioner may approve an additional relocation within a three-year period upon a
 71.5 licensee's demonstration of an extenuating circumstance, including but not limited to the
 71.6 criteria outlined in section 256B.49, subdivision 28a, paragraph (c).

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

71.10 (h) A licensee denied approval by the commissioner of health to relocate a facility may
 71.11 continue to operate the facility in its current location, follow the requirements in section
 71.12 144G.57 and close the facility, or notify the commissioner of health of the licensee's intent
 71.13 to relocate the facility to an alternative new location. If the licensee notifies the commissioner
 71.14 of the licensee's intent to relocate the facility to an alternative new location, ~~paragraph (e)~~
 71.15 applies, including all provisions of this section apply, including paragraph (c) and the
 71.16 timelines for approving or denying the license relocation for the alternative new location.

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

71.19 Sec. 12. Minnesota Statutes 2024, section 144G.31, subdivision 7, is amended to read:

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

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

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

71.27 Sec. 13. Minnesota Statutes 2024, section 144G.40, is amended by adding a subdivision
 71.28 to read:

71.29 Subd. 4. **Increase in amount charged for housing or services.** (a) If an assisted living
 71.30 facility proposes to increase the amount charged for housing or assisted living services by
 71.31 an amount that exceeds the change in the Consumer Price Index for All Urban Consumers
 71.32 published by the federal Bureau of Labor Statistics, for the most recent 12-month period

72.1 for which data is available, the assisted living facility must provide the commissioner with
72.2 justification for and specific documentation supporting the proposed increase.

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

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

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

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

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

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

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

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

72.19 (8) the percentage of revenue devoted to administrative costs and the percentage of
72.20 revenue devoted to marketing costs.

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

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

72.30 Sec. 14. Minnesota Statutes 2024, section 144G.41, subdivision 1, is amended to read:

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

- 73.1 (1) distribute to residents the assisted living bill of rights;
- 73.2 (2) provide services in a manner that complies with the Nurse Practice Act in sections
73.3 148.171 to 148.285;
- 73.4 (3) utilize a person-centered planning and service delivery process;
- 73.5 (4) have and maintain a system for delegation of health care activities to unlicensed
73.6 personnel by a registered nurse, including supervision and evaluation of the delegated
73.7 activities as required by the Nurse Practice Act in sections 148.171 to 148.285;
- 73.8 (5) provide a means for residents to request assistance for health and safety needs 24
73.9 hours per day, seven days per week, and maintain a log of resident requests for assistance
73.10 and staff responses including, for each request, the time that elapsed between the resident's
73.11 communication of the request and the staff response. The facility must retain a log for at
73.12 least five years after the most recent request and response in the log;
- 73.13 (6) allow residents the ability to furnish and decorate the resident's unit within the terms
73.14 of the assisted living contract;
- 73.15 (7) permit residents access to food at any time;
- 73.16 (8) allow residents to choose the resident's visitors and times of visits;
- 73.17 (9) allow the resident the right to choose a roommate if sharing a unit;
- 73.18 (10) notify the resident of the resident's right to have and use a lockable door to the
73.19 resident's unit. The licensee shall provide the locks on the unit. Only a staff member with
73.20 a specific need to enter the unit shall have keys, and advance notice must be given to the
73.21 resident before entrance, when possible. An assisted living facility must not lock a resident
73.22 in the resident's unit;
- 73.23 (11) develop and implement a staffing plan for determining its staffing level that:
- 73.24 (i) includes an evaluation, to be conducted at least twice a year, of the appropriateness
73.25 of staffing levels in the facility;
- 73.26 (ii) ensures sufficient staffing at all times to meet the scheduled and reasonably
73.27 foreseeable unscheduled needs of each resident as required by the residents' assessments
73.28 and service plans on a 24-hour per day basis; and
- 73.29 (iii) ensures that the facility can respond promptly and effectively to individual resident
73.30 emergencies and to emergency, life safety, and disaster situations affecting staff or residents
73.31 in the facility;

74.1 (12) ensure that one or more persons who are trained in accordance with section 144G.61,
 74.2 subdivision 2, are available 24 hours per day, seven days per week, who are responsible for
 74.3 responding to the requests of residents for assistance with health or safety needs. Such
 74.4 persons must be:

74.5 (i) awake;

74.6 (ii) located in the same building, in an attached building, or on a contiguous campus
 74.7 with the facility in order to respond within a reasonable amount of time;

74.8 (iii) capable of communicating with residents;

74.9 (iv) capable of providing or summoning the appropriate assistance; and

74.10 (v) capable of following directions; ~~and~~

74.11 (13) provide staff access to an on-call registered nurse 24 hours per day, seven days per
 74.12 week-;

74.13 (14) ensure a plan for facility staff to immediately attend to resident needs in a medical
 74.14 emergency, until any emergency personnel arrive, if summoned; and

74.15 (15) ensure a plan for facility staff to meet the nonemergency medical needs of residents
 74.16 due to falling, including needs for lift assistance.

74.17 **EFFECTIVE DATE.** The amendment to clause (5) is effective August 1, 2026. The
 74.18 amendment to clause (12) is effective August 1, 2027. Clauses (14) and (15) are effective
 74.19 August 1, 2027.

74.20 Sec. 15. Minnesota Statutes 2024, section 144G.41, subdivision 2, is amended to read:

74.21 Subd. 2. **Policies and procedures.** (a) Each assisted living facility must have policies
 74.22 and procedures in place to address the following ~~and keep them current~~:

74.23 (1) requirements in section 626.557, reporting of maltreatment of vulnerable adults;

74.24 (2) conducting and handling background studies on employees;

74.25 (3) orientation, training, and competency evaluations of staff, and a process for evaluating
 74.26 staff performance;

74.27 (4) handling complaints regarding staff or services provided by staff;

74.28 (5) conducting initial evaluations of residents' needs and the providers' ability to provide
 74.29 those services;

75.1 (6) conducting initial and ongoing resident evaluations and assessments of resident
 75.2 needs, including assessments by a registered nurse or appropriate licensed health professional,
 75.3 and how changes in a resident's condition are identified, managed, and communicated to
 75.4 staff and other health care providers as appropriate;

75.5 (7) orientation to and implementation of the assisted living bill of rights;

75.6 (8) infection control practices;

75.7 (9) reminders for medications, treatments, or exercises, if provided;

75.8 (10) conducting appropriate screenings, or documentation of prior screenings, to show
 75.9 that staff are free of tuberculosis, consistent with current United States Centers for Disease
 75.10 Control and Prevention standards;

75.11 (11) ensuring that nurses and licensed health professionals have current and valid licenses
 75.12 to practice;

75.13 (12) medication and treatment management;

75.14 (13) delegation of tasks by registered nurses or licensed health professionals;

75.15 (14) supervision of registered nurses and licensed health professionals; ~~and~~

75.16 (15) supervision of unlicensed personnel performing delegated tasks;

75.17 (16) emergency procedures to be initiated by facility staff when a resident experiences
 75.18 a medical emergency due to falling, a heart event, difficulty breathing, or choking, and to
 75.19 be followed until emergency personnel arrive, if summoned; and

75.20 (17) procedures to be initiated by facility staff after determining that a resident is not
 75.21 experiencing a medical emergency pursuant to clause (16), to meet the nonemergency
 75.22 medical needs of residents due to falling, including needs for lift assistance.

75.23 (b) Each assisted living facility must keep all policies and procedures current and make
 75.24 them available to a resident or the resident's representative upon request. Policies and
 75.25 procedures covering medical emergency events under paragraph (a), clause (16), must be
 75.26 provided to prospective residents, before signing an assisted living contract, for whom a
 75.27 prospective resident assessment has been performed as described under section 144G.70,
 75.28 subdivision 2, paragraph (b), and to current residents upon any changes to the policies and
 75.29 procedures covering medical emergencies under paragraph (a), clause (16).

75.30 **EFFECTIVE DATE.** This section is effective August 1, 2027.

76.1 Sec. 16. Minnesota Statutes 2024, section 144G.41, is amended by adding a subdivision
76.2 to read:

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

76.5 (b) A facility must:

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

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

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

76.11 Sec. 17. Minnesota Statutes 2024, section 144G.45, subdivision 3, is amended to read:

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

76.17 (b) At the request of a county or local unit of government, the commissioner may delegate
76.18 to a county agency or local unit of government the commissioner's authority to inspect an
76.19 existing assisted living facility with a licensed resident capacity of six or fewer that is in
76.20 the jurisdiction of the county or local unit of government for compliance with applicable
76.21 physical plant licensing requirements and zoning ordinances. If the commissioner delegates
76.22 the commissioner's authority to a county agency or local unit of government under this
76.23 subdivision, the commissioner must execute a formal delegation of authority that clearly
76.24 specifies what authority is being delegated to the county agency or local unit of government,
76.25 that the commissioner is responsible for any costs incurred by the county agency or local
76.26 unit of government for conducting inspections under delegated authority, and that the county
76.27 agency or local unit of government must not assess any additional fees for conducting an
76.28 inspection under delegated authority. When conducting an inspection under delegated
76.29 authority, the county agency or local unit of government must provide the subject of the
76.30 inspection with a copy of the delegation of authority.

76.31 (c) When a county agency or local unit of government is conducting an inspection under
76.32 delegated authority as provided in paragraph (b), the county agency or local unit of
76.33 government and the commissioner must coordinate their inspections to minimize visits to

77.1 and disruptions of the facility. A county agency or local unit of government conducting an
 77.2 inspection must notify the commissioner of any violations or concerns within ten working
 77.3 days of the inspection. A county agency or local unit of government that conducts inspections
 77.4 under this subdivision must not inspect an assisted living facility more frequently than
 77.5 annually, except a follow-up inspection is permitted before the next annual inspection to
 77.6 verify correction of a violation discovered during the most recent inspection.

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

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

77.16 Sec. 18. Minnesota Statutes 2024, section 144G.60, subdivision 4, is amended to read:

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

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

77.22 (2) demonstrated competency by satisfactorily completing a written or oral test on the
 77.23 tasks the unlicensed personnel will perform and on the topics listed in section 144G.61,
 77.24 subdivision 2, paragraph (a); and successfully demonstrated competency on topics in section
 77.25 144G.61, subdivision 2, paragraph (a), clauses (5), (7), ~~and~~ (8), and (19), by a practical
 77.26 skills test.

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

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

77.31 (1) have successfully completed training and demonstrated competency by successfully
 77.32 completing a written or oral test of the topics in section 144G.61, subdivision 2, paragraphs
 77.33 (a) and (b), and a practical skills test on tasks listed in section 144G.61, subdivision 2,

78.1 paragraphs (a), clauses (5) ~~and~~ (7), and (19), and (b), clauses (3), (5), (6), and (7), and all
 78.2 the delegated tasks they will perform;

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

78.6 (3) have, before April 19, 1993, completed a training course for nursing assistants that
 78.7 was approved by the commissioner.

78.8 (c) Unlicensed personnel performing therapy or treatment tasks delegated or assigned
 78.9 by a licensed health professional must meet the requirements for delegated tasks in section
 78.10 144G.62, subdivision 2, paragraph (a), and any other training or competency requirements
 78.11 within the licensed health professional's scope of practice relating to delegation or assignment
 78.12 of tasks to unlicensed personnel.

78.13 **EFFECTIVE DATE.** This section is effective August 1, 2027.

78.14 Sec. 19. Minnesota Statutes 2024, section 144G.61, subdivision 2, is amended to read:

78.15 Subd. 2. **Training and evaluation of unlicensed personnel.** (a) Training and competency
 78.16 evaluations for all unlicensed personnel must include the following:

78.17 (1) documentation requirements for all services provided;

78.18 (2) reports of changes in the resident's condition to the supervisor designated by the
 78.19 facility;

78.20 (3) basic infection control, including blood-borne pathogens;

78.21 (4) maintenance of a clean and safe environment;

78.22 (5) appropriate and safe techniques in personal hygiene and grooming, including:

78.23 (i) hair care and bathing;

78.24 (ii) care of teeth, gums, and oral prosthetic devices;

78.25 (iii) care and use of hearing aids; and

78.26 (iv) dressing and assisting with toileting;

78.27 (6) training on the prevention of falls;

78.28 (7) standby assistance techniques and how to perform them;

78.29 (8) medication, exercise, and treatment reminders;

- 79.1 (9) basic nutrition, meal preparation, food safety, and assistance with eating;
- 79.2 (10) preparation of modified diets as ordered by a licensed health professional;
- 79.3 (11) communication skills that include preserving the dignity of the resident and showing
- 79.4 respect for the resident and the resident's preferences, cultural background, and family;
- 79.5 (12) awareness of confidentiality and privacy;
- 79.6 (13) understanding appropriate boundaries between staff and residents and the resident's
- 79.7 family;
- 79.8 (14) procedures to use in handling various nonmedical and medical emergency situations;
- 79.9 ~~and~~
- 79.10 (15) awareness of commonly used health technology equipment and assistive devices;
- 79.11 (16) recognition of and immediate response to signs and symptoms of airway, breathing,
- 79.12 and circulation concerns;
- 79.13 (17) recognition of and immediate response to bleeding, including hemorrhage;
- 79.14 (18) safe techniques for emergency movement of residents; and
- 79.15 (19) log roll technique and spinal precautions.
- 79.16 (b) In addition to paragraph (a), training and competency evaluation for unlicensed
- 79.17 personnel providing assisted living services must include:
- 79.18 (1) observing, reporting, and documenting resident status;
- 79.19 (2) basic knowledge of body functioning and changes in body functioning, injuries, or
- 79.20 other observed changes that must be reported to appropriate personnel;
- 79.21 (3) reading and recording temperature, pulse, and respirations of the resident;
- 79.22 (4) recognizing physical, emotional, cognitive, and developmental needs of the resident;
- 79.23 (5) safe transfer techniques and ambulation;
- 79.24 (6) range of motioning and positioning; and
- 79.25 (7) administering medications or treatments as required.

79.26 **EFFECTIVE DATE.** This section is effective August 1, 2027.

79.27 Sec. 20. Minnesota Statutes 2024, section 144G.63, subdivision 2, is amended to read:

79.28 Subd. 2. **Content of required orientation.** (a) The orientation must contain the following

79.29 topics:

- 80.1 (1) an overview of this chapter;
- 80.2 (2) an introduction and review of the facility's policies and procedures related to the
80.3 provision of assisted living services by the individual staff person;
- 80.4 (3) handling of emergencies and use of emergency services;
- 80.5 (4) compliance with and reporting of the maltreatment of vulnerable adults under section
80.6 626.557 to the Minnesota Adult Abuse Reporting Center (MAARC);
- 80.7 (5) the assisted living bill of rights and staff responsibilities related to ensuring the
80.8 exercise and protection of those rights;
- 80.9 (6) the principles of person-centered planning and service delivery and how they apply
80.10 to direct support services provided by the staff person;
- 80.11 (7) handling of residents' complaints, reporting of complaints, and where to report
80.12 complaints, including information on the Office of Health Facility Complaints;
- 80.13 (8) consumer advocacy services of the Office of Ombudsman for Long-Term Care,
80.14 Office of Ombudsman for Mental Health and Developmental Disabilities, Managed Care
80.15 Ombudsman at the Department of Human Services, county-managed care advocates, or
80.16 other relevant advocacy services; ~~and~~
- 80.17 (9) a review of the types of assisted living services the staff member will be providing
80.18 and the facility's category of licensure; and
- 80.19 (10) cardiopulmonary resuscitation, the use of automatic external defibrillators, the
80.20 facility's process for checking a resident's code status before initiating lifesaving measures,
80.21 and requesting emergency medical assistance as soon as practicable after an automatic
80.22 external defibrillator is used.
- 80.23 (b) In addition to the topics in paragraph (a), orientation may also contain training on
80.24 providing services to residents with hearing loss. Any training on hearing loss provided
80.25 under this subdivision must be high quality and research based, may include online training,
80.26 and must include training on one or more of the following topics:
- 80.27 (1) an explanation of age-related hearing loss and how it manifests itself, its prevalence,
80.28 and the challenges it poses to communication;
- 80.29 (2) health impacts related to untreated age-related hearing loss, such as increased
80.30 incidence of dementia, falls, hospitalizations, isolation, and depression; or

81.1 (3) information about strategies and technology that may enhance communication and
 81.2 involvement, including communication strategies, assistive listening devices, hearing aids,
 81.3 visual and tactile alerting devices, communication access in real time, and closed captions.

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

81.5 Sec. 21. Minnesota Statutes 2024, section 144G.63, subdivision 5, is amended to read:

81.6 **Subd. 5. Required annual training.** (a) All staff that perform direct services must
 81.7 complete at least eight hours of annual training for each 12 months of employment. The
 81.8 training may be obtained from the facility or another source and must include topics relevant
 81.9 to the provision of assisted living services. The annual training must include:

81.10 (1) training on reporting of maltreatment of vulnerable adults under section 626.557;

81.11 (2) review of the assisted living bill of rights and staff responsibilities related to ensuring
 81.12 the exercise and protection of those rights;

81.13 (3) review of infection control techniques used in the home and implementation of
 81.14 infection control standards including a review of hand washing techniques; the need for and
 81.15 use of protective gloves, gowns, and masks; appropriate disposal of contaminated materials
 81.16 and equipment, such as dressings, needles, syringes, and razor blades; disinfecting reusable
 81.17 equipment; disinfecting environmental surfaces; and reporting communicable diseases;

81.18 (4) effective approaches to use to problem solve when working with a resident's
 81.19 challenging behaviors, and how to communicate with residents who have dementia,
 81.20 Alzheimer's disease, or related disorders;

81.21 (5) review of the facility's policies and procedures relating to the provision of assisted
 81.22 living services and how to implement those policies and procedures; ~~and~~

81.23 (6) the principles of person-centered planning and service delivery and how they apply
 81.24 to direct support services provided by the staff person; and

81.25 (7) cardiopulmonary resuscitation, the use of automatic external defibrillators, the
 81.26 facility's process for checking a resident's code status before initiating lifesaving measures,
 81.27 and requesting emergency medical assistance as soon as practicable after an automatic
 81.28 external defibrillator is used.

81.29 (b) In addition to the topics in paragraph (a), annual training may also contain training
 81.30 on providing services to residents with hearing loss. Any training on hearing loss provided
 81.31 under this subdivision must be high quality and research based, may include online training,
 81.32 and must include training on one or more of the following topics:

82.1 (1) an explanation of age-related hearing loss and how it manifests itself, its prevalence,
82.2 and challenges it poses to communication;

82.3 (2) the health impacts related to untreated age-related hearing loss, such as increased
82.4 incidence of dementia, falls, hospitalizations, isolation, and depression; or

82.5 (3) information about strategies and technology that may enhance communication and
82.6 involvement, including communication strategies, assistive listening devices, hearing aids,
82.7 visual and tactile alerting devices, communication access in real time, and closed captions.

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

82.9 Sec. 22. Minnesota Statutes 2024, section 144G.63, is amended by adding a subdivision
82.10 to read:

82.11 **Subd. 5a. Orientation and annual training; other staff.** (a) All staff who are not subject
82.12 to the orientation requirements in subdivisions 1 and 2 must complete an orientation on the
82.13 topics specified under paragraph (b) within 160 hours of the employment start date. All
82.14 staff who are not subject to the annual training requirements in subdivision 5 must complete
82.15 annual training on the topics specified under paragraph (b).

82.16 (b) The orientation and annual training must include training on cardiopulmonary
82.17 resuscitation, the use of automatic external defibrillators, the facility's process for checking
82.18 a resident's code status before initiating lifesaving measures, and requesting emergency
82.19 medical assistance as soon as practicable after an automatic external defibrillator is used.

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

82.21 Sec. 23. Minnesota Statutes 2025 Supplement, section 145D.40, is amended by adding a
82.22 subdivision to read:

82.23 **Subd. 5. Health care professional.** "Health care professional" means an individual who
82.24 is licensed or registered by the state to provide health care services within the professional's
82.25 scope of practice and in accordance with state law.

82.26 Sec. 24. Minnesota Statutes 2025 Supplement, section 145D.41, subdivision 1, is amended
82.27 to read:

82.28 Subdivision 1. **Notice.** At least 120 days prior to the transfer of ownership or control of
82.29 a nonprofit nursing home or nonprofit assisted living facility to a for-profit entity, the nursing
82.30 home or assisted living facility must provide written notice to the attorney general, the

83.1 commissioner of health, and the commissioner of human services of its intent to transfer
83.2 ownership or control to a for-profit entity.

83.3 Sec. 25. Minnesota Statutes 2025 Supplement, section 145D.41, subdivision 2, is amended
83.4 to read:

83.5 Subd. 2. **Information.** Together with the notice, the for-profit entity seeking to acquire
83.6 ownership or control of the nonprofit nursing home or nonprofit assisted living facility must
83.7 provide to the attorney general, commissioner of health, and commissioner of human services:

83.8 (1) the names of each individual with an interest in the for-profit entity and the percentage
83.9 of interest each individual holds in the for-profit entity;

83.10 (2) a complete and detailed description of the for-profit entity's corporate structure;

83.11 (3) the names of each individual holding an interest in, and the percentage of interest
83.12 held in, any affiliate, subsidiary, or otherwise related entity that the for-profit entity has a
83.13 contract to provide goods or services for the operation or maintenance of the nursing home
83.14 or assisted living facility or has a contract for goods and services to be provided to residents,
83.15 including any real estate investment trusts if permitted under section 145D.42;

83.16 (4) for the previous five years, any filings required to be made to any federal or state
83.17 agency;

83.18 (5) the for-profit entity's current balance sheet;

83.19 (6) all application materials required under section 144A.03 or 144G.12, as applicable;

83.20 (7) a description of the condition of the buildings the for-profit entity seeks to acquire
83.21 or manage, identifying any cooling problems, electric medical devices present, recent exterior
83.22 additions and replacements, external building conditions, recent flush toilet breakdowns,
83.23 foreclosure status in the previous 12 months, heat risk, heating problems, indoor air quality,
83.24 recent interior additions and replacements, and mold, as those terms are defined and described
83.25 in Appendix A of the American Housing Survey for the United States: 2023;

83.26 (8) an affidavit and evidence; and

83.27 (9) other information required by the attorney general, commissioner of health, and
83.28 commissioner of human services.

84.1 Sec. 26. Minnesota Statutes 2025 Supplement, section 145D.41, is amended by adding a
84.2 subdivision to read:

84.3 Subd. 3. **Affidavit and evidence.** In addition to the notice required under subdivision
84.4 1, a for-profit entity seeking to acquire ownership or control of a nonprofit nursing home
84.5 or nonprofit assisted living facility must submit to the attorney general an affidavit and
84.6 evidence sufficient to demonstrate that:

84.7 (1) the for-profit entity has the financial, managerial, and operational ability to operate
84.8 or manage the nursing home or assisted living facility consistent with the requirements of:
84.9 (i) for a nursing home, sections 144A.01 to 144A.1888, chapter 256R, and Minnesota Rules,
84.10 chapter 4658; or (ii) for an assisted living facility, chapter 144G and Minnesota Rules,
84.11 chapter 4659;

84.12 (2) neither the for-profit entity nor any of its owners, managerial officials, or managers
84.13 have committed a crime listed in, or been found civilly liable for an offense listed in, section
84.14 144A.03, subdivision 1, paragraph (b), clause (13), or 144G.12, subdivision 1, clause (13),
84.15 as applicable;

84.16 (3) in the preceding ten years, there have been no judgments and no filed, pending, or
84.17 completed public or private litigations, tax liens, written complaints, administrative actions,
84.18 or investigations by a government agency against the for-profit entity or any of its owners,
84.19 managerial officials, or managers;

84.20 (4) in the preceding ten years, the for-profit entity has not defaulted in the payment of
84.21 money collected for others and has not discharged debts through bankruptcy proceedings;

84.22 (5) the for-profit entity will invest sufficient capital in the nursing home or assisted living
84.23 facility to maintain or improve the facility's infrastructure and staffing;

84.24 (6)(i) housing costs or costs for services in a nursing home or assisted living facility in
84.25 the United States over which the for-profit entity acquired ownership or control have not
84.26 increased by more than the increase in the Consumer Price Index for all urban consumers
84.27 published by the federal Bureau of Labor Statistics for the 12 months preceding the month
84.28 in which the increase became effective; or (ii) if housing costs or costs for services in the
84.29 nursing home or assisted living facility increased by more than the increase in the Consumer
84.30 Price Index as described in item (i), the increase was justified;

84.31 (7) within five years after acquiring ownership or control of any other nursing home or
84.32 assisted living facility in the United States, the for-profit entity did not sell or otherwise

85.1 transfer ownership or control of the nursing home or assisted living facility to another person;
 85.2 and

85.3 (8) after acquiring ownership or control of another nursing home in the United States,
 85.4 that nursing home, with respect to the Centers for Medicare and Medicaid Services rating
 85.5 system:

85.6 (i) maintained or improved the nursing home's rating if upon acquisition of ownership
 85.7 or control the rating was three or more stars; or

85.8 (ii) improved the nursing home's rating to at least three stars if upon acquisition of
 85.9 ownership or control the rating was one or two stars.

85.10 **Sec. 27. [145D.42] PROHIBITED PRACTICES.**

85.11 A for-profit entity that acquires ownership or control of a nonprofit nursing home or
 85.12 nonprofit assisted living facility is prohibited from:

85.13 (1) interfering with the professional judgment of a health care professional providing
 85.14 care in the nursing home or assisted living facility or with a health care professional's
 85.15 diagnosis or treatment of residents in the nursing home or assisted living facility;

85.16 (2) providing unequal treatment with regard to charges for housing or services based on
 85.17 whether the resident pays for housing or services with private funds or through a public
 85.18 program;

85.19 (3) engaging in any act, practice, or course of business that would strip an asset from an
 85.20 acquired nursing home or assisted living facility or that would otherwise undermine the
 85.21 quality of, safety of, or access to care and services provided by the nursing home or assisted
 85.22 living facility;

85.23 (4) engaging in self-dealing;

85.24 (5) engaging in any acts, practices, or courses of business that result in an adverse impact
 85.25 on the health, safety, and well-being and quality of care of the residents of the nursing home
 85.26 or assisted living facility;

85.27 (6) spending less than 75 percent of the funds received by the nursing home or assisted
 85.28 living facility from public programs and state appropriations on the direct care of residents;

85.29 (7) raising resident housing costs beyond the Consumer Price Index for all urban
 85.30 consumers published by the federal Bureau of Labor Statistics for the 12 months preceding
 85.31 the month in which the increase became effective unless the for-profit entity can demonstrate
 85.32 that the increase was justified by legitimate business expenses;

86.1 (8) allowing a diminution of maintenance or a deterioration in the operations and
 86.2 infrastructure of the nursing home or assisted living facility that results in unsafe conditions
 86.3 or violations of building and other relevant codes, diminishes the property value of the
 86.4 facility, or jeopardizes the health and well-being of the residents; or

86.5 (9) for a nursing home:

86.6 (i) failing to improve in the Centers for Medicare and Medicaid Services rating if the
 86.7 nursing home's current rating is one or two stars; or

86.8 (ii) allowing a decline in the Centers for Medicare and Medicaid Services rating if the
 86.9 nursing home's current rating is at least three stars.

86.10 **Sec. 28. [145D.43] ENFORCEMENT AND REMEDIES; NURSING HOMES AND**
 86.11 **ASSISTED LIVING FACILITIES.**

86.12 Subdivision 1. **Equitable remedies.** (a) In addition to other remedies provided by law,
 86.13 the attorney general may bring an action in district court to enjoin or unwind a transaction
 86.14 or seek other equitable relief if a nonprofit assisted living facility, nonprofit nursing home,
 86.15 or for-profit entity violates sections 145D.41 and 145D.42.

86.16 (b) In seeking injunctive relief under this section, the attorney general is not required to
 86.17 establish irreparable harm but must instead establish that a violation of sections 145D.41
 86.18 and 145D.42 occurred.

86.19 Subd. 2. **Failure to provide information.** Failure of the entities involved in a transaction
 86.20 subject to sections 145D.41 and 145D.42 to provide timely information as required by the
 86.21 attorney general, the commissioner of health, or the commissioner of human services is an
 86.22 independent and sufficient ground for a court to enjoin or unwind the transaction or provide
 86.23 other equitable relief, provided the attorney general notifies the entities of the inadequacy
 86.24 of the information provided and provides the entities with a reasonable opportunity to remedy
 86.25 the inadequacy.

86.26 Subd. 3. **Enforcement.** In addition to the remedies provided under this section or other
 86.27 law, the attorney general may enforce sections 145D.41 and 145D.42 pursuant to section
 86.28 8.31.

86.29 Subd. 4. **Civil penalties; attorney fees.** (a) An officer, director, or other executive found
 86.30 to have violated sections 145D.41 and 145D.42 shall be subject to a civil penalty of up to
 86.31 \$50,000 for each violation. A nonprofit assisted living facility, nonprofit nursing home, or
 86.32 for-profit entity that is a party to or materially participated in a transaction found to have
 86.33 violated sections 145D.41 and 145D.42 shall be subject to a civil penalty of up to \$500,000.

87.1 (b) A court may also award reasonable attorney fees and costs of investigation and
 87.2 litigation for an action brought under this section.

87.3 **EFFECTIVE DATE.** This section is effective August 1, 2026, and applies to violations
 87.4 occurring on or after that date.

87.5 Sec. 29. **DIRECTION TO COMMISSIONER OF HEALTH; SMALL ASSISTED**
 87.6 **LIVING FACILITY LICENSURE.**

87.7 (a) The commissioner of health must convene a group of interested parties to examine
 87.8 the licensing requirements under Minnesota Statutes, chapter 144G, for assisted living
 87.9 facilities with a licensed resident capacity of five residents or fewer. The group must develop
 87.10 a new licensing category applicable to such facilities to account for health and safety
 87.11 requirements and practical realities of operating small assisted living facilities that
 87.12 predominantly serve individuals receiving customized living services under the federally
 87.13 approved brain injury, community access for disability inclusion, and elderly waiver plans.

87.14 (b) The commissioner must develop draft legislative language to establish a new assisted
 87.15 living license category for facilities with a licensed resident capacity of five residents or
 87.16 fewer.

87.17 (c) The commissioner must submit the draft legislation to the chairs and ranking minority
 87.18 members of the legislative committees with jurisdiction over health and human services
 87.19 policy and finance by January 1, 2028.

87.20 Sec. 30. **SPECIAL PROJECTS GRANT PROGRAM FOR HOME CARE**
 87.21 **PROVIDERS.**

87.22 By December 31, 2028, the commissioner of health must distribute the balance as of
 87.23 January 1, 2027, in the special revenue account under Minnesota Statutes, section 144A.474,
 87.24 subdivision 11, paragraph (j), under a competitive grant program for special projects for
 87.25 improving home care client quality of care and outcomes in Minnesota, with a specific focus
 87.26 on workforce and clinical outcomes, including projects consistent with criteria in Minnesota
 87.27 Statutes, section 144A.4799, subdivision 3, paragraph (c). Grants must be distributed to
 87.28 home care providers licensed under Minnesota Statutes, chapter 144A, or organizations
 87.29 with experience in or knowledge of home care operations, compliance, client needs, or best
 87.30 practices. Each grant must be \$1,000 at minimum. A provider with a temporary license
 87.31 under Minnesota Statutes, chapter 144A, is not eligible to apply for a grant. Any amount
 87.32 that has not been awarded as a grant by December 31, 2028, must be used for the annual

88.1 distributions under Minnesota Statutes, section 144A.474, subdivision 11, paragraph (j),
 88.2 beginning January 1, 2029.

88.3 **ARTICLE 5**

88.4 **DIRECT CARE AND TREATMENT**

88.5 Section 1. Minnesota Statutes 2024, section 15.43, subdivision 3, is amended to read:

88.6 Subd. 3. **Other exemptions.** The ~~commissioners~~ commissioner of ~~human services and~~
 88.7 ~~corrections and Direct Care and Treatment executive board~~ may by rule prescribe procedures
 88.8 for the acceptance of gifts from any person or organization, provided that such gifts are
 88.9 accepted by the commissioner or executive board, or a designated representative of the
 88.10 commissioner or executive board, and that such gifts are used solely for the direct benefit
 88.11 of patients, clients, or inmates under the jurisdiction of the accepting state officer.

88.12 Sec. 2. Minnesota Statutes 2025 Supplement, section 144.121, subdivision 1a, is amended
 88.13 to read:

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

- 88.18 (1) medical or veterinary equipment \$ 130
- 88.19 (2) dental x-ray equipment \$ 60
- 88.20 (3) x-ray equipment not used on \$ 130
- 88.21 humans or animals
- 88.22 (4) devices with sources of ionizing \$ 130
- 88.23 radiation not used on humans or
- 88.24 animals
- 88.25 (5) security screening system \$ 160
- 88.26 (6) radiation therapy and accelerator \$ 1,000
- 88.27 x-ray equipment
- 88.28 (7) industrial accelerator x-ray \$ 300
- 88.29 equipment

88.30 (b) Electron microscopy equipment is exempt from the registration fee requirements of
 88.31 this section.

88.32 (c) For purposes of this section, a security screening system means ionizing
 88.33 radiation-producing equipment designed and used for security screening of humans who
 88.34 are in the custody of a correctional or detention facility or who are civilly committed in a

89.1 secure treatment facility, and used by the facility to image and identify contraband items
 89.2 concealed within or on all sides of a human body.

89.3 (d) For purposes of this section, a correctional or detention facility is a facility licensed
 89.4 under section 241.021 and operated by a state agency or political subdivision charged with
 89.5 detection, enforcement, or incarceration in respect to state criminal and traffic laws.

89.6 (e) For purposes of this section, a secure treatment facility includes the facilities listed
 89.7 in sections 253B.02, subdivision 18a, and 253D.02, subdivision 13.

89.8 (f) The commissioner shall adopt rules to establish requirements for the use of security
 89.9 screening systems. Notwithstanding section 14.125, the authority to adopt these rules does
 89.10 not expire.

89.11 Sec. 3. Minnesota Statutes 2024, section 144.121, subdivision 9, is amended to read:

89.12 Subd. 9. **Exemption from examination requirements; operators of security screening**
 89.13 **systems.** (a) An employee of a correctional ~~or~~ detention, or secure treatment facility who
 89.14 operates a security screening system and the facility in which the system is being operated
 89.15 are exempt from the requirements of subdivisions 5 and 6.

89.16 (b) An employee of a correctional or detention facility who operates a security screening
 89.17 system and the facility in which the system is being operated must meet the requirements
 89.18 of a variance to Minnesota Rules, parts 4732.0305 and 4732.0565, issued under Minnesota
 89.19 Rules, parts 4717.7000 to 4717.7050. This paragraph expires on December 31 of the year
 89.20 that the permanent rules adopted by the commissioner governing security screening systems
 89.21 are published in the State Register.

89.22 (c) An employee of a secure treatment facility who operates a security screening system
 89.23 and the facility in which the system is being operated must meet the requirements of a
 89.24 variance to Minnesota Rules, parts 4732.0305 and 4732.0565, issued under Minnesota
 89.25 Rules, parts 4717.7000 to 4717.7050.

89.26 ARTICLE 6

89.27 MISCELLANEOUS

89.28 Section 1. Minnesota Statutes 2024, section 256B.04, subdivision 5, is amended to read:

89.29 Subd. 5. **Annual report required.** The state agency within 60 days after the close of
 89.30 each fiscal year, shall prepare and print for the fiscal year a report that includes: a full
 89.31 account of the operations and expenditure of funds under this chapter; a full account of the
 89.32 activities undertaken in accordance with subdivision 10; adequate and complete statistics

90.1 divided by counties about all medical assistance provided in accordance with this chapter;
90.2 a full account of all pre-enrollment, postenrollment, and unannounced site visits to providers
90.3 under section 256B.04, subdivision 21; and any other information it may deem advisable.

90.4 Sec. 2. Minnesota Statutes 2025 Supplement, section 256B.0625, subdivision 17, is
90.5 amended to read:

90.6 Subd. 17. **Transportation costs.** (a) "Nonemergency medical transportation service"
90.7 means motor vehicle transportation provided by a public or private person that serves
90.8 Minnesota health care program beneficiaries who do not require emergency ambulance
90.9 service, as defined in section 144E.001, subdivision 3, to obtain covered medical services.

90.10 (b) For purposes of this subdivision, "rural urban commuting area" or "RUCA" means
90.11 a census-tract based classification system under which a geographical area is determined
90.12 to be urban, rural, or super rural. This paragraph expires ~~July 1, 2026, for medical assistance~~
90.13 ~~fee-for-service and January 1, 2027, for prepaid medical assistance~~ upon implementation
90.14 of the administrator under subdivision 18i.

90.15 (c) Medical assistance covers medical transportation costs incurred solely for obtaining
90.16 emergency medical care or transportation costs incurred by eligible persons in obtaining
90.17 emergency or nonemergency medical care when paid directly to an ambulance company,
90.18 nonemergency medical transportation company, or other recognized providers of
90.19 transportation services. Medical transportation must be provided by:

90.20 (1) nonemergency medical transportation providers who meet the requirements of this
90.21 subdivision;

90.22 (2) ambulances, as defined in section 144E.001, subdivision 2;

90.23 (3) taxicabs that meet the requirements of this subdivision;

90.24 (4) public transportation, within the meaning of "public transportation" as defined in
90.25 section 174.22, subdivision 7; or

90.26 (5) not-for-hire vehicles, including volunteer drivers, as defined in section 65B.472,
90.27 subdivision 1, paragraph (p).

90.28 (d) Medical assistance covers nonemergency medical transportation provided by
90.29 nonemergency medical transportation providers enrolled in the Minnesota health care
90.30 programs. All nonemergency medical transportation providers must comply with the
90.31 operating standards for special transportation service as defined in sections 174.29 to 174.30
90.32 and Minnesota Rules, chapter 8840, and all drivers must be individually enrolled with the

91.1 commissioner and reported on the claim as the individual who provided the service. All
 91.2 nonemergency medical transportation providers shall bill for nonemergency medical
 91.3 transportation services in accordance with Minnesota health care programs criteria. Publicly
 91.4 operated transit systems, volunteers, and not-for-hire vehicles are exempt from the
 91.5 requirements outlined in this paragraph.

91.6 (e) An organization may be terminated, denied, or suspended from enrollment if:

91.7 (1) the provider has not initiated background studies on the individuals specified in
 91.8 section 174.30, subdivision 10, paragraph (a), clauses (1) to (3); or

91.9 (2) the provider has initiated background studies on the individuals specified in section
 91.10 174.30, subdivision 10, paragraph (a), clauses (1) to (3), and:

91.11 (i) the commissioner has sent the provider a notice that the individual has been
 91.12 disqualified under section 245C.14; and

91.13 (ii) the individual has not received a disqualification set-aside specific to the special
 91.14 transportation services provider under sections 245C.22 and 245C.23.

91.15 (f) The administrative agency of nonemergency medical transportation must:

91.16 (1) adhere to the policies defined by the commissioner;

91.17 (2) pay nonemergency medical transportation providers for services provided to
 91.18 Minnesota health care programs beneficiaries to obtain covered medical services;

91.19 (3) provide data monthly to the commissioner on appeals, complaints, no-shows, canceled
 91.20 trips, and number of trips by mode; and

91.21 (4) by July 1, 2016, in accordance with subdivision 18e, utilize a web-based single
 91.22 administrative structure assessment tool that meets the technical requirements established
 91.23 by the commissioner, reconciles trip information with claims being submitted by providers,
 91.24 and ensures prompt payment for nonemergency medical transportation services. This
 91.25 paragraph expires ~~July 1, 2026, for medical assistance fee-for-service and January 1, 2027,~~
 91.26 ~~for prepaid medical assistance~~ upon implementation of the administrator under subdivision
 91.27 18i.

91.28 (g) Effective ~~July 1, 2026, for medical fee-for-service and January 1, 2027, for prepaid~~
 91.29 ~~medical assistance,~~ upon implementation of the administrator under subdivision 18i, the
 91.30 administrative agency of nonemergency medical transportation must:

91.31 (1) adhere to the policies defined by the commissioner;

92.1 (2) pay nonemergency medical transportation providers for services provided to
92.2 Minnesota health care program beneficiaries to obtain covered medical services; and

92.3 (3) provide data monthly to the commissioner on appeals, complaints, no-shows, canceled
92.4 trips, and number of trips by mode.

92.5 (h) Until the commissioner implements the single administrative structure and delivery
92.6 system under subdivision 18e, clients shall obtain their level-of-service certificate from the
92.7 commissioner or an entity approved by the commissioner that does not dispatch rides for
92.8 clients using modes of transportation under paragraph (n), clauses (4), (5), (6), and (7). This
92.9 paragraph expires ~~July 1, 2026, for medical assistance fee-for-service and January 1, 2027,~~
92.10 ~~for prepaid medical assistance~~ upon implementation of the administrator under subdivision
92.11 18i.

92.12 (i) The commissioner may use an order by the recipient's attending physician, advanced
92.13 practice registered nurse, physician assistant, or a medical or mental health professional to
92.14 certify that the recipient requires nonemergency medical transportation services.

92.15 Nonemergency medical transportation providers shall perform driver-assisted services for
92.16 eligible individuals, when appropriate. Driver-assisted service includes passenger pickup
92.17 at and return to the individual's residence or place of business, assistance with admittance
92.18 of the individual to the medical facility, and assistance in passenger securement or in securing
92.19 of wheelchairs, child seats, or stretchers in the vehicle.

92.20 (j) Nonemergency medical transportation providers must take clients to the health care
92.21 provider using the most direct route, and must not exceed 30 miles for a trip to a primary
92.22 care provider or 60 miles for a trip to a specialty care provider, unless the client receives
92.23 authorization from the local agency. This paragraph expires ~~July 1, 2026, for medical~~
92.24 ~~assistance fee-for-service and January 1, 2027, for prepaid medical assistance~~ upon
92.25 implementation of the administrator under subdivision 18i.

92.26 (k) Effective ~~July 1, 2026, for medical assistance fee-for-service and January 1, 2027,~~
92.27 ~~for prepaid medical assistance,~~ upon implementation of the administrator under subdivision
92.28 18i, nonemergency medical transportation providers must take clients to the health care
92.29 provider using the most direct route and must not exceed 30 miles for a trip to a primary
92.30 care provider or 60 miles for a trip to a specialty care provider, unless the client receives
92.31 authorization from the administrator.

92.32 (l) Nonemergency medical transportation providers may not bill for separate base rates
92.33 for the continuation of a trip beyond the original destination. Nonemergency medical
92.34 transportation providers must maintain trip logs, which include pickup and drop-off times,

93.1 signed by the medical provider or client, whichever is deemed most appropriate, attesting
93.2 to mileage traveled to obtain covered medical services. Clients requesting client mileage
93.3 reimbursement must sign the trip log attesting mileage traveled to obtain covered medical
93.4 services.

93.5 (m) The administrative agency shall use the level of service process established by the
93.6 commissioner to determine the client's most appropriate mode of transportation. If public
93.7 transit or a certified transportation provider is not available to provide the appropriate service
93.8 mode for the client, the client may receive a onetime service upgrade.

93.9 (n) The covered modes of transportation are:

93.10 (1) client reimbursement, which includes client mileage reimbursement provided to
93.11 clients who have their own transportation, or to family or an acquaintance who provides
93.12 transportation to the client;

93.13 (2) volunteer transport, which includes transportation by volunteers using their own
93.14 vehicle;

93.15 (3) unassisted transport, which includes transportation provided to a client by a taxicab
93.16 or public transit. If a taxicab or public transit is not available, the client can receive
93.17 transportation from another nonemergency medical transportation provider;

93.18 (4) assisted transport, which includes transport provided to clients who require assistance
93.19 by a nonemergency medical transportation provider;

93.20 (5) lift-equipped/ramp transport, which includes transport provided to a client who is
93.21 dependent on a device and requires a nonemergency medical transportation provider with
93.22 a vehicle containing a lift or ramp;

93.23 (6) protected transport, which includes transport provided to a client who has received
93.24 a prescreening that has deemed other forms of transportation inappropriate and who requires
93.25 a provider: (i) with a protected vehicle that is not an ambulance or police car and has safety
93.26 locks, a video recorder, and a transparent thermoplastic partition between the passenger and
93.27 the vehicle driver; and (ii) who is certified as a protected transport provider; and

93.28 (7) stretcher transport, which includes transport for a client in a prone or supine position
93.29 and requires a nonemergency medical transportation provider with a vehicle that can transport
93.30 a client in a prone or supine position.

93.31 (o) The local agency shall be the single administrative agency and shall administer and
93.32 reimburse for modes defined in paragraph (n) according to paragraphs (r) to (t) when the
93.33 commissioner has developed, made available, and funded the web-based single administrative

94.1 structure, assessment tool, and level of need assessment under subdivision 18e. The local
94.2 agency's financial obligation is limited to funds provided by the state or federal government.
94.3 This paragraph expires ~~July 1, 2026, for medical assistance fee-for-service and January 1,~~
94.4 ~~2027, for prepaid medical assistance~~ upon implementation of the administrator under
94.5 subdivision 18i.

94.6 (p) The commissioner shall:

94.7 (1) verify that the mode and use of nonemergency medical transportation is appropriate;

94.8 (2) verify that the client is going to an approved medical appointment; and

94.9 (3) investigate all complaints and appeals.

94.10 (q) The administrative agency shall pay for the services provided in this subdivision and
94.11 seek reimbursement from the commissioner, if appropriate. As vendors of medical care,
94.12 local agencies are subject to the provisions in section 256B.041, the sanctions and monetary
94.13 recovery actions in section 256B.064, and Minnesota Rules, parts 9505.2160 to 9505.2245.
94.14 This paragraph expires ~~July 1, 2026, for medical assistance fee-for-service and January 1,~~
94.15 ~~2027, for prepaid medical assistance~~ upon implementation of the administrator under
94.16 subdivision 18i.

94.17 (r) Payments for nonemergency medical transportation must be paid based on the client's
94.18 assessed mode under paragraph (m), not the type of vehicle used to provide the service. The
94.19 medical assistance reimbursement rates for nonemergency medical transportation services
94.20 that are payable by or on behalf of the commissioner for nonemergency medical
94.21 transportation services are:

94.22 (1) \$0.22 per mile for client reimbursement;

94.23 (2) up to 100 percent of the Internal Revenue Service business deduction rate for volunteer
94.24 transport;

94.25 (3) equivalent to the standard fare for unassisted transport when provided by public
94.26 transit, and \$12.10 for the base rate and \$1.43 per mile when provided by a nonemergency
94.27 medical transportation provider;

94.28 (4) \$14.30 for the base rate and \$1.43 per mile for assisted transport;

94.29 (5) \$19.80 for the base rate and \$1.70 per mile for lift-equipped/ramp transport;

94.30 (6) \$75 for the base rate and \$2.40 per mile for protected transport; and

94.31 (7) \$60 for the base rate and \$2.40 per mile for stretcher transport, and \$9 per trip for
94.32 an additional attendant if deemed medically necessary. This paragraph expires ~~July 1, 2026,~~

95.1 ~~for medical assistance fee-for-service and January 1, 2027, for prepaid medical assistance~~
95.2 upon implementation of the administrator under subdivision 18i.

95.3 (s) ~~Effective July 1, 2026, for medical assistance fee-for-service and January 1, 2027,~~
95.4 upon implementation of the administrator under subdivision 18i, for prepaid medical
95.5 assistance, payments for nonemergency medical transportation must be paid based on the
95.6 client's assessed mode under paragraph (m), not the type of vehicle used to provide the
95.7 service.

95.8 (t) The base rate for nonemergency medical transportation services in areas defined
95.9 under RUCA to be super rural is equal to 111.3 percent of the respective base rate in
95.10 paragraph (r), clauses (1) to (7). The mileage rate for nonemergency medical transportation
95.11 services in areas defined under RUCA to be rural or super rural areas is:

95.12 (1) for a trip equal to 17 miles or less, equal to 125 percent of the respective mileage
95.13 rate in paragraph (r), clauses (1) to (7); and

95.14 (2) for a trip between 18 and 50 miles, equal to 112.5 percent of the respective mileage
95.15 rate in paragraph (r), clauses (1) to (7). This paragraph expires ~~July 1, 2026, for medical~~
95.16 ~~assistance fee-for-service and January 1, 2027, for prepaid medical assistance~~ upon
95.17 implementation of the administrator under subdivision 18i.

95.18 (u) For purposes of reimbursement rates for nonemergency medical transportation
95.19 services under paragraphs (r) to (t), the zip code of the recipient's place of residence shall
95.20 determine whether the urban, rural, or super rural reimbursement rate applies. This paragraph
95.21 expires ~~July 1, 2026, for medical assistance fee-for-service and January 1, 2027, for prepaid~~
95.22 ~~medical assistance~~ upon implementation of the administrator under subdivision 18i.

95.23 (v) The commissioner, when determining reimbursement rates for nonemergency medical
95.24 transportation, shall exempt all modes of transportation listed under paragraph (n) from
95.25 Minnesota Rules, part 9505.0445, item R, subitem (2).

95.26 (w) Effective for the first day of each calendar quarter in which the price of gasoline as
95.27 posted publicly by the United States Energy Information Administration exceeds \$3.00 per
95.28 gallon, the commissioner shall adjust the rate paid per mile in paragraph (r) by one percent
95.29 up or down for every increase or decrease of ten cents for the price of gasoline. The increase
95.30 or decrease must be calculated using a base gasoline price of \$3.00. The percentage increase
95.31 or decrease must be calculated using the average of the most recently available price of all
95.32 grades of gasoline for Minnesota as posted publicly by the United States Energy Information
95.33 Administration. This paragraph expires ~~July 1, 2026, for medical assistance fee-for-service~~

96.1 ~~and January 1, 2027, for prepaid medical assistance~~ upon implementation of the administrator
 96.2 under subdivision 18i.

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

96.4 Sec. 3. Minnesota Statutes 2025 Supplement, section 256B.0625, subdivision 18i, is
 96.5 amended to read:

96.6 Subd. 18i. **Administration of nonemergency medical transportation.** (a) Effective
 96.7 July 1, 2026, ~~for medical assistance fee-for-service and January 1, 2027, for prepaid medical~~
 96.8 ~~assistance~~, the commissioner must contract either statewide or regionally for the
 96.9 administration of the nonemergency medical transportation program in compliance with
 96.10 the provisions of this chapter. The contract must include the administration of the
 96.11 nonemergency medical transportation benefit for those enrolled in managed care as described
 96.12 in section 256B.69.

96.13 (b) The commissioner must provide six months notice to counties, managed care
 96.14 organizations, and county-based purchasing organizations before implementing the
 96.15 administrator required under this subdivision.

96.16 (c) The commissioner must notify the revisor of statutes when the administrator under
 96.17 this subdivision is implemented.

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

96.19 Sec. 4. Minnesota Statutes 2025 Supplement, section 256B.064, subdivision 1a, is amended
 96.20 to read:

96.21 Subd. 1a. **Grounds for sanctions.** (a) The commissioner may impose sanctions against
 96.22 any individual or entity that receives payments from medical assistance or provides goods
 96.23 or services for which payment is made from medical assistance for any of the following:

96.24 (1) fraud, theft, or abuse in connection with the provision of goods and services to
 96.25 recipients of public assistance for which payment is made from medical assistance;

96.26 (2) a pattern of presentment of false or duplicate claims or claims for services not
 96.27 medically necessary;

96.28 (3) a pattern of making false statements of material facts for the purpose of obtaining
 96.29 greater compensation than that to which the individual or entity is legally entitled;

96.30 (4) suspension or termination as a Medicare vendor;

97.1 (5) refusal to grant the state agency access during regular business hours to examine all
 97.2 records necessary to disclose the extent of services provided to program recipients and
 97.3 appropriateness of claims for payment;

97.4 (6) failure to repay an overpayment provided in section 256B.0641 or a fine finally
 97.5 established under this section;

97.6 (7) failure to correct errors in the maintenance of health service or financial records for
 97.7 which a fine was imposed or after issuance of a warning by the commissioner; and

97.8 (8) any reason for which an individual or entity could be excluded from participation in
 97.9 the Medicare program under section 1128, 1128A, or 1866(b)(2) of the Social Security Act.

97.10 (b) For the purposes of this section, goods or services for which payment is made from
 97.11 medical assistance includes but is not limited to care and services identified in section
 97.12 256B.0625 or provided pursuant to any federally approved waiver.

97.13 (c) Regardless of the source of payment or other item of value, the commissioner may
 97.14 impose sanctions against any individual or entity that solicits, receives, pays, or offers to
 97.15 pay any illegal remuneration as described in section 142E.51, subdivision 6a, in violation
 97.16 of section 609.542, subdivision 2, or in violation of United States Code, title 42, section
 97.17 1320a-7b(b)(1) or (2). No conviction is required before the commissioner can impose
 97.18 sanctions under this paragraph.

97.19 (d) The commissioner may impose sanctions against a pharmacy provider for failure to
 97.20 respond to a cost of dispensing survey under section 256B.0625, subdivision 13e, paragraph
 97.21 (g).

97.22 (e) The commissioner may impose sanctions against a pharmacy provider for failure to
 97.23 respond to a Minnesota drug acquisition cost survey under section 256B.0625, subdivision
 97.24 13e, paragraph (i).

97.25 (f) For the purposes of this subdivision, "abuse" does not include billing errors that result
 97.26 in unintended overcharges.

97.27 Sec. 5. Minnesota Statutes 2024, section 256B.064, subdivision 1c, is amended to read:

97.28 Subd. 1c. **Grounds for and methods of monetary recovery.** (a) The commissioner
 97.29 may obtain monetary recovery from an individual or entity ~~that has been improperly paid~~
 97.30 ~~by the department either as a result of conduct described in subdivision 1a or as a result of~~
 97.31 ~~an error by the individual or entity submitting the claim or by the department, regardless of~~
 97.32 ~~whether the error was intentional. Patterns need not be proven as a precondition to monetary~~

98.1 ~~recovery of erroneous or false claims, duplicate claims, claims for services not medically~~
 98.2 ~~necessary, or claims based on false statements~~ for an overpayment as defined in Code of
 98.3 Federal Regulations, title 42, section 433.304.

98.4 (b) The commissioner may obtain monetary recovery using methods including but not
 98.5 limited to the following: assessing and recovering money improperly paid and debiting from
 98.6 future payments any money improperly paid. The commissioner ~~shall~~ must charge interest
 98.7 on money to be recovered if the recovery is to be made by installment payments or debits,
 98.8 except when the monetary recovery is of an overpayment that resulted from a department
 98.9 error. The interest charged ~~shall~~ must be the rate established by the commissioner of revenue
 98.10 under section 270C.40.

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

98.12 Sec. 6. Minnesota Statutes 2024, section 256B.064, subdivision 1d, is amended to read:

98.13 Subd. 1d. **Investigative costs.** (a) The commissioner may seek recovery of investigative
 98.14 costs from any individual or entity that ~~willfully submits a claim for reimbursement for~~
 98.15 ~~services that the individual or entity knows, or reasonably should have known, is a false~~
 98.16 ~~representation and that results in the payment of public funds for which the individual or~~
 98.17 ~~entity is ineligible~~ violates the False Claims Act pursuant to United States Code, title 31,
 98.18 section 3729-3733 or section 15C.02.

98.19 (b) Billing errors that result in unintentional overcharges ~~shall~~ are not ~~be~~ grounds for
 98.20 investigative cost recoupment.

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

98.22 Sec. 7. Laws 2025, First Special Session chapter 3, article 8, section 43, the effective date,
 98.23 is amended to read:

98.24 **EFFECTIVE DATE.** Paragraph (b) is effective ~~July 1, 2026, for medical assistance~~
 98.25 ~~fee for service and January 1, 2027, for prepaid medical assistance~~ upon implementation
 98.26 of the administrator under Minnesota Statutes, section 256B.0625, subdivision 18i. The
 98.27 commissioner of human services must notify the revisor of statutes when the administrator
 98.28 under Minnesota Statutes, section 256B.0625, subdivision 18i, is implemented. Paragraph
 98.29 (c) is effective on the latest of the following: (1) January 1, 2026; (2) federal approval of
 98.30 the medical assistance program changes in this section; (3) federal approval of the
 98.31 amendments in this act to Minnesota Statutes, section 256B.76, subdivision 6; (4) federal
 98.32 approval of the amendments in this act to Minnesota Statutes, section 256B.761; or (5)

99.1 federal approval of all necessary federal waivers to implement the managed care organization
 99.2 assessment in Minnesota Statutes, section 295.525. The commissioner of human services
 99.3 shall notify the revisor of statutes when federal approval is obtained.

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

99.5 **ARTICLE 7**

99.6 **DEPARTMENT OF HUMAN SERVICES APPROPRIATIONS**

99.7 Section 1. **HUMAN SERVICES APPROPRIATIONS.**

99.8 The sums shown in the columns marked "Appropriations" are added to or, if shown in
 99.9 parentheses, are subtracted from the appropriations in Laws 2025, First Special Session
 99.10 chapter 9, article 12, to the agency and for the purposes specified in this article. The
 99.11 appropriations are from the general fund or other named fund and are available for the fiscal
 99.12 years indicated for each purpose. The figures "2026" and "2027" used in this article mean
 99.13 that the addition to or subtraction from the appropriation listed under them is available for
 99.14 the fiscal year ending June 30, 2026, or June 30, 2027, respectively. Base adjustments mean
 99.15 the addition to or subtraction from the base level adjustment set in Laws 2025, First Special
 99.16 Session chapter 9, article 12. Appropriations and reductions to appropriations for the fiscal
 99.17 year ending June 30, 2026, are effective the day following final enactment unless a different
 99.18 effective date is explicit.

		<u>APPROPRIATIONS</u>	
		<u>Available for the Year</u>	
		<u>Ending June 30</u>	
		<u>2026</u>	<u>2027</u>
99.23	Sec. 2. <u>TOTAL APPROPRIATION</u>	<u>\$ (822,000)</u>	<u>\$ 17,101,000</u>

99.24 The amounts that may be spent for each
 99.25 purpose are specified in the following sections
 99.26 and subdivisions.

99.27	Sec. 3. <u>CENTRAL OFFICE; OPERATIONS</u>	<u>\$ -0-</u>	<u>\$ 1,371,000</u>
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99.28 **Base Level Adjustment.** The general fund
 99.29 base is increased by \$262,000 in fiscal year
 99.30 2028 and increased by \$300,000 in fiscal year
 99.31 2029.

99.32	Sec. 4. <u>CENTRAL OFFICE; HEALTH CARE</u>	<u>\$ -0-</u>	<u>\$ 482,000</u>
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99.33 **Base Level Adjustment.** The general fund
 99.34 base is increased by \$953,000 in fiscal year

100.1 2028 and increased by \$918,000 in fiscal year
 100.2 2029.

100.3 **Sec. 5. CENTRAL OFFICE; AGING AND**
 100.4 **DISABILITY SERVICES**

\$

-0- \$12,364,000

100.5 **Subdivision 1. MnCHOICES Redesign Working**
 100.6 **Group**

100.7 \$450,000 in fiscal year 2027 is for a contract
 100.8 related to the MnCHOICES redesign working
 100.9 group. The base for this appropriation is
 100.10 \$500,000 in fiscal year 2028, \$250,000 in
 100.11 fiscal year 2029, \$0 in fiscal year 2030, and
 100.12 \$0 in fiscal year 2031.

100.13 **Subd. 2. Waiver Case Management Quality**
 100.14 **Working Group**

100.15 \$350,000 in fiscal year 2027 is for a contract
 100.16 related to the waiver case management quality
 100.17 working group. The base for this appropriation
 100.18 is \$150,000 in fiscal year 2028 and \$0 in fiscal
 100.19 year 2029.

100.20 **Subd. 3. Case Management and Home and**
 100.21 **Community-Based Services Rates Study**

100.22 \$200,000 in fiscal year 2027 is for a rates
 100.23 study for case management and home and
 100.24 community-based services. This is a onetime
 100.25 appropriation and is available until June 30,
 100.26 2028. The base for this appropriation is
 100.27 \$400,000 in fiscal year 2028, \$200,000 in
 100.28 fiscal year 2029, \$0 in fiscal year 2030, and
 100.29 \$0 in fiscal year 2031.

100.30 **Subd. 4. Supported-Decision-Making Programs**
 100.31 **Administration**

100.32 \$30,000 in fiscal year 2027 is for a contract
 100.33 to administer supported-decision-making
 100.34 grants under Laws 2023, chapter 61, article 1,

101.1 section 61. This is a onetime appropriation
 101.2 and is available until June 30, 2028.

101.3 **Subd. 5. Base Level Adjustment**

101.4 The general fund base is increased by
 101.5 \$22,592,000 in fiscal year 2028 and increased
 101.6 by \$24,619,000 in fiscal year 2029.

101.7 **Sec. 6. CENTRAL OFFICE; BEHAVIORAL**
 101.8 **HEALTH**

\$ -0- \$ 150,000

101.9 **Subdivision 1. Access to Services for**
 101.10 **Incarcerated Individuals Evaluation**

101.11 \$150,000 in fiscal year 2027 is for community
 101.12 engagement and evaluation related reentry
 101.13 services.

101.14 **Subd. 2. Base Level Adjustment**

101.15 The general fund base is increased by
 101.16 \$353,000 in fiscal year 2028 and increased by
 101.17 \$336,000 in fiscal year 2029.

101.18 **Sec. 7. CENTRAL OFFICE; OFFICE OF**
 101.19 **INSPECTOR GENERAL**

\$ -0- \$ 1,284,000

101.20 **Base Level Adjustment.** The general fund
 101.21 base is increased by \$1,500,000 in fiscal year
 101.22 2028 and increased by \$1,500,000 in fiscal
 101.23 year 2029.

101.24 **Sec. 8. FORECASTED PROGRAMS;**
 101.25 **HOUSING SUPPORT**

\$ -0- \$ 10,057,000

101.26 **Sec. 9. FORECASTED PROGRAMS;**
 101.27 **MEDICAL ASSISTANCE**

\$ -0- \$ 192,000

101.28 **Sec. 10. FORECASTED PROGRAMS;**
 101.29 **BEHAVIORAL HEALTH FUND**

\$ -0- \$ (19,220,000)

101.30 **Sec. 11. GRANT PROGRAMS; REFUGEE**
 101.31 **SERVICE GRANTS**

\$ -0- \$ 9,861,000

101.32 **Human Services Response Contingency**
 101.33 **Account.** \$9,861,000 in fiscal year 2026 is for
 101.34 the human services response contingency

102.1 account established under Minnesota Statutes,
 102.2 section 256.044. This is a onetime
 102.3 appropriation.

102.4 **Sec. 12. GRANT PROGRAMS; OTHER**
 102.5 **LONG-TERM CARE GRANTS** \$ **(822,000)** \$ **55,000**

102.6 **Subdivision 1. Supported-Decision-Making**
 102.7 **Programs**

102.8 \$2,000,000 in fiscal year 2027 is for
 102.9 supported-decision-making grants under Laws
 102.10 2023, chapter 61, article 1, section 61. This is
 102.11 a onetime appropriation and is available until
 102.12 June 30, 2028.

102.13 **Subd. 2. Base Level Adjustment**

102.14 The general fund base is decreased by
 102.15 \$1,925,000 in fiscal year 2028 and \$1,925,000
 102.16 in fiscal year 2029.

102.17 **Sec. 13. GRANT PROGRAMS; DISABILITY**
 102.18 **GRANTS** \$ **-0-** \$ **(145,000)**

102.19 **Base Level Adjustment.** The general fund
 102.20 base is decreased by \$956,000 in fiscal year
 102.21 2028 and decreased by \$956,000 in fiscal year
 102.22 2029.

102.23 **Sec. 14. GRANT PROGRAMS; SUBSTANCE**
 102.24 **USE DISORDER GRANTS** \$ **-0-** \$ **650,000**

102.25 **Subdivision 1. Todd County; Peer Recovery**
 102.26 **Support**

102.27 \$300,000 in fiscal year 2027 is for a grant to
 102.28 Todd County for a contract with an
 102.29 organization operating in Todd County to
 102.30 provide daily peer recovery support services
 102.31 and special sessions for individuals who are
 102.32 in substance use recovery, are transitioning
 102.33 out of incarceration, or have experienced
 102.34 trauma.

103.1 **Subd. 2. Thrive Family Recovery Resources**

103.2 \$350,000 in fiscal year 2027 is for a grant to
 103.3 Thrive Family Recovery Resources for a pilot
 103.4 program that provides family peer services,
 103.5 education, resource navigation, and general
 103.6 support for families impacted by substance
 103.7 use disorder. By January 20, 2027, the
 103.8 commissioner must submit a report to the
 103.9 chairs and ranking minority members of the
 103.10 legislative committees with jurisdiction over
 103.11 human services that evaluates the results of
 103.12 the pilot program and makes recommendations
 103.13 for developing an ongoing grant program to
 103.14 provide supportive services and education for
 103.15 families impacted by substance use disorder.
 103.16 This is a onetime appropriation.

103.17 **Subd. 3. Base Level Adjustment**

103.18 The general fund base is increased by
 103.19 \$300,000 in fiscal year 2028 and \$300,000 in
 103.20 fiscal year 2029.

103.21 Sec. 15. Laws 2023, chapter 61, article 1, section 67, subdivision 3, as amended by Laws
 103.22 2024, chapter 125, article 8, section 10, is amended to read:

103.23 **Subd. 3. Evaluation and report.** (a) The Metropolitan Center for Independent Living
 103.24 must contract with a third party to evaluate the pilot project's impact on health care costs,
 103.25 retention of personal care assistants, and patients' and providers' satisfaction of care. The
 103.26 evaluation must include the number of participants, the hours of care provided by participants,
 103.27 and the retention of participants from semester to semester.

103.28 (b) By January 15, ~~2026~~ 2028, the Metropolitan Center for Independent Living must
 103.29 report the findings under paragraph (a) to the chairs and ranking minority members of the
 103.30 legislative committees with jurisdiction over human services finance and policy.

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

104.1 Sec. 16. Laws 2023, chapter 61, article 9, section 2, subdivision 5, as amended by Laws
 104.2 2024, chapter 125, article 8, section 12, is amended to read:

104.3 **Subd. 5. Central Office; Aging and Disability**
 104.4 **Services**

40,115,000

11,995,000

104.5 **(a) Employment Supports Alignment Study.**

104.6 \$50,000 in fiscal year 2024 and \$200,000 in
 104.7 fiscal year 2025 are to conduct an interagency
 104.8 employment supports alignment study. The
 104.9 base for this appropriation is \$150,000 in fiscal
 104.10 year 2026 and \$100,000 in fiscal year 2027.

104.11 **(b) Case Management Training**

104.12 **Curriculum.** \$377,000 in fiscal year 2024 and
 104.13 \$377,000 in fiscal year 2025 are to develop
 104.14 and implement a curriculum and training plan
 104.15 to ensure all lead agency assessors and case
 104.16 managers have the knowledge and skills
 104.17 necessary to fulfill support planning and
 104.18 coordination responsibilities for individuals
 104.19 who use home and community-based disability
 104.20 services and live in own-home settings. This
 104.21 is a onetime appropriation.

104.22 **(c) Office of Ombudsperson for Long-Term**

104.23 **Care.** \$875,000 in fiscal year 2024 and
 104.24 \$875,000 in fiscal year 2025 are for additional
 104.25 staff and associated direct costs in the Office
 104.26 of Ombudsperson for Long-Term Care.

104.27 **(d) Direct Care Services Corps Pilot Project.**

104.28 \$500,000 in fiscal year 2024 is from the
 104.29 general fund for a grant to the Metropolitan
 104.30 Center for Independent Living for the direct
 104.31 care services corps pilot project. Up to \$25,000
 104.32 may be used by the Metropolitan Center for
 104.33 Independent Living for administrative costs.
 104.34 This is a onetime appropriation and is
 104.35 available until June 30, ~~2026~~ 2027.

105.1 **(e) Research on Access to Long-Term Care**
 105.2 **Services and Financing.** Any unexpended
 105.3 amount of the fiscal year 2023 appropriation
 105.4 referenced in Laws 2021, First Special Session
 105.5 chapter 7, article 17, section 16, estimated to
 105.6 be \$300,000, is canceled. The amount canceled
 105.7 is appropriated in fiscal year 2024 for the same
 105.8 purpose.

105.9 **(f) Native American Elder Coordinator.**
 105.10 \$441,000 in fiscal year 2024 and \$441,000 in
 105.11 fiscal year 2025 are for the Native American
 105.12 elder coordinator position under Minnesota
 105.13 Statutes, section 256.975, subdivision 6.

105.14 **(g) Grant Administration Carryforward.**

105.15 (1) Of this amount, \$8,154,000 in fiscal year
 105.16 2024 is available until June 30, 2027.

105.17 (2) Of this amount, \$1,071,000 in fiscal year
 105.18 2025 is available until June 30, 2027.

105.19 (3) Of this amount, \$19,000,000 in fiscal year
 105.20 2024 is available until June 30, 2029.

105.21 **(h) Base Level Adjustment.** The general fund
 105.22 base is increased by \$8,189,000 in fiscal year
 105.23 2026 and increased by \$8,093,000 in fiscal
 105.24 year 2027.

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

105.26 Sec. 17. Laws 2024, chapter 125, article 1, section 47, is amended to read:

105.27 Sec. 47. **DIRECTION TO COMMISSIONER; PEDIATRIC HOSPITAL-TO-HOME**
 105.28 **TRANSITION PILOT PROGRAM.**

105.29 (a) The commissioner of human services must award a single competitive grant to a
 105.30 home care nursing provider to develop and implement, in coordination with the commissioner
 105.31 of health, Fairview Masonic Children's Hospital, Gillette Children's Specialty Healthcare,
 105.32 and Children's Minnesota of St. Paul and Minneapolis, a pilot program to expedite and

106.1 facilitate pediatric hospital-to-home discharges for patients receiving services in this state
 106.2 under medical assistance, including under the community alternative care waiver, community
 106.3 access for disability inclusion waiver, and developmental disabilities waiver.

106.4 (b) Grant money awarded under this section must be used only to support the
 106.5 administrative, training, and auxiliary services necessary to reduce:

106.6 (1) delayed discharge days due to unavailability of home care nursing staffing to
 106.7 accommodate complex pediatric patients;

106.8 (2) avoidable rehospitalization days for pediatric patients;

106.9 (3) unnecessary emergency department utilization by pediatric patients following
 106.10 discharge;

106.11 (4) long-term nursing needs for pediatric patients; and

106.12 (5) the number of school days missed by pediatric patients.

106.13 (c) Grant money must not be used to supplant payment rates for services covered under
 106.14 Minnesota Statutes, chapter 256B.

106.15 (d) No later than December 15, ~~2026~~ 2027, the commissioner must prepare a report
 106.16 summarizing the impact of the pilot program that includes but is not limited to: (1) the
 106.17 number of delayed discharge days eliminated; (2) the number of rehospitalization days
 106.18 eliminated; (3) the number of unnecessary emergency department admissions eliminated;
 106.19 (4) the number of missed school days eliminated; and (5) an estimate of the return on
 106.20 investment of the pilot program.

106.21 (e) The commissioner must submit the report under paragraph (d) to the chairs and
 106.22 ranking minority members of the legislative committees with jurisdiction over health and
 106.23 human services finance and policy.

106.24 Sec. 18. Laws 2024, chapter 125, article 8, section 2, subdivision 4, is amended to read:

106.25	Subd. 4. Central Office; Aging and Disability		
106.26	Services	(2,664,000)	4,164,000

106.27 (a) **Tribal Vulnerable Adult and**
 106.28 **Developmental Disabilities Targeted Case**
 106.29 **Management Medical Assistance Benefit.**

106.30 \$200,000 in fiscal year 2025 is for a contract
 106.31 to develop a Tribal vulnerable adult and
 106.32 developmental disabilities targeted case

107.1 management medical assistance benefit under
107.2 Minnesota Statutes, section 256B.0924. This
107.3 is a onetime appropriation. Notwithstanding
107.4 Minnesota Statutes, section 16A.28,
107.5 subdivision 3, this appropriation is available
107.6 until June 30, 2027.

107.7 **(b) Disability Services Person-Centered**
107.8 **Engagement and Navigation Study.**
107.9 \$600,000 in fiscal year 2025 is for the
107.10 disability services person-centered engagement
107.11 and navigation study. This is a onetime
107.12 appropriation. Notwithstanding Minnesota
107.13 Statutes, section 16A.28, subdivision 3, this
107.14 appropriation is available until June 30, 2026.

107.15 **(c) Pediatric Hospital-to-Home Transition**
107.16 **Pilot Program Administration.** \$300,000 in
107.17 fiscal year 2025 is for a contract related to the
107.18 pediatric hospital-to-home transition pilot
107.19 program. This is a onetime appropriation.
107.20 Notwithstanding Minnesota Statutes, section
107.21 16A.28, subdivision 3, this appropriation is
107.22 available until June 30, ~~2027~~ 2028.

107.23 **(d) Reimbursement for Community-First**
107.24 **Services and Supports Workers Report.**
107.25 \$250,000 in fiscal year 2025 is for a contract
107.26 related to the reimbursement for
107.27 community-first services and supports workers
107.28 report. This is a onetime appropriation.
107.29 Notwithstanding Minnesota Statutes, section
107.30 16A.28, subdivision 3, this appropriation is
107.31 available until June 30, 2026.

107.32 **(e) Carryforward Authority.**
107.33 Notwithstanding Minnesota Statutes, section
107.34 16A.28, subdivision 3, \$758,000 in fiscal year
107.35 2025 is available until June 30, 2026, and

108.1 \$2,687,000 in fiscal year 2025 is available
 108.2 until June 30, 2027.

108.3 **(f) Base Level Adjustment.** The general fund
 108.4 base is increased by \$340,000 in fiscal year
 108.5 2026 and increased by \$340,000 in fiscal year
 108.6 2027.

108.7 Sec. 19. Laws 2024, chapter 125, article 8, section 2, subdivision 14, as amended by Laws
 108.8 2025, First Special Session chapter 9, article 12, section 29, is amended to read:

108.9	Subd. 14. Grant Programs; Disabilities Grants	1,650,000	9,574,000
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108.10 **(a) Capital Improvement for Accessibility.**
 108.11 \$400,000 in fiscal year 2025 is for a payment
 108.12 to Anoka County to make capital
 108.13 improvements to existing space in the Anoka
 108.14 County Human Services building in the city
 108.15 of Blaine, including making bathrooms fully
 108.16 compliant with the Americans with Disabilities
 108.17 Act with adult changing tables and ensuring
 108.18 barrier-free access for the purposes of
 108.19 improving and expanding the services an
 108.20 existing building tenant can provide to adults
 108.21 with developmental disabilities. This is a
 108.22 onetime appropriation.

108.23 **(b) Dakota County Disability Services**
 108.24 **Workforce Shortage Pilot Project.** \$500,000
 108.25 in fiscal year 2025 is for a grant to Dakota
 108.26 County for innovative solutions to the
 108.27 disability services workforce shortage. Up to
 108.28 \$250,000 of this amount must be used to
 108.29 develop and test an online application for
 108.30 matching requests for services from people
 108.31 with disabilities to available staff, and up to
 108.32 \$250,000 of this amount must be used to
 108.33 develop a communities-for-all program that
 108.34 engages businesses, community organizations,

109.1 neighbors, and informal support systems to
109.2 promote community inclusion of people with
109.3 disabilities. By October 1, 2026, the
109.4 commissioner shall report the outcomes and
109.5 recommendations of these pilot projects to the
109.6 chairs and ranking minority members of the
109.7 legislative committees with jurisdiction over
109.8 human services finance and policy. This is a
109.9 onetime appropriation. Notwithstanding
109.10 Minnesota Statutes, section 16A.28,
109.11 subdivision 3, this appropriation is available
109.12 until June 30, 2027.

109.13 **(c) Pediatric Hospital-to-Home Transition**
109.14 **Pilot Program.** \$1,040,000 in fiscal year 2025
109.15 is for the pediatric hospital-to-home pilot
109.16 program. This is a onetime appropriation.
109.17 Notwithstanding Minnesota Statutes, section
109.18 16A.28, subdivision 3, this appropriation is
109.19 available until June 30, ~~2027~~ 2028.

109.20 **(d) Artists With Disabilities Support.**
109.21 \$690,000 in fiscal year 2025 is for a payment
109.22 to a nonprofit organization licensed under
109.23 Minnesota Statutes, chapter 245D, located on
109.24 Minnehaha Avenue West in Saint Paul, and
109.25 that supports artists with disabilities in creating
109.26 visual and performing art that challenges
109.27 society's views of persons with disabilities.
109.28 This is a onetime appropriation.
109.29 Notwithstanding Minnesota Statutes, section
109.30 16A.28, subdivision 3, this appropriation is
109.31 available until June 30, 2027.

109.32 **(e) Emergency Relief Grants for Rural**
109.33 **EIDBI Providers.** \$600,000 in fiscal year
109.34 2025 is for emergency relief grants for EIDBI
109.35 providers. This is a onetime appropriation.

110.1 Notwithstanding Minnesota Statutes, section
110.2 16A.28, subdivision 3, this appropriation is
110.3 available until June 30, 2027.

110.4 **(f) Self-Advocacy Grants for Persons with**
110.5 **Intellectual and Developmental Disabilities.**

110.6 \$250,000 in fiscal year 2025 is for
110.7 self-advocacy grants under Minnesota Statutes,
110.8 section 256.477, subdivision 1, paragraph (a),
110.9 clauses (5) to (7), and for administrative costs.
110.10 This is a onetime appropriation and is
110.11 available until June 30, 2027.

110.12 **(g) Electronic Visit Verification**

110.13 **Implementation Grants.** \$864,000 in fiscal
110.14 year 2025 is for electronic visit verification
110.15 implementation grants. This is a onetime
110.16 appropriation. Notwithstanding Minnesota
110.17 Statutes, section 16A.28, subdivision 3, this
110.18 appropriation is available until June 30, 2027.

110.19 **(h) Aging and Disability Services for**
110.20 **Immigrant and Refugee Communities.**

110.21 \$250,000 in fiscal year 2025 is for a payment
110.22 to SEWA-AIFW to address aging, disability,
110.23 and mental health needs for immigrant and
110.24 refugee communities. This is a onetime
110.25 appropriation and is available until June 30,
110.26 2027.

110.27 **(i) License Transition Support for Small**

110.28 **Disability Waiver Providers.** \$3,150,000 in
110.29 fiscal year 2025 is for license transition
110.30 payments to small disability waiver providers.
110.31 This is a onetime appropriation.

110.32 Notwithstanding Minnesota Statutes, section
110.33 16A.28, subdivision 3, this appropriation is
110.34 available until June 30, 2027.

111.1 **(j) Own home services provider**
 111.2 **capacity-building grants.** \$1,519,000 in fiscal
 111.3 year 2025 is for the own home services
 111.4 provider capacity-building grant program.
 111.5 Notwithstanding Minnesota Statutes, section
 111.6 16A.28, subdivision 3, this appropriation is
 111.7 available until June 30, 2027. This is a onetime
 111.8 appropriation.

111.9 **(k) Continuation of Centers for**
 111.10 **Independent Living HCBS Access Grants.**
 111.11 \$311,000 in fiscal year 2024 is for continued
 111.12 funding of grants awarded under Laws 2021,
 111.13 First Special Session chapter 7, article 17,
 111.14 section 19, as amended by Laws 2022, chapter
 111.15 98, article 15, section 15. This is a onetime
 111.16 appropriation and is available until June 30,
 111.17 2025.

111.18 **(l) Base Level Adjustment.** The general fund
 111.19 base is increased by \$811,000 in fiscal year
 111.20 2026 and increased by \$811,000 in fiscal year
 111.21 2027.

111.22 Sec. 20. Laws 2025, First Special Session chapter 3, article 20, section 19, subdivision 1,
 111.23 is amended to read:

111.24 Subdivision 1. ~~Intensive Residential Treatment~~
 111.25 ~~Services~~ Community Health Unit; Hennepin
 111.26 County

111.27 \$563,000 in fiscal year 2026 is for a grant to
 111.28 the city of Brooklyn Park ~~as start-up funding~~
 111.29 ~~for an intensive residential treatment services~~
 111.30 ~~and residential crisis stabilization services~~
 111.31 ~~facility~~ for the city of Brooklyn Park's
 111.32 Community Health Unit, operating out of the
 111.33 Brooklyn Park Police Department. This is a
 111.34 onetime appropriation and is available until
 111.35 June 30, ~~2027~~ 2028.

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

112.2 Sec. 21. **TRANSFERS AND CANCELLATIONS.**

112.3 Subdivision 1. **MnCHOICES modification grants.** The fiscal year 2027 general fund
112.4 base appropriation for MnCHOICES modifications first established under Laws 2023,
112.5 chapter 61, article 9, section 2, subdivision 16, is reduced from \$125,000 to \$0. The general
112.6 fund base for this purpose is \$0 in fiscal year 2028 and \$0 in fiscal year 2029.

112.7 Subd. 2. **Day training and habilitation facility grants.** The fiscal year 2028 and fiscal
112.8 year 2029 general fund base appropriations for grant allocations to counties for day training
112.9 and habilitation services for adults with developmental disabilities when provided as a social
112.10 service under Minnesota Statutes, sections 252.41 to 252.46, are reduced from \$811,000 to
112.11 \$0. The general fund base for this purpose is \$0 in fiscal year 2028 and \$0 in fiscal year
112.12 2029.

112.13 Subd. 3. **Innovation grants.** The fiscal year 2027 general fund base appropriation for
112.14 the innovation grants program under Minnesota Statutes, section 256B.0921, is reduced
112.15 from \$1,925,000 to \$0. The general fund base for this purpose is \$0 in fiscal year 2028 and
112.16 \$0 in fiscal year 2029.

112.17 Subd. 4. **Preadmission screening grant program.** The fiscal year 2027 general fund
112.18 base appropriation for the preadmission screening grant program under Minnesota Statutes,
112.19 section 256.975, subdivision 7d, paragraph (b), is reduced from \$20,000 to \$0. The general
112.20 fund base for this purpose is \$0 in fiscal year 2028 and \$0 in fiscal year 2029.

112.21 Subd. 5. **2023 long-term services and supports loan program.** Any unencumbered
112.22 and unexpended amount of the long-term services and supports program under Minnesota
112.23 Statutes, section 256.4792, subdivision 8a, estimated to be \$70,854,000, is transferred from
112.24 the special revenue fund to the general fund and is canceled.

112.25 Subd. 6. **2024 long-term services and supports loan program.** Any unencumbered
112.26 and unexpended amount of the fiscal year 2026 general fund base appropriation for the
112.27 long-term services and supports loan program first established under Laws 2024, chapter
112.28 125, article 8, section 2, subdivision 12, paragraph (e), estimated to be \$822,000, is canceled.

112.29 Subd. 7. **Human services response contingency account transfer.** The commissioner
112.30 of management and budget must transfer \$10,000,000 in fiscal year 2026 from the general
112.31 fund to the human services response contingency account established under Minnesota
112.32 Statutes, section 256.044. This is a onetime transfer.

113.1 Sec. 22. APPROPRIATIONS GIVEN EFFECT ONCE.

113.2 If an appropriation or transfer in this article is enacted more than once during the 2026
113.3 regular session, the appropriation or transfer must be given effect once.

113.4 Sec. 23. EXPIRATION OF UNCODIFIED LANGUAGE.

113.5 All uncodified language contained in this article expires on June 30, 2027, unless a
113.6 different expiration date is explicit.

113.7 **ARTICLE 8**

113.8 **OTHER AGENCY APPROPRIATIONS**

113.9 Section 1. OTHER AGENCY APPROPRIATIONS.

113.10 The sums shown in the columns marked "Appropriations" are added to or, if shown in
113.11 parentheses, are subtracted from the appropriations in Laws 2025, First Special Session
113.12 chapter 9, article 14, to the agencies and for the purposes specified in this article. The
113.13 appropriations are from the general fund or other named fund and are available for the fiscal
113.14 years indicated for each purpose. The figures "2026" and "2027" used in this article mean
113.15 that the addition or subtraction from the appropriation listed under them is available for the
113.16 fiscal year ending June 30, 2026, or June 30, 2027, respectively. Base adjustments mean
113.17 the addition to or subtraction from the base level adjustment set in Laws 2025, First Special
113.18 Session chapter 9, article 14. Supplemental appropriations and reductions to appropriations
113.19 for the fiscal year ending June 30, 2026, are effective the day following final enactment
113.20 unless a different effective date is explicit.

113.21		<u>APPROPRIATIONS</u>	
113.22		<u>Available for the Year</u>	
113.23		<u>Ending June 30</u>	
113.24		<u>2026</u>	<u>2027</u>
113.25	<u>Sec. 2. COMMISSIONER OF HEALTH;</u>		
113.26	<u>TOTAL APPROPRIATION</u>	<u>\$</u>	<u>-0-</u> <u>\$</u> <u>3,702,000</u>

113.27 The amounts that may be spent for each
113.28 purpose are specified in the following sections.

113.29	<u>Sec. 3. HEALTH PROTECTION</u>	<u>\$</u>	<u>-0-</u> <u>\$</u> <u>3,702,000</u>
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113.30 Subdivision 1. **Small Assisted Living Facility**
113.31 **Licensure**

113.32 \$150,000 in fiscal year 2027 is appropriated
113.33 from the general fund to the commissioner of
113.34 health to develop small assisted living facility

114.1 licensure draft legislation. This is a onetime
 114.2 appropriation and is available until June 30,
 114.3 2028.

114.4 **Subd. 2. Base Level Adjustment**

114.5 The general fund base is increased by
 114.6 \$3,442,000 in fiscal year 2028 and increased
 114.7 by \$3,442,000 in fiscal year 2029.

114.8 **Sec. 4. ATTORNEY GENERAL; OVERSIGHT AND ENFORCEMENT OF**
 114.9 **MINNESOTA STATUTES, SECTIONS 145D.41 TO 145D.43.**

114.10 \$112,000 in fiscal year 2027 is appropriated from the general fund to the attorney general
 114.11 for oversight and enforcement of Minnesota Statutes, sections 145D.41 to 145D.43.

114.12 Sec. 5. Laws 2024, chapter 125, article 8, section 2, subdivision 20, is amended to read:

114.13 **Subd. 20. Direct Care and Treatment -**
 114.14 **Operations**

-0- 6,094,000

114.15 **(a) Free Communication Services for**
 114.16 **Patients and Clients.** \$1,368,000 in fiscal
 114.17 year 2025 is for free communication services
 114.18 under article 6, section 1. This is a onetime
 114.19 appropriation. Notwithstanding Minnesota
 114.20 Statutes, section 16A.28, subdivision 3, this
 114.21 appropriation is available until June 30, 2026.

114.22 **(b) Direct Care and Treatment Capacity;**
 114.23 **Miller Building.** \$1,796,000 in fiscal year
 114.24 2025 is to design a replacement facility for the
 114.25 Miller Building on the Anoka Metro Regional
 114.26 Treatment Center campus. This is a onetime
 114.27 appropriation. Notwithstanding Minnesota
 114.28 Statutes, section 16A.28, subdivision 3, this
 114.29 appropriation is available until June 30, 2027.

114.30 **(c) Direct Care and Treatment County**
 114.31 **Correctional Facility Support Pilot**
 114.32 **Program.** \$2,387,000 in fiscal year 2025 is
 114.33 to establish a two-year county correctional

115.1 facility support pilot program. The pilot
115.2 program must: (1) provide education and
115.3 support to counties and county correctional
115.4 facilities on protocols and best practices for
115.5 the provision of involuntary medications for
115.6 mental health treatment; (2) provide technical
115.7 assistance to expand access to injectable
115.8 psychotropic medications in county
115.9 correctional facilities; and (3) survey county
115.10 correctional facilities and their contracted
115.11 medical providers on their capacity to provide
115.12 injectable psychotropic medications, including
115.13 involuntary administration of medications,
115.14 and barriers to providing these services. This
115.15 is a onetime appropriation. Notwithstanding
115.16 Minnesota Statutes, section 16A.28,
115.17 subdivision 3, this appropriation is available
115.18 until June 30, ~~2026~~ 2027.

115.19 **(d) Advisory Committee for Direct Care**
115.20 **and Treatment.** \$482,000 in fiscal year 2025
115.21 is for the administration of the advisory
115.22 committee for the operation of Direct Care
115.23 and Treatment. This is a onetime
115.24 appropriation. Notwithstanding Minnesota
115.25 Statutes, section 16A.28, subdivision 3, this
115.26 appropriation is available until June 30, 2027.

115.27 **(e) Base Level Adjustment.** The general fund
115.28 base is increased by \$31,000 in fiscal year
115.29 2026 and increased by \$0 in fiscal year 2027.

116.1 Sec. 6. Laws 2025, First Special Session chapter 3, article 21, section 3, subdivision 2, is
116.2 amended to read:

116.3 **Subd. 2. Substance Use Treatment, Recovery,**
116.4 **and Prevention Grants**

116.5 \$3,000,000 in fiscal year 2026 and \$3,000,000
116.6 in fiscal year 2027 are from the general fund
116.7 for substance use treatment, recovery, and
116.8 prevention grants under Minnesota Statutes,
116.9 section 342.72. The commissioner may use
116.10 up to \$300,000 of this appropriation for
116.11 administration.

116.12 Sec. 7. **APPROPRIATIONS GIVEN EFFECT ONCE.**

116.13 If an appropriation or transfer in this article is enacted more than once during the 2026
116.14 regular session, the appropriation or transfer must be given effect once.

116.15 Sec. 8. **EXPIRATION OF UNCODIFIED LANGUAGE.**

116.16 All uncodified language contained in this article expires on June 30, 2027, unless a
116.17 different expiration date is explicit.

APPENDIX
Article locations for S4476-3

ARTICLE 1	CONTINUITY OF CARE.....	Page.Ln 2.5
ARTICLE 2	AGING AND DISABILITY SERVICES.....	Page.Ln 8.5
ARTICLE 3	BEHAVIORAL HEALTH.....	Page.Ln 46.21
ARTICLE 4	LONG-TERM CARE FACILITY REGULATION.....	Page.Ln 60.9
ARTICLE 5	DIRECT CARE AND TREATMENT.....	Page.Ln 88.3
ARTICLE 6	MISCELLANEOUS.....	Page.Ln 89.26
ARTICLE 7	DEPARTMENT OF HUMAN SERVICES APPROPRIATIONS.....	Page.Ln 99.5
ARTICLE 8	OTHER AGENCY APPROPRIATIONS.....	Page.Ln 113.7

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;
- (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;

APPENDIX
Repealed Minnesota Statutes: S4476-3

(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;

(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.

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(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~~^{and} seek input and assistance from, and collaborate with stakeholders concerning the development and implementation of waiver reimagine phase II, including criteria and a process for individualized budget exemptions, and how waiver reimagine phase II can support and expand informed choice and informed decision making, including integrated employment, independent living, and self-direction, consistent with Minnesota Statutes, section 256B.4905.

(c) The commissioner of human services must consult with, seek input and assistance from, and collaborate with stakeholders concerning the implementation and revisions of the MnCHOICES 2.0 assessment tool.