

CONFERENCE COMMITTEE REPORT ON H. F. No. 3834

A bill for an act relating to state government; requiring the commissioner of Minnesota Management and Budget to provide a cash flow forecast to the governor and legislature; proposing coding for new law in Minnesota Statutes, chapter 16A.

May 15, 2010

The Honorable Margaret Anderson Kelliher Speaker of the House of Representatives

The Honorable James P. Metzen President of the Senate

We, the undersigned conferees for H. F. No. 3834 report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H. F. No. 3834 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

SUMMARY

Section 1. GENERAL FUND SUMMARY.

The amounts shown in this section summarize general fund direct and open appropriations, and transfers into the general fund from other funds, made in articles 2 to 14, after forecast adjustments and after voiding certain allotment reductions.

	<u>2010</u>	<u>2011</u>	<u>Total</u>
<u>E-12 Education</u>	\$ (1,069,361,000)	\$ (893,834,000)	\$ (1,963,195,000)
<u>Higher Education</u>	(77,000)	(100,077,000)	(100,154,000)
<u>Environment and Natural Resources</u>	(1,571,000)	(1,564,000)	(3,135,000)
<u>Energy</u>	(247,000)	(247,000)	(494,000)
<u>Agriculture</u>	(493,000)	(492,000)	(985,000)
<u>Economic Development</u>	(489,000)	(745,000)	(1,234,000)
<u>Transportation</u>	(1,649,000)	(11,649,000)	(13,298,000)

3.1 A district may appeal the payment schedule established by this section according to
3.2 the procedures established in section 127A.45, subdivision 4.

3.3 Sec. 2. Minnesota Statutes 2009 Supplement, section 137.025, subdivision 1, is
3.4 amended to read:

3.5 Subdivision 1. **Monthly payments.** The commissioner of management and budget
3.6 shall pay 1/12 of the annual appropriation to the University of Minnesota ~~on~~ by the ~~21st~~
3.7 25th day of each month. If the ~~21st~~ 25th day of the month falls on a Saturday or Sunday,
3.8 the monthly payment must be made ~~on~~ by the first business day immediately following
3.9 the ~~21st~~ 25th day of the month.

3.10 Sec. 3. Minnesota Statutes 2008, section 276.112, is amended to read:

3.11 **276.112 STATE PROPERTY TAXES; COUNTY TREASURER.**

3.12 ~~On or before January 25 each year, for the period ending December 31 of the~~
3.13 ~~prior year, and on or before June 28 each year, for the period ending on the most recent~~
3.14 ~~settlement day determined in section 276.09, and on or before December 2 each year, for~~
3.15 ~~the period ending November 20~~ the estimated payment and settlement dates provided in
3.16 this chapter for the settlement of taxes levied by school districts, the county treasurer must
3.17 make full settlement with the county auditor ~~according to sections 276.09, 276.10, and~~
3.18 ~~276.111~~ for all receipts of state property taxes levied under section 275.025, and must
3.19 transmit those receipts to the commissioner of revenue by electronic means on the dates
3.20 and according to the provisions applicable to distributions to school districts.

3.21 **EFFECTIVE DATE.** This section is effective for distributions beginning October
3.22 1, 2010, and thereafter.

3.23 Sec. 4. Minnesota Statutes 2009 Supplement, section 289A.20, subdivision 4, is
3.24 amended to read:

3.25 Subd. 4. **Sales and use tax.** (a) The taxes imposed by chapter 297A are due and
3.26 payable to the commissioner monthly on or before the 20th day of the month following
3.27 the month in which the taxable event occurred, or following another reporting period
3.28 as the commissioner prescribes or as allowed under section 289A.18, subdivision 4,
3.29 paragraph (f) or (g), except that:

3.30 (1) use taxes due on an annual use tax return as provided under section 289A.11,
3.31 subdivision 1, are payable by April 15 following the close of the calendar year; and

4.1 (2) except as provided in paragraph (f), for a vendor having a liability of \$120,000
4.2 or more during a fiscal year ending June 30, 2009, and fiscal years thereafter, the taxes
4.3 imposed by chapter 297A, except as provided in paragraph (b), are due and payable to the
4.4 commissioner monthly in the following manner:

4.5 (i) On or before the 14th day of the month following the month in which the taxable
4.6 event occurred, the vendor must remit to the commissioner 90 percent of the estimated
4.7 liability for the month in which the taxable event occurred.

4.8 (ii) On or before the 20th day of the month in which the taxable event occurs, the
4.9 vendor must remit to the commissioner a prepayment for the month in which the taxable
4.10 event occurs equal to 67 percent of the liability for the previous month.

4.11 (iii) On or before the 20th day of the month following the month in which the taxable
4.12 event occurred, the vendor must pay any additional amount of tax not previously remitted
4.13 under either item (i) or (ii) or, if the payment made under item (i) or (ii) was greater than
4.14 the vendor's liability for the month in which the taxable event occurred, the vendor may
4.15 take a credit against the next month's liability in a manner prescribed by the commissioner.

4.16 (iv) Once the vendor first pays under either item (i) or (ii), the vendor is required to
4.17 continue to make payments in the same manner, as long as the vendor continues having a
4.18 liability of \$120,000 or more during the most recent fiscal year ending June 30.

4.19 (v) Notwithstanding items (i), (ii), and (iv), if a vendor fails to make the required
4.20 payment in the first month that the vendor is required to make a payment under either item
4.21 (i) or (ii), then the vendor is deemed to have elected to pay under item (ii) and must make
4.22 subsequent monthly payments in the manner provided in item (ii).

4.23 (vi) For vendors making an accelerated payment under item (ii), for the first month
4.24 that the vendor is required to make the accelerated payment, on the 20th of that month, the
4.25 vendor will pay 100 percent of the liability for the previous month and a prepayment for
4.26 the first month equal to 67 percent of the liability for the previous month.

4.27 (b) Notwithstanding paragraph (a), a vendor having a liability of \$120,000 or more
4.28 during a fiscal year ending June 30 must remit the June liability for the next year in the
4.29 following manner:

4.30 (1) Two business days before June 30 of the year, the vendor must remit 90 percent
4.31 of the estimated June liability to the commissioner.

4.32 (2) On or before August 20 of the year, the vendor must pay any additional amount
4.33 of tax not remitted in June.

4.34 (c) A vendor having a liability of:

4.35 ~~(1) \$20,000 or more in the fiscal year ending June 30, 2005; or~~

5.1 ~~(2) (1) \$10,000 or more in the, but less than \$120,000 during a fiscal year ending~~
5.2 ~~June 30, 2006 2009, and fiscal years thereafter, must remit by electronic means all~~
5.3 ~~liabilities on returns due for periods beginning in the subsequent calendar year by~~
5.4 ~~electronic means on or before the 20th day of the month following the month in which the~~
5.5 ~~taxable event occurred, or on or before the 20th day of the month following the month in~~
5.6 ~~which the sale is reported under section 289A.18, subdivision 4, except for 90 percent of~~
5.7 ~~the estimated June liability, which is due two business days before June 30. The remaining~~
5.8 ~~amount of the June liability is due on August 20.; or~~

5.9 (2) \$120,000 or more, during a fiscal year ending June 30, 2009, and fiscal years
5.10 thereafter, must remit by electronic means all liabilities in the manner provided in
5.11 paragraph (a), clause (2), on returns due for periods beginning in the subsequent calendar
5.12 year, except for 90 percent of the estimated June liability, which is due two business days
5.13 before June 30. The remaining amount of the June liability is due on August 20.

5.14 (d) Notwithstanding paragraph (b) or (c), a person prohibited by the person's
5.15 religious beliefs from paying electronically shall be allowed to remit the payment by mail.
5.16 The filer must notify the commissioner of revenue of the intent to pay by mail before
5.17 doing so on a form prescribed by the commissioner. No extra fee may be charged to a
5.18 person making payment by mail under this paragraph. The payment must be postmarked
5.19 at least two business days before the due date for making the payment in order to be
5.20 considered paid on a timely basis.

5.21 (e) Whenever the liability is \$120,000 or more separately for: (1) the tax imposed
5.22 under chapter 297A; (2) a fee that is to be reported on the same return as and paid with the
5.23 chapter 297A taxes; or (3) any other tax that is to be reported on the same return as and
5.24 paid with the chapter 297A taxes, then the payment of all the liabilities on the return must
5.25 be accelerated as provided in this subdivision.

5.26 (f) At the start of the first calendar quarter at least 90 days after the cash flow
5.27 account established in section 16A.152, subdivision 1, and the budget reserve account
5.28 established in section 16A.152, subdivision 1a, reach the amounts listed in section
5.29 16A.152, subdivision 2, paragraph (a), the remittance of the accelerated payments required
5.30 under paragraph (a), clause (2), must be suspended. The commissioner of management
5.31 and budget shall notify the commissioner of revenue when the accounts have reached
5.32 the required amounts. Beginning with the suspension of paragraph (a), clause (2), for a
5.33 vendor with a liability of \$120,000 or more during a fiscal year ending June 30, 2009,
5.34 and fiscal years thereafter, the taxes imposed by chapter 297A are due and payable to the
5.35 commissioner on the 20th day of the month following the month in which the taxable

6.1 event occurred. Payments of tax liabilities for taxable events occurring in June under
6.2 paragraph (b) are not changed.

6.3 **EFFECTIVE DATE.** This section is effective for taxes due and payable after
6.4 September 1, 2010.

6.5 Sec. 5. Minnesota Statutes 2008, section 289A.60, is amended by adding a subdivision
6.6 to read:

6.7 Subd. 31. **Accelerated payment of monthly sales tax liability; penalty for**
6.8 **underpayment.** For payments made after September 1, 2010, if a vendor is required
6.9 by section 289A.20, subdivision 4, paragraph (a), clause (2), item (i) or (ii), to make
6.10 accelerated payments, then the penalty for underpayment is as follows:

6.11 (a) For those vendors that must remit a 90 percent payment by the 14th day of
6.12 the month following the month in which the taxable event occurred, as an estimation
6.13 of monthly sales tax liabilities, including the liability of any fee or other tax that is to
6.14 be reported on the same return as and paid with the chapter 297A taxes, for the month
6.15 in which the taxable event occurred, the vendor shall pay a penalty equal to ten percent
6.16 of the amount of liability that was required to be paid by the 14th day of the month, less
6.17 the amount remitted by the 14th day of the month. The penalty must not be imposed,
6.18 however, if the amount remitted by the 14th day of the month equals the least of: (1) 90
6.19 percent of the liability for the month preceding the month in which the taxable event
6.20 occurred; (2) 90 percent of the liability for the same month in the previous calendar year
6.21 as the month in which the taxable event occurred; or (3) 90 percent of the average monthly
6.22 liability for the previous calendar year.

6.23 (b) For those vendors that, on or before the 20th day of the month in which the
6.24 taxable event occurs, must remit to the commissioner a prepayment of sales tax liabilities
6.25 for the month in which the taxable event occurs equal to 67 percent of the liabilities for the
6.26 previous month, including the liability of any fee or other tax that is to be reported on the
6.27 same return as and paid with the chapter 297A taxes, for the month in which the taxable
6.28 event occurred, the vendor shall pay a penalty equal to ten percent of the amount of liability
6.29 that was required to be paid by the 20th of the month, less the amount remitted by the 20th
6.30 of the month. The penalty must not be imposed, however, if the amount remitted by the
6.31 20th of the month equals the lesser of 67 percent of the liability for the month preceding
6.32 the month in which the taxable event occurred or 67 percent of the liability of the same
6.33 month in the previous calendar year as the month in which the taxable event occurred.

7.1 **EFFECTIVE DATE.** This section is effective for taxes due and payable after
7.2 September 1, 2010.

7.3 **Sec. 6. PAYMENT OF REFUNDS.**

7.4 (a) In paying refunds during fiscal year 2011 of overpayments of corporate
7.5 franchise tax and of sales tax, including but not limited to capital equipment refunds,
7.6 the commissioner of revenue shall delay paying a sufficient number of these refunds
7.7 until fiscal year 2012 so that \$152,000,000 less in refunds is paid in fiscal year 2011
7.8 than otherwise would have been paid. This amount is in addition to any amount that the
7.9 commissioner delays pursuant to administrative actions undertaken in connection with the
7.10 unallotment announced in June 2009. Refunds delayed by the commissioner under this
7.11 section are deemed to be due on July 1, 2011, for budget purposes, if the law otherwise
7.12 would provide an earlier date. Any refunds paid after June 30, 2011, and before the close
7.13 of fiscal year 2011 are deemed to be paid in fiscal year 2012 for budget purposes.

7.14 (b) In carrying out the requirement of paragraph (a), the commissioner shall, to the
7.15 extent possible, minimize delaying the payment of refunds that would result in payment of
7.16 additional interest by the state. The commissioner may select refunds for delayed payment
7.17 under this section or exempt refunds from this section in the manner that the commissioner
7.18 determines, in the commissioner's sole discretion, has the least adverse effect on tax
7.19 administration and taxpayer compliance.

7.20 **ARTICLE 3**

7.21 **E-12 EDUCATION**

7.22 Section 1. Minnesota Statutes 2008, section 123B.75, is amended by adding a
7.23 subdivision to read:

7.24 Subd. 1a. **Definition.** For the purposes of this section, "school district tax settlement
7.25 revenue" means the current, delinquent, and manufactured home property tax receipts
7.26 collected by the county and distributed to the school district.

7.27 **EFFECTIVE DATE.** This section is effective retroactively from July 1, 2009.

7.28 Sec. 2. Minnesota Statutes 2008, section 123B.75, subdivision 5, is amended to read:

7.29 Subd. 5. **Levy recognition.** (a) "School district tax settlement revenue" means the
7.30 current, delinquent, and manufactured home property tax receipts collected by the county
7.31 and distributed to the school district.

8.1 ~~(b)~~ For fiscal year ~~2004 and later~~ years 2009 and 2010, in June of each year, the
8.2 school district must recognize as revenue, in the fund for which the levy was made, the
8.3 lesser of:

8.4 (1) the sum of May, June, and July school district tax settlement revenue received in
8.5 that calendar year, plus general education aid according to section 126C.13, subdivision
8.6 4, received in July and August of that calendar year; or

8.7 (2) the sum of:

8.8 (i) 31 percent of the referendum levy certified according to section 126C.17, in
8.9 calendar year 2000; and

8.10 (ii) the entire amount of the levy certified in the prior calendar year according to
8.11 section 124D.86, subdivision 4, for school districts receiving revenue under sections
8.12 124D.86, subdivision 3, clauses (1), (2), and (3); 126C.41, subdivisions 1, 2, paragraph
8.13 (a), and 3, paragraphs (b), (c), and (d); 126C.43, subdivision 2; 126C.457; and 126C.48,
8.14 subdivision 6; plus

8.15 (iii) zero percent of the amount of the levy certified in the prior calendar year for the
8.16 school district's general and community service funds, plus or minus auditor's adjustments,
8.17 not including the levy portions that are assumed by the state, that remains after subtracting
8.18 the referendum levy certified according to section 126C.17 and the amount recognized
8.19 according to item (ii).

8.20 (b) For fiscal year 2011 and later years, in June of each year, the school district must
8.21 recognize as revenue, in the fund for which the levy was made, the lesser of:

8.22 (1) the sum of May, June, and July school district tax settlement revenue received in
8.23 that calendar year, plus general education aid according to section 126C.13, subdivision
8.24 4, received in July and August of that calendar year; or

8.25 (2) the sum of:

8.26 (i) the greater of 48.6 percent of the referendum levy certified according to section
8.27 126C.17 in the prior calendar year, or 31 percent of the referendum levy certified
8.28 according to section 126C.17 in calendar year 2000; plus

8.29 (ii) the entire amount of the levy certified in the prior calendar year according to
8.30 section 124D.86, subdivision 4, for school districts receiving revenue under sections
8.31 124D.86, subdivision 3, clauses (1), (2), and (3); 126C.41, subdivisions 1, 2, paragraph
8.32 (a), and 3, paragraphs (b), (c), and (d); 126C.43, subdivision 2; 126C.457; and 126C.48,
8.33 subdivision 6; plus

8.34 (iii) 48.6 percent of the amount of the levy certified in the prior calendar year for the
8.35 school district's general and community service funds, plus or minus auditor's adjustments,
8.36 not including the levy portions that are assumed by the state, that remains after subtracting

9.1 the referendum levy certified according to section 126C.17 and the amount recognized
9.2 according to item (ii).

9.3 **EFFECTIVE DATE.** This section is effective retroactively from July 1, 2009.

9.4 Sec. 3. Minnesota Statutes 2008, section 123B.75, subdivision 9, is amended to read:

9.5 Subd. 9. **Commissioner shall specify fiscal year.** The commissioner shall specify
9.6 the fiscal year or years to which the revenue from any aid or tax levy is applicable if
9.7 Minnesota Statutes do not so specify. The commissioner must report to the chairs and
9.8 ranking minority members of the house of representatives and senate committees with
9.9 jurisdiction over education finance by January 15 of each year any adjustments under this
9.10 subdivision in the previous year.

9.11 Sec. 4. Minnesota Statutes 2008, section 126C.48, subdivision 7, is amended to read:

9.12 Subd. 7. **Reporting.** For each tax settlement, the county auditor shall report to each
9.13 school district by fund, the district tax settlement revenue defined in section 123B.75,
9.14 subdivision 5, ~~paragraph (a)~~ 1a, on the form specified in section 276.10. The county auditor
9.15 shall send to the district a copy of the spread levy report specified in section 275.124.

9.16 **EFFECTIVE DATE.** This section is effective retroactively from July 1, 2009.

9.17 Sec. 5. Minnesota Statutes 2008, section 127A.441, is amended to read:

9.18 **127A.441 AID REDUCTION; LEVY REVENUE RECOGNITION CHANGE.**

9.19 Each year, the state aids payable to any school district for that fiscal year that are
9.20 recognized as revenue in the school district's general and community service funds shall
9.21 be adjusted by an amount equal to (1) the amount the district recognized as revenue for the
9.22 prior fiscal year pursuant to section 123B.75, subdivision 5, paragraph (a) or (b), minus (2)
9.23 the amount the district recognized as revenue for the current fiscal year pursuant to section
9.24 123B.75, subdivision 5, paragraph (a) or (b). For purposes of making the aid adjustments
9.25 under this section, the amount the district recognizes as revenue for either the prior fiscal
9.26 year or the current fiscal year pursuant to section 123B.75, subdivision 5, paragraph (b),
9.27 shall not include any amount levied pursuant to section 124D.86, subdivision 4, for school
9.28 districts receiving revenue under sections 124D.86, subdivision 3, clauses (1), (2), and (3);
9.29 126C.41, subdivisions 1, 2, and 3, paragraphs (b), (c), and (d); 126C.43, subdivision 2;
9.30 126C.457; and 126C.48, subdivision 6. Payment from the permanent school fund shall not
9.31 be adjusted pursuant to this section. The school district shall be notified of the amount of
9.32 the adjustment made to each payment pursuant to this section.

10.1 **EFFECTIVE DATE.** This section is effective retroactively from July 1, 2009.

10.2 Sec. 6. Minnesota Statutes 2008, section 127A.45, subdivision 2, is amended to read:

10.3 Subd. 2. **Definitions.** (a) ~~The term~~ "Other district receipts" means payments by
10.4 county treasurers pursuant to section 276.10, apportionments from the school endowment
10.5 fund pursuant to section 127A.33, apportionments by the county auditor pursuant to
10.6 section 127A.34, subdivision 2, and payments to school districts by the commissioner of
10.7 revenue pursuant to chapter 298.

10.8 (b) ~~The term~~ "Cumulative amount guaranteed" means the product of

10.9 (1) the cumulative disbursement percentage shown in subdivision 3; times

10.10 (2) the sum of

10.11 (i) the current year aid payment percentage of the estimated aid and credit

10.12 entitlements paid according to subdivision 13; plus

10.13 (ii) 100 percent of the entitlements paid according to subdivisions 11 and 12; plus

10.14 (iii) the other district receipts.

10.15 (c) ~~The term~~ "Payment date" means the date on which state payments to districts
10.16 are made by the electronic funds transfer method. If a payment date falls on a Saturday,
10.17 a Sunday, or a weekday which is a legal holiday, the payment shall be made on the
10.18 immediately preceding business day. The commissioner may make payments on dates
10.19 other than those listed in subdivision 3, but only for portions of payments from any
10.20 preceding payment dates which could not be processed by the electronic funds transfer
10.21 method due to documented extenuating circumstances.

10.22 (d) The current year aid payment percentage equals ~~90~~ 73 in fiscal year 2010, 70
10.23 in fiscal year 2011, and 90 in fiscal years 2012 and later.

10.24 **EFFECTIVE DATE.** This section is effective retroactively from July 1, 2009.

10.25 Sec. 7. Minnesota Statutes 2008, section 127A.45, subdivision 3, is amended to read:

10.26 Subd. 3. **Payment dates and percentages.** (a) ~~For fiscal year 2004 and later,~~ The
10.27 commissioner shall pay to a district on the dates indicated an amount computed as follows:
10.28 the cumulative amount guaranteed minus the sum of ~~(a)~~ (1) the district's other district
10.29 receipts through the current payment, and ~~(b)~~ (2) the aid and credit payments through the
10.30 immediately preceding payment. For purposes of this computation, the payment dates and
10.31 the cumulative disbursement percentages are as follows:

	Payment date	Percentage
10.32		
10.33	Payment 1 July 15:	5.5
10.34	Payment 2 July 30:	8.0

11.1	Payment 3	August 15:	17.5
11.2	Payment 4	August 30:	20.0
11.3	Payment 5	September 15:	22.5
11.4	Payment 6	September 30:	25.0
11.5	Payment 7	October 15:	27.0
11.6	Payment 8	October 30:	30.0
11.7	Payment 9	November 15:	32.5
11.8	Payment 10	November 30:	36.5
11.9	Payment 11	December 15:	42.0
11.10	Payment 12	December 30:	45.0
11.11	Payment 13	January 15:	50.0
11.12	Payment 14	January 30:	54.0
11.13	Payment 15	February 15:	58.0
11.14	Payment 16	February 28:	63.0
11.15	Payment 17	March 15:	68.0
11.16	Payment 18	March 30:	74.0
11.17	Payment 19	April 15:	78.0
11.18	Payment 20	April 30:	85.0
11.19	Payment 21	May 15:	90.0
11.20	Payment 22	May 30:	95.0
11.21	Payment 23	June 20:	100.0

11.22 ~~(b) In addition to the amounts paid under paragraph (a), for fiscal year 2004, the~~
 11.23 ~~commissioner shall pay to a district on the dates indicated an amount computed as follows:~~

11.24	Payment 3	August 15: the final adjustment for the prior fiscal year for the state paid
11.25		property tax credits established in section 273.1392
11.26	Payment 4	August 30: one-third of the final adjustment for the prior fiscal year for
11.27		all aid entitlements except state paid property tax credits
11.28	Payment 6	September 30: one-third of the final adjustment for the prior fiscal year
11.29		for all aid entitlements except state paid property tax credits
11.30	Payment 8	October 30: one-third of the final adjustment for the prior fiscal year for
11.31		all aid entitlements except state paid property tax credits

11.32 ~~(c)~~ (b) In addition to the amounts paid under paragraph (a), ~~for fiscal year 2005 and~~
 11.33 ~~later,~~ the commissioner shall pay to a district on the dates indicated an amount computed
 11.34 as follows:

11.35	Payment 3	August 15: the final adjustment for the prior fiscal year for the state paid
11.36		property tax credits established in section 273.1392
11.37	Payment 4	August 30: 30 percent of the final adjustment for the prior fiscal year for
11.38		all aid entitlements except state paid property tax credits
11.39	Payment 6	September 30: 40 percent of the final adjustment for the prior fiscal year
11.40		for all aid entitlements except state paid property tax credits
11.41	Payment 8	October 30: 30 percent of the final adjustment for the prior fiscal year
11.42		for all aid entitlements except state paid property tax credits

12.1 **EFFECTIVE DATE.** This section is effective the day following final enactment
12.2 and applies to fiscal years 2010 and later.

12.3 Sec. 8. Minnesota Statutes 2008, section 127A.45, is amended by adding a subdivision
12.4 to read:

12.5 Subd. 7b. **Advance final payment.** (a) Notwithstanding subdivisions 3 and 7, if the
12.6 current year aid payment percentage, under subdivision 2, is less than 90, then a school
12.7 district or charter school exceeding its expenditure limitations under section 123B.83 as of
12.8 June 30 of the prior fiscal year may receive a portion of its final payment for the current
12.9 fiscal year on June 20, if requested by the district or charter school. The amount paid
12.10 under this subdivision must not exceed the lesser of:

12.11 (1) the difference between 90 percent and the current year payment percentage in
12.12 subdivision 2, paragraph (d), in the current fiscal year times the sum of the district or
12.13 charter school's general education aid plus the aid adjustment in section 127A.50 for
12.14 the current fiscal year; or

12.15 (2) the amount by which the district's or charter school's net negative unreserved
12.16 general fund balance as of June 30 of the prior fiscal year exceeds 2.5 percent of the
12.17 district or charter school's expenditures for that fiscal year.

12.18 (b) The state total advance final payment under this subdivision for any year must
12.19 not exceed \$7,500,000. If the amount request exceeds \$7,500,000, the advance final
12.20 payment for each eligible district must be reduced proportionately.

12.21 **EFFECTIVE DATE.** This section is effective the day following final enactment
12.22 and applies to fiscal years 2010 and later.

12.23 Sec. 9. Minnesota Statutes 2008, section 127A.45, subdivision 13, is amended to read:

12.24 Subd. 13. **Aid payment percentage.** Except as provided in subdivisions 11, 12, 12a,
12.25 and 14, each fiscal year, all education aids and credits in this chapter and chapters 120A,
12.26 120B, 121A, 122A, 123A, 123B, 124D, 125A, 125B, 126C, 134, and section 273.1392,
12.27 shall be paid at the current year aid payment percentage of the estimated entitlement during
12.28 the fiscal year of the entitlement. ~~For the purposes of this subdivision, a district's estimated~~
12.29 ~~entitlement for special education excess cost aid under section 125A.79 for fiscal year~~
12.30 ~~2005 equals 70 percent of the district's entitlement for the second prior fiscal year.~~ For the
12.31 purposes of this subdivision, a district's estimated entitlement for special education excess
12.32 cost aid under section 125A.79 for fiscal year 2006 and later equals 74.0 percent of the
12.33 district's entitlement for the current fiscal year. The final adjustment payment, according

13.1 to subdivision 9, must be the amount of the actual entitlement, after adjustment for actual
13.2 data, minus the payments made during the fiscal year of the entitlement.

13.3 Sec. 10. Laws 2009, chapter 96, article 1, section 24, subdivision 2, is amended to read:

13.4 Subd. 2. **General education aid.** For general education aid under Minnesota
13.5 Statutes, section 126C.13, subdivision 4:

13.6 ~~5,195,504,000~~
13.7 \$ 4,291,422,000 2010
13.8 ~~5,626,994,000~~
13.9 \$ 4,776,884,000 2011

13.10 The 2010 appropriation includes ~~\$555,864,000~~ \$553,591,000 for 2009 and
13.11 ~~\$4,639,640,000~~ \$3,737,831,000 for 2010.

13.12 The 2011 appropriation includes ~~\$500,976,000~~ \$1,363,306,000 for 2010 and
13.13 ~~\$5,126,018,000~~ \$3,413,578,000 for 2011.

13.14 Sec. 11. Laws 2009, chapter 96, article 6, section 11, subdivision 6, is amended to read:

13.15 Subd. 6. **Educate parents partnership.** For the educate parents partnership under
13.16 Minnesota Statutes, section 124D.129:

13.17 \$ ~~50,000~~ 49,000 2010
13.18 \$ ~~50,000~~ 49,000 2011

13.19 Any balance in the first year does not cancel but is available in the second year.

13.20 Sec. 12. Laws 2009, chapter 96, article 6, section 11, subdivision 7, is amended to read:

13.21 Subd. 7. **Kindergarten entrance assessment initiative and intervention**
13.22 **program.** For the kindergarten entrance assessment initiative and intervention program
13.23 under Minnesota Statutes, section 124D.162:

13.24 \$ ~~287,000~~ 281,000 2010
13.25 \$ ~~287,000~~ 281,000 2011

13.26 Any balance in the first year does not cancel but is available in the second year.

13.27 Sec. 13. Laws 2009, chapter 96, article 7, section 3, subdivision 2, is amended to read:

13.28 Subd. 2. **Department.** (a) For the Department of Education:

13.29 ~~20,943,000~~
13.30 \$ 20,147,600 2010
13.31 ~~20,943,000~~
13.32 \$ 19,811,000 2011

13.33 Any balance in the first year does not cancel but is available in the second year.

14.1 (b) \$260,000 each year is for the Minnesota Children's Museum.

14.2 (c) \$41,000 each year is for the Minnesota Academy of Science.

14.3 (d) ~~\$632,000~~ \$618,000 each year is for the Board of Teaching. Any balance in the
14.4 first year does not cancel but is available in the second year.

14.5 (e) ~~\$171,000~~ \$167,000 each year is for the Board of School Administrators. Any
14.6 balance in the first year does not cancel but is available in the second year.

14.7 (f) ~~\$40,000 each year~~ \$10,000 is for an early hearing loss intervention coordinator
14.8 under Minnesota Statutes, section 125A.63, subdivision 5. This appropriation is for
14.9 fiscal year 2010 only. If the department expends federal funds to employ a hearing
14.10 loss coordinator under Minnesota Statutes, section 125A.63, subdivision 5, then the
14.11 appropriation under this paragraph is reallocated for purposes of employing a world
14.12 languages coordinator.

14.13 (g) \$50,000 each year is for the Duluth Children's Museum.

14.14 (h) None of the amounts appropriated under this subdivision may be used for
14.15 Minnesota's Washington, D.C., office.

14.16 (i) The expenditures of federal grants and aids as shown in the biennial budget
14.17 document and its supplements are approved and appropriated and shall be spent as
14.18 indicated. The commissioner must provide, to the K-12 Education Finance Division in
14.19 the house of representatives and the E-12 Budget Division in the senate, details about the
14.20 distribution of state incentive grants, education technology state grants, teacher incentive
14.21 funds, and statewide data system funds as outlined in the supplemental federal funds
14.22 submission dated March 25, 2009.

14.23 ARTICLE 4

14.24 E-12 EDUCATION FORECAST ADJUSTMENTS

14.25 Section 1. Minnesota Statutes 2009 Supplement, section 123B.54, is amended to read:

14.26 123B.54 DEBT SERVICE APPROPRIATION.

14.27 (a) ~~\$9,109,000 in fiscal year 2009, \$7,948,000 in fiscal year 2010, \$9,275,000 in~~
14.28 ~~fiscal year 2011, \$9,574,000~~ \$17,161,000 in fiscal year 2012, and ~~\$8,904,000~~ \$19,175,000
14.29 in fiscal year 2013 and later are appropriated from the general fund to the commissioner of
14.30 education for payment of debt service equalization aid under section 123B.53.

14.31 (b) The appropriations in paragraph (a) must be reduced by the amount of any
14.32 money specifically appropriated for the same purpose in any year from any state fund.

14.33 Sec. 2. Laws 2009, chapter 96, article 1, section 24, subdivision 4, is amended to read:

15.1 Subd. 4. **Abatement revenue.** For abatement aid under Minnesota Statutes, section
15.2 127A.49:

15.3 ~~1,175,000~~
15.4 \$ 1,000,000 2010
15.5 ~~1,034,000~~
15.6 \$ 1,132,000 2011

15.7 The 2010 appropriation includes \$140,000 for 2009 and ~~\$1,035,000~~ \$860,000 for
15.8 2010.

15.9 The 2011 appropriation includes ~~\$115,000~~ \$317,000 for 2010 and ~~\$919,000~~
15.10 \$815,000 for 2011.

15.11 Sec. 3. Laws 2009, chapter 96, article 1, section 24, subdivision 5, is amended to read:

15.12 Subd. 5. **Consolidation transition.** For districts consolidating under Minnesota
15.13 Statutes, section 123A.485:

15.14 \$ ~~854,000~~ 684,000 2010
15.15 \$ ~~927,000~~ 576,000 2011

15.16 The 2010 appropriation includes \$0 for 2009 and ~~\$854,000~~ \$684,000 for 2010.

15.17 The 2011 appropriation includes ~~\$94,000~~ \$252,000 for 2010 and ~~\$833,000~~ \$324,000
15.18 for 2011.

15.19 Sec. 4. Laws 2009, chapter 96, article 1, section 24, subdivision 6, is amended to read:

15.20 Subd. 6. **Nonpublic pupil education aid.** For nonpublic pupil education aid under
15.21 Minnesota Statutes, sections 123B.40 to 123B.43 and 123B.87:

15.22 ~~17,250,000~~
15.23 \$ 12,861,000 2010
15.24 ~~17,889,000~~
15.25 \$ 16,157,000 2011

15.26 The 2010 appropriation includes ~~\$1,647,000~~ \$1,067,000 for 2009 and ~~\$15,603,000~~
15.27 \$11,794,000 for 2010.

15.28 The 2011 appropriation includes ~~\$1,733,000~~ \$4,362,000 for 2010 and ~~\$16,156,000~~
15.29 \$11,795,000 for 2011.

15.30 Sec. 5. Laws 2009, chapter 96, article 1, section 24, subdivision 7, is amended to read:

15.31 Subd. 7. **Nonpublic pupil transportation.** For nonpublic pupil transportation aid
15.32 under Minnesota Statutes, section 123B.92, subdivision 9:

16.1 ~~22,159,000~~
16.2 \$ 17,297,000 2010
16.3 ~~22,712,000~~
16.4 \$ 19,729,000 2011

16.5 The 2010 appropriation includes \$2,077,000 for 2009 and ~~\$20,082,000~~ \$15,220,000
16.6 for 2010.

16.7 The 2011 appropriation includes ~~\$2,231,000~~ \$5,629,000 for 2010 and ~~\$20,481,000~~
16.8 \$14,100,000 for 2011.

16.9 Sec. 6. Laws 2009, chapter 96, article 2, section 67, subdivision 2, is amended to read:

16.10 Subd. 2. **Charter school building lease aid.** For building lease aid under Minnesota
16.11 Statutes, section 124D.11, subdivision 4:

16.12 ~~40,453,000~~
16.13 \$ 34,833,000 2010
16.14 ~~44,775,000~~
16.15 \$ 44,938,000 2011

16.16 The 2010 appropriation includes \$3,704,000 for 2009 and ~~\$36,749,000~~ \$31,129,000
16.17 for 2010.

16.18 The 2011 appropriation includes ~~\$4,083,000~~ \$11,513,000 for 2010 and ~~\$40,692,000~~
16.19 \$33,425,000 for 2011.

16.20 Sec. 7. Laws 2009, chapter 96, article 2, section 67, subdivision 3, is amended to read:

16.21 Subd. 3. **Charter school startup aid.** For charter school startup cost aid under
16.22 Minnesota Statutes, section 124D.11:

16.23 ~~1,488,000~~
16.24 \$ 1,218,000 2010
16.25 ~~1,064,000~~
16.26 \$ 743,000 2011

16.27 The 2010 appropriation includes \$202,000 for 2009 and ~~\$1,286,000~~ \$1,016,000
16.28 for 2010.

16.29 The 2011 appropriation includes ~~\$142,000~~ \$375,000 for 2010 and ~~\$922,000~~
16.30 \$368,000 for 2011.

16.31 Sec. 8. Laws 2009, chapter 96, article 2, section 67, subdivision 4, is amended to read:

16.32 Subd. 4. **Integration aid.** For integration aid under Minnesota Statutes, section
16.33 124D.86, subdivision 5:

17.1 ~~65,358,000~~
17.2 \$ 50,812,000 2010
17.3 ~~65,484,000~~
17.4 \$ 61,782,000 2011

17.5 The 2010 appropriation includes ~~\$6,110,000~~ \$5,832,000 for 2009 and ~~\$59,248,000~~
17.6 \$44,980,000 for 2010.

17.7 The 2011 appropriation includes ~~\$6,583,000~~ \$16,636,000 for 2010 and ~~\$58,901,000~~
17.8 \$45,146,000 for 2011.

17.9 Sec. 9. Laws 2009, chapter 96, article 2, section 67, subdivision 7, is amended to read:

17.10 Subd. 7. **Success for the future.** For American Indian success for the future grants
17.11 under Minnesota Statutes, section 124D.81:

17.12 ~~2,137,000~~
17.13 \$ 1,774,000 2010
17.14 ~~2,137,000~~
17.15 \$ 2,072,000 2011

17.16 The 2010 appropriation includes \$213,000 for 2009 and ~~\$1,924,000~~ \$1,561,000
17.17 for 2010.

17.18 The 2011 appropriation includes ~~\$213,000~~ \$576,000 for 2010 and ~~\$1,924,000~~
17.19 \$1,496,000 for 2011.

17.20 Sec. 10. Laws 2009, chapter 96, article 2, section 67, subdivision 9, is amended to read:

17.21 Subd. 9. **Tribal contract schools.** For tribal contract school aid under Minnesota
17.22 Statutes, section 124D.83:

17.23 ~~2,030,000~~
17.24 \$ 1,702,000 2010
17.25 ~~2,211,000~~
17.26 \$ 2,119,000 2011

17.27 The 2010 appropriation includes \$191,000 for 2009 and ~~\$1,839,000~~ \$1,511,000
17.28 for 2010.

17.29 The 2011 appropriation includes ~~\$204,000~~ \$558,000 for 2010 and ~~\$2,007,000~~
17.30 \$1,561,000 for 2011.

17.31 Sec. 11. Laws 2009, chapter 96, article 3, section 21, subdivision 2, is amended to read:

17.32 Subd. 2. **Special education; regular.** For special education aid under Minnesota
17.33 Statutes, section 125A.75:

18.1 ~~734,071,000~~
18.2 \$ 609,003,000 2010
18.3 ~~781,497,000~~
18.4 \$ 749,248,000 2011

18.5 The 2010 appropriation includes \$71,947,000 for 2009 and ~~\$662,124,000~~
18.6 \$537,056,000 for 2010.

18.7 The 2011 appropriation includes ~~\$73,569,000~~ \$198,637,000 for 2010 and
18.8 ~~\$707,928,000~~ \$550,611,000 for 2011.

18.9 Sec. 12. Laws 2009, chapter 96, article 3, section 21, subdivision 4, is amended to read:

18.10 Subd. 4. **Travel for home-based services.** For aid for teacher travel for home-based
18.11 services under Minnesota Statutes, section 125A.75, subdivision 1:

18.12 \$ ~~258,000~~ 224,000 2010
18.13 \$ ~~282,000~~ 282,000 2011

18.14 The 2010 appropriation includes \$24,000 for 2009 and ~~\$234,000~~ \$200,000 for 2010.

18.15 The 2011 appropriation includes ~~\$26,000~~ \$73,000 for 2010 and ~~\$256,000~~ \$209,000
18.16 for 2011.

18.17 Sec. 13. Laws 2009, chapter 96, article 3, section 21, subdivision 5, is amended to read:

18.18 Subd. 5. **Special education; excess costs.** For excess cost aid under Minnesota
18.19 Statutes, section 125A.79, subdivision 7:

18.20 ~~110,871,000~~
18.21 \$ 96,926,000 2010
18.22 ~~110,877,000~~
18.23 \$ 108,410,000 2011

18.24 The 2010 appropriation includes \$37,046,000 for 2009 and ~~\$73,825,000~~ \$59,880,000
18.25 for 2010.

18.26 The 2011 appropriation includes ~~\$37,022,000~~ \$50,967,000 for 2010 and ~~\$73,855,000~~
18.27 \$57,443,000 for 2011.

18.28 Sec. 14. Laws 2009, chapter 96, article 4, section 12, subdivision 2, is amended to read:

18.29 Subd. 2. **Health and safety revenue.** For health and safety aid according to
18.30 Minnesota Statutes, section 123B.57, subdivision 5:

18.31 \$ ~~161,000~~ 132,000 2010
18.32 \$ ~~160,000~~ 135,000 2011

18.33 The 2010 appropriation includes \$10,000 for 2009 and ~~\$151,000~~ \$122,000 for 2010.

19.1 The 2011 appropriation includes ~~\$16,000~~ \$44,000 for 2010 and ~~\$144,000~~ \$91,000
19.2 for 2011.

19.3 Sec. 15. Laws 2009, chapter 96, article 4, section 12, subdivision 3, is amended to read:

19.4 Subd. 3. **Debt service equalization.** For debt service aid according to Minnesota
19.5 Statutes, section 123B.53, subdivision 6:

19.6		7,948,000		
19.7	\$	<u>6,608,000</u>	.....	2010
19.8		9,275,000		
19.9	\$	<u>8,204,000</u>	.....	2011

19.10 The 2010 appropriation includes \$851,000 for 2009 and ~~\$7,097,000~~ \$5,757,000
19.11 for 2010.

19.12 The 2011 appropriation includes ~~\$788,000~~ \$2,128,000 for 2010 and ~~\$8,487,000~~
19.13 \$6,076,000 for 2011.

19.14 Sec. 16. Laws 2009, chapter 96, article 4, section 12, subdivision 4, is amended to read:

19.15 Subd. 4. **Alternative facilities bonding aid.** For alternative facilities bonding aid,
19.16 according to Minnesota Statutes, section 123B.59, subdivision 1:

19.17		19,287,000		
19.18	\$	<u>16,008,000</u>	.....	2010
19.19		19,287,000		
19.20	\$	<u>18,708,000</u>	.....	2011

19.21 The 2010 appropriation includes \$1,928,000 for 2009 and ~~\$17,359,000~~ \$14,080,000
19.22 for 2010.

19.23 The 2011 appropriation includes ~~\$1,928,000~~ \$5,207,000 for 2010 and ~~\$17,359,000~~
19.24 \$13,501,000 for 2011.

19.25 Sec. 17. Laws 2009, chapter 96, article 4, section 12, subdivision 6, is amended to read:

19.26 Subd. 6. **Deferred maintenance aid.** For deferred maintenance aid, according to
19.27 Minnesota Statutes, section 123B.591, subdivision 4:

19.28		2,302,000		
19.29	\$	<u>1,918,000</u>	.....	2010
19.30		2,073,000		
19.31	\$	<u>2,146,000</u>	.....	2011

19.32 The 2010 appropriation includes \$260,000 for 2009 and ~~\$2,042,000~~ \$1,658,000
19.33 for 2010.

19.34 The 2011 appropriation includes ~~\$226,000~~ \$613,000 for 2010 and ~~\$1,847,000~~
19.35 \$1,533,000 for 2011.

20.1 Sec. 18. Laws 2009, chapter 96, article 5, section 13, subdivision 4, is amended to read:

20.2 Subd. 4. **Kindergarten milk.** For kindergarten milk aid under Minnesota Statutes,
20.3 section 124D.118:

20.4		1,098,000		
20.5	\$	<u>1,104,000</u>	.....	2010
20.6		1,120,000		
20.7	\$	<u>1,126,000</u>	.....	2011

20.8 Sec. 19. Laws 2009, chapter 96, article 5, section 13, subdivision 6, is amended to read:

20.9 Subd. 6. **Basic system support.** For basic system support grants under Minnesota
20.10 Statutes, section 134.355:

20.11		13,570,000		
20.12	\$	<u>11,264,000</u>	.....	2010
20.13		13,570,000		
20.14	\$	<u>13,162,000</u>	.....	2011

20.15 The 2010 appropriation includes \$1,357,000 for 2009 and ~~\$12,213,000~~ \$9,907,000
20.16 for 2010.

20.17 The 2011 appropriation includes ~~\$1,357,000~~ \$3,663,000 for 2010 and ~~\$12,213,000~~
20.18 \$9,499,000 for 2011.

20.19 Sec. 20. Laws 2009, chapter 96, article 5, section 13, subdivision 7, is amended to read:

20.20 Subd. 7. **Multicounty, multitype library systems.** For grants under Minnesota
20.21 Statutes, sections 134.353 and 134.354, to multicounty, multitype library systems:

20.22		1,300,000		
20.23	\$	<u>1,079,000</u>	.....	2010
20.24		1,300,000		
20.25	\$	<u>1,261,000</u>	.....	2011

20.26 The 2010 appropriation includes \$130,000 for 2009 and ~~\$1,170,000~~ \$949,000 for
20.27 2010.

20.28 The 2011 appropriation includes ~~\$130,000~~ \$351,000 for 2010 and ~~\$1,170,000~~
20.29 \$910,000 for 2011.

20.30 Sec. 21. Laws 2009, chapter 96, article 5, section 13, subdivision 9, is amended to read:

20.31 Subd. 9. **Regional library telecommunications aid.** For regional library
20.32 telecommunications aid under Minnesota Statutes, section 134.355:

20.33		2,300,000		
20.34	\$	<u>1,909,000</u>	.....	2010
20.35		2,300,000		
20.36	\$	<u>2,231,000</u>	.....	2011

21.1 The 2010 appropriation includes \$230,000 for 2009 and ~~\$2,070,000~~ \$1,679,000
 21.2 for 2010.

21.3 The 2011 appropriation includes ~~\$230,000~~ \$621,000 for 2010 and ~~\$2,070,000~~
 21.4 \$1,610,000 for 2011.

21.5 Sec. 22. Laws 2009, chapter 96, article 6, section 11, subdivision 2, is amended to read:

21.6 Subd. 2. **School readiness.** For revenue for school readiness programs under
 21.7 Minnesota Statutes, sections 124D.15 and 124D.16:

21.8 ~~10,095,000~~
 21.9 \$ 8,379,000 2010

21.10 ~~10,095,000~~
 21.11 \$ 9,792,000 2011

21.12 The 2010 appropriation includes \$1,009,000 for 2009 and ~~\$9,086,000~~ \$7,370,000
 21.13 for 2010.

21.14 The 2011 appropriation includes ~~\$1,009,000~~ \$2,725,000 for 2010 and ~~\$9,086,000~~
 21.15 \$7,067,000 for 2011.

21.16 Sec. 23. Laws 2009, chapter 96, article 6, section 11, subdivision 3, is amended to read:

21.17 Subd. 3. **Early childhood family education aid.** For early childhood family
 21.18 education aid under Minnesota Statutes, section 124D.135:

21.19 ~~22,955,000~~
 21.20 \$ 19,005,000 2010

21.21 ~~22,547,000~~
 21.22 \$ 21,460,000 2011

21.23 The 2010 appropriation includes \$3,020,000 for 2009 and ~~\$19,935,000~~ \$15,985,000
 21.24 for 2010.

21.25 The 2011 appropriation includes ~~\$2,214,000~~ \$5,911,000 for 2010 and ~~\$20,333,000~~
 21.26 \$15,549,000 for 2011.

21.27 Sec. 24. Laws 2009, chapter 96, article 6, section 11, subdivision 4, is amended to read:

21.28 Subd. 4. **Health and developmental screening aid.** For health and developmental
 21.29 screening aid under Minnesota Statutes, sections 121A.17 and 121A.19:

21.30 ~~3,694,000~~
 21.31 \$ 2,922,000 2010

21.32 ~~3,800,000~~
 21.33 \$ 3,425,000 2011

21.34 The 2010 appropriation includes \$367,000 for 2009 and ~~\$3,327,000~~ \$2,555,000
 21.35 for 2010.

22.1 The 2011 appropriation includes ~~\$369,000~~ \$945,000 for 2010 and ~~\$3,431,000~~
22.2 \$2,480,000 for 2011.

22.3 Sec. 25. Laws 2009, chapter 96, article 6, section 11, subdivision 8, is amended to read:

22.4 Subd. 8. **Community education aid.** For community education aid under
22.5 Minnesota Statutes, section 124D.20:

22.6 \$ ~~585,000~~ 476,000 2010

22.7 \$ ~~467,000~~ 473,000 2011

22.8 The 2010 appropriation includes \$73,000 for 2009 and ~~\$512,000~~ \$403,000 for 2010.

22.9 The 2011 appropriation included ~~\$56,000~~ \$148,000 for 2010 and ~~\$411,000~~ \$325,000
22.10 for 2011.

22.11 Sec. 26. Laws 2009, chapter 96, article 6, section 11, subdivision 9, is amended to read:

22.12 Subd. 9. **Adults with disabilities program aid.** For adults with disabilities
22.13 programs under Minnesota Statutes, section 124D.56:

22.14 \$ ~~710,000~~ 588,000 2010

22.15 \$ ~~710,000~~ 688,000 2011

22.16 The 2010 appropriation includes ~~\$71,000~~ \$69,000 for 2009 and ~~\$639,000~~ \$519,000
22.17 for 2010.

22.18 The 2011 appropriation includes ~~\$71,000~~ \$191,000 for 2010 and ~~\$639,000~~ \$497,000
22.19 for 2011.

22.20 Sec. 27. Laws 2009, chapter 96, article 6, section 11, subdivision 12, is amended to
22.21 read:

22.22 Subd. 12. **Adult basic education aid.** For adult basic education aid under
22.23 Minnesota Statutes, section 124D.531:

22.24 ~~42,975,000~~
22.25 \$ 35,671,000 2010

22.26 ~~44,258,000~~
22.27 \$ 42,732,000 2011

22.28 The 2010 appropriation includes \$4,187,000 for 2009 and ~~\$38,788,000~~ \$31,484,000
22.29 for 2010.

22.30 The 2011 appropriation includes ~~\$4,309,000~~ \$11,644,000 for 2010 and ~~\$39,949,000~~
22.31 \$31,088,000 for 2011.

ARTICLE 5

HIGHER EDUCATION

Section 1. SUMMARY OF APPROPRIATIONS.

The amounts shown in this section summarize direct appropriations, by fund, made in this article.

	<u>2010</u>	<u>2011</u>	<u>Total</u>
<u>General</u>	\$ (77,000)	\$ (100,077,000)	\$ (100,154,000)

Sec. 2. APPROPRIATIONS.

The sums shown in the columns marked "Appropriations" are added to or, if shown in parentheses, subtracted from the appropriations in Laws 2009, chapter 95, article 1, to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2010" and "2011" used in this article mean that the addition to or subtraction from the appropriation listed under them is available for the fiscal year ending June 30, 2010, or June 30, 2011, respectively. Supplemental appropriations and reductions to appropriations for the fiscal year ending June 30, 2010, are effective the day following final enactment.

<u>APPROPRIATIONS</u>
<u>Available for the Year</u>
<u>Ending June 30</u>
<u>2010</u>
<u>2011</u>

Sec. 3. MINNESOTA OFFICE OF HIGHER EDUCATION

\$	(77,000)	\$	(77,000)
----	----------	----	----------

This reduction is from the appropriation for agency administration.

If an extension of the enhanced federal medical assistance percentage (FMAP) under Public Law 111-5, section 5001, to at least June 30, 2011, is enacted by June 15, 2010, \$35,000,000 is appropriated from the general fund to the Minnesota Office of Higher Education for the state grant program, to be available for the fiscal year ending June 30, 2011.

24.1	Sec. 4. <u>BOARD OF TRUSTEES OF THE</u>			
24.2	<u>MINNESOTA STATE COLLEGES AND</u>			
24.3	<u>UNIVERSITIES</u>	<u>\$</u>	<u>-0-</u>	<u>\$ (50,000,000)</u>
24.4	<u>\$2,079,000 of the reduction in 2011 is from</u>			
24.5	<u>the central offices and shared services unit</u>			
24.6	<u>appropriation. None of these reductions may</u>			
24.7	<u>be charged back or allocated to the campuses.</u>			
24.8	<u>\$47,921,000 of the reduction in 2011</u>			
24.9	<u>is from the operations and maintenance</u>			
24.10	<u>appropriation.</u>			
24.11	<u>For fiscal years 2012 and 2013, the base for</u>			
24.12	<u>operations and maintenance is \$580,802,000</u>			
24.13	<u>each year.</u>			
24.14	Sec. 5. <u>BOARD OF REGENTS OF THE</u>			
24.15	<u>UNIVERSITY OF MINNESOTA</u>			
24.16	<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>-0-</u>	<u>\$ (50,000,000)</u>
24.17	<u>The appropriation reductions for each</u>			
24.18	<u>purpose are shown in the following</u>			
24.19	<u>subdivisions.</u>			
24.20	<u>Subd. 2. Operations and Maintenance</u>		<u>-0-</u>	<u>(44,606,000)</u>
24.21	<u>For fiscal years 2012 and 2013, the base for</u>			
24.22	<u>operations and maintenance is \$578,370,000</u>			
24.23	<u>each year.</u>			
24.24	<u>Subd. 3. Special Appropriations</u>			
24.25	<u>(a) Agriculture and Extension Service</u>		<u>-0-</u>	<u>(3,858,000)</u>
24.26	<u>(b) Health Sciences</u>		<u>-0-</u>	<u>(389,000)</u>
24.27	<u>\$26,000 of the 2011 reduction is from the St.</u>			
24.28	<u>Cloud family practice residency program.</u>			
24.29	<u>(c) Institute of Technology</u>		<u>-0-</u>	<u>(102,000)</u>
24.30	<u>(d) System Special</u>		<u>-0-</u>	<u>(454,000)</u>
24.31	<u>(e) University of Minnesota and Mayo</u>			
24.32	<u>Foundation Partnership</u>		<u>-0-</u>	<u>(591,000)</u>

ARTICLE 6

ENVIRONMENT AND NATURAL RESOURCES

Section 1. SUMMARY OF APPROPRIATIONS.

The amounts shown in this section summarize changes to direct appropriations, by fund, made in this article.

	<u>2010</u>	<u>2011</u>	<u>Total</u>
<u>General</u>	\$ (1,571,000)	\$ (1,564,000)	\$ (3,135,000)

Sec. 2. APPROPRIATIONS.

The sums shown in the columns marked "Appropriations" are added to or, if shown in parentheses, subtracted from the appropriations in Laws 2009, chapter 37, article 1, to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2010" and "2011" used in this article mean that the addition to or subtraction from the appropriation listed under them are available for the fiscal year ending June 30, 2010, or June 30, 2011, respectively. Supplemental appropriations and reductions to appropriations for the fiscal year ending June 30, 2010, are effective the day following final enactment.

<u>APPROPRIATIONS</u>
<u>Available for the Year</u>
<u>Ending June 30</u>
<u>2010</u> <u>2011</u>

Sec. 3. POLLUTION CONTROL AGENCY

<u>Subdivision 1. Total Appropriation</u>	\$ (110,000)	\$ (99,000)
--	---------------------	--------------------

The appropriation reductions for each purpose are shown in the following subdivisions.

<u>Subd. 2. Water</u>	(98,000)	(38,000)
------------------------------	-----------------	-----------------

The \$98,000 reduction in fiscal year 2010 is from the agency's activities to develop minimal impact design standards for urban stormwater runoff.

<u>Subd. 3. Land</u>	-0-	(30,000)
-----------------------------	------------	-----------------

26.1 The \$30,000 reduction in the second year is
 26.2 from the environmental health tracking and
 26.3 biomonitoring activities of the agency.

26.4 Subd. 4. **Environmental**
 26.5 **Assistance and Cross Media** -0- (16,000)

26.6 Subd. 5. **Administrative**
 26.7 **Support** (12,000) (15,000)

26.8 Sec. 4. **NATURAL RESOURCES**

26.9 Subdivision 1. **Total Appropriation** **\$ (1,375,000) \$ (1,379,000)**

26.10 The appropriation reductions for each
 26.11 purpose are shown in the following
 26.12 subdivisions.

26.13 Subd. 2. **Lands and**
 26.14 **Minerals** (30,000) (30,000)

26.15 Subd. 3. **Water Resources**
 26.16 **Management** (84,000) (84,000)

26.17 Subd. 4. **Forest**
 26.18 **Management** (188,000) (188,000)

26.19 \$53,000 of the reduction each year is from
 26.20 activities supporting the Forest Resources
 26.21 Council with implementation of the
 26.22 Sustainable Forest Resources Act.

26.23 Subd. 5. **Parks and Trails**
 26.24 **Management** (420,000) (422,000)

26.25 Subd. 6. **Fish and Wildlife**
 26.26 **Management** (265,000) (265,000)

26.27 \$265,000 of the reduction each year is from
 26.28 activities for preserving, restoring, and
 26.29 enhancing grassland/wetland complexes on
 26.30 public or private land.

26.31 Subd. 7. **Ecological Services** (46,000) (47,000)

26.32 Subd. 8. **Enforcement** (230,000) (230,000)

26.33 Subd. 9. **Operations**
 26.34 **Support** (112,000) (113,000)

27.1 Sec. 5. METROPOLITAN COUNCIL § (86,000) § (86,000)

27.2 Sec. 6. Laws 2010, chapter 215, article 3, section 3, subdivision 6, is amended to read:

27.3 Subd. 6. **Transfers In**

27.4 (a) The amounts appropriated from the
27.5 agency indirect costs account in the special
27.6 revenue fund are reduced by \$328,000 in
27.7 fiscal year 2010 and \$462,000 in fiscal year
27.8 2011, and those amounts must be transferred
27.9 to the general fund by June 30, 2011. The
27.10 appropriation reductions are onetime.

27.11 (b) The commissioner of management and
27.12 budget shall transfer ~~\$8,000,000~~ \$48,000,000
27.13 in fiscal year 2011 from the closed landfill
27.14 investment fund in Minnesota Statutes,
27.15 section 115B.421, to the general fund. The
27.16 commissioner shall transfer ~~\$4,000,000~~
27.17 \$12,000,000 on July 1, ~~2013~~, and ~~\$4,000,000~~
27.18 ~~on July 1, in each of the years~~ 2014, 2015,
27.19 2016, and 2017 from the general fund to the
27.20 closed landfill investment fund. For ~~the July~~
27.21 ~~1, 2014, each~~ transfer to the closed landfill
27.22 investment fund, the commissioner shall
27.23 determine the total amount of interest and
27.24 other earnings that would have accrued to
27.25 the fund if the transfers to the general fund
27.26 under this paragraph had not been made and
27.27 add this amount to the transfer. The amounts
27.28 necessary for these transfers are appropriated
27.29 from the general fund in the fiscal years
27.30 specified for the transfers.

27.31 **ARTICLE 7**

27.32 **ENERGY**

27.33 Section 1. SUMMARY OF APPROPRIATIONS.

28.1 The amounts shown in this section summarize direct appropriations, by fund, made
 28.2 in this article.

28.3	<u>2010</u>	<u>2011</u>	<u>Total</u>
28.4 <u>General</u>	\$ <u>(247,000)</u>	\$ <u>(247,000)</u>	\$ <u>(494,000)</u>

28.5 **Sec. 2. APPROPRIATIONS.**

28.6 The sums shown in the columns marked "Appropriations" are added to or, if shown
 28.7 in parentheses, subtracted from the appropriations in Laws 2009, chapter 37, article 2, to
 28.8 the agencies and for the purposes specified in this article. The appropriations are from the
 28.9 general fund, or another named fund, and are available for the fiscal years indicated for
 28.10 each purpose. The figures "2010" and "2011" used in this article mean that the addition
 28.11 to or subtraction from the appropriation listed under them is available for the fiscal year
 28.12 ending June 30, 2010, or June 30, 2011, respectively. Supplemental appropriations and
 28.13 reductions to appropriations for the fiscal year ending June 30, 2010, are effective the
 28.14 day following final enactment.

28.15	<u>APPROPRIATIONS</u>	
28.16	<u>Available for the Year</u>	
28.17	<u>Ending June 30</u>	
28.18	<u>2010</u>	<u>2011</u>

28.19 **Sec. 3. DEPARTMENT OF COMMERCE**

28.20 <u>Subdivision 1. Total Appropriation</u>	\$ <u>(247,000)</u>	\$ <u>(247,000)</u>
--	---------------------	---------------------

28.21 The appropriation reductions for each
 28.22 purpose are shown in the following
 28.23 subdivisions.

28.24 <u>Subd. 2. Administrative Services</u>	(97,000)	(97,000)
--	----------	----------

28.25 <u>Subd. 3. Market Assurance</u>	(150,000)	(150,000)
---	-----------	-----------

28.26 **ARTICLE 8**

28.27 **AGRICULTURE**

28.28 **Section 1. SUMMARY OF APPROPRIATIONS.**

28.29 The amounts shown in this section summarize direct appropriations, by fund, made
 28.30 in this article.

28.31	<u>2010</u>	<u>2011</u>	<u>Total</u>
28.32 <u>General</u>	\$ <u>(493,000)</u>	\$ <u>(492,000)</u>	\$ <u>(985,000)</u>

29.1 **Sec. 2. AGRICULTURAL APPROPRIATIONS.**

29.2 The sums shown in the columns marked "Appropriations" are added to or, if shown
 29.3 in parentheses, subtracted from the appropriations in Laws 2009, chapter 94, article 1, to
 29.4 the agencies and for the purposes specified in this article. The appropriations are from the
 29.5 general fund, or another named fund, and are available for the fiscal years indicated for
 29.6 each purpose. The figures "2010" and "2011" used in this article mean that the addition to
 29.7 or subtraction from the appropriations listed under them are available for the fiscal year
 29.8 ending June 30, 2010, or June 30, 2011, respectively. Supplemental appropriations and
 29.9 reductions to appropriations for the fiscal year ending June 30, 2010, are effective the
 29.10 day following final enactment.

	<u>APPROPRIATIONS</u>	
	<u>Available for the Year</u>	
	<u>Ending June 30</u>	
	<u>2010</u>	<u>2011</u>

29.15 **Sec. 3. DEPARTMENT OF AGRICULTURE**

29.16 <u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>(493,000)</u>	<u>\$</u>	<u>(492,000)</u>
--	------------------	-------------------------	------------------	-------------------------

29.17 The appropriation reductions for each
 29.18 purpose are shown in the following
 29.19 subdivisions.

29.20 <u>Subd. 2. Protection Services</u>		<u>(228,000)</u>		<u>(228,000)</u>
--	--	-------------------------	--	-------------------------

29.21 \$13,000 in fiscal year 2010 and \$13,000 in
 29.22 fiscal year 2011 are reductions from plant
 29.23 pest surveys.

29.24 <u>Subd. 3. Agricultural Marketing and</u> 29.25 <u>Development</u>		<u>(127,000)</u>		<u>(127,000)</u>
--	--	-------------------------	--	-------------------------

29.26 \$77,000 in fiscal year 2010 and \$77,000 in
 29.27 fiscal year 2011 are reductions for integrated
 29.28 pest management activities.

29.29 <u>Subd. 4. Administration and Financial</u> 29.30 <u>Assistance</u>		<u>(138,000)</u>		<u>(137,000)</u>
---	--	-------------------------	--	-------------------------

29.31 \$69,000 in fiscal year 2010 and \$69,000 in
 29.32 fiscal year 2011 are reductions from the dairy
 29.33 and profitability enhancement and dairy
 29.34 business planning grant programs established

30.1 under Laws 1997, chapter 216, section 7,
 30.2 subdivision 2, and Laws 2001, First Special
 30.3 Session chapter 2, section 9, subdivision 2.
 30.4 \$1,000 in fiscal year 2010 is a reduction from
 30.5 the appropriation for the administration of
 30.6 the Feeding Minnesota Task Force.

30.7 **ARTICLE 9**

30.8 **ECONOMIC DEVELOPMENT**

30.9 Section 1. **SUMMARY OF APPROPRIATIONS.**

30.10 The amounts shown in this section summarize direct appropriations, by fund, made
 30.11 in this article.

	<u>2010</u>	<u>2011</u>	<u>Total</u>
30.12 <u>General</u>	\$ <u>(489,000)</u>	\$ <u>(745,000)</u>	\$ <u>(1,234,000)</u>

30.14 Sec. 2. **APPROPRIATIONS.**

30.15 The sums shown in the columns marked "Appropriations" are added to, or if shown
 30.16 in parentheses, subtracted from the appropriations in Laws 2009, chapter 78, article 1, to
 30.17 the agencies and for the purposes specified in this article. The appropriations are from the
 30.18 general fund, or another named fund, and are available for the fiscal years indicated for
 30.19 each purpose. The figures "2010" and "2011" used in this article mean that the addition
 30.20 to or subtraction from the appropriation listed under them is available for the fiscal year
 30.21 ending June 30, 2010, or June 30, 2011, respectively. Supplemental appropriations and
 30.22 reductions to appropriations for the fiscal year ending June 30, 2010, are effective the
 30.23 day following final enactment.

<u>APPROPRIATIONS</u>	
<u>Available for the Year</u>	
<u>Ending June 30</u>	
<u>2010</u>	<u>2011</u>

30.28 Sec. 3. **EMPLOYMENT AND ECONOMIC**
 30.29 **DEVELOPMENT**

30.30 <u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>(285,000)</u>	<u>\$</u>	<u>(285,000)</u>
--	-----------	------------------	-----------	------------------

30.31 The appropriation reductions for each
 30.32 purpose are shown in the following
 30.33 subdivisions.

31.1	<u>Subd. 2. Business and Community</u>		
31.2	<u>Development</u>	<u>(87,000)</u>	<u>(87,000)</u>
31.3	<u>\$25,000 in 2010 and \$25,000 in 2011 are</u>		
31.4	<u>from the appropriation for the Office of</u>		
31.5	<u>Science and Technology.</u>		
31.6	<u>Subd. 3. Workforce Development</u>	<u>(115,000)</u>	<u>(115,000)</u>
31.7	<u>\$15,000 in 2010 and \$15,000 in 2011 are</u>		
31.8	<u>from the appropriation for the Minnesota job</u>		
31.9	<u>skills partnership program under Minnesota</u>		
31.10	<u>Statutes, sections 116L.01 to 116L.17.</u>		
31.11	<u>\$11,000 in 2010 and \$11,000 in 2011 are from</u>		
31.12	<u>the appropriation for administrative expenses</u>		
31.13	<u>to programs that provide employment</u>		
31.14	<u>support services to persons with mental</u>		
31.15	<u>illness under Minnesota Statutes, sections</u>		
31.16	<u>268A.13 and 268A.14.</u>		
31.17	<u>\$89,000 in 2010 and \$89,000 in 2011 are</u>		
31.18	<u>from the appropriation for state services for</u>		
31.19	<u>the blind activities.</u>		
31.20	<u>Subd. 4. State-Funded Administration</u>	<u>(83,000)</u>	<u>(83,000)</u>
31.21	<u>Sec. 4. HOUSING FINANCE AGENCY</u>	<u>\$</u>	<u>-0-</u> <u>\$</u> <u>(256,000)</u>
31.22	<u>This reduction is from the appropriation to</u>		
31.23	<u>the Housing Finance Agency for the housing</u>		
31.24	<u>rehabilitation program under Minnesota</u>		
31.25	<u>Statutes, section 462A.05, subdivision 14,</u>		
31.26	<u>for rental housing developments.</u>		
31.27	<u>On or before June 30, 2010, the Housing</u>		
31.28	<u>Finance Agency shall transfer \$256,000</u>		
31.29	<u>from the housing rehabilitation program in</u>		
31.30	<u>the housing development fund to the general</u>		
31.31	<u>fund.</u>		

32.1 Sec. 5. **DEPARTMENT OF LABOR AND**
 32.2 **INDUSTRY** \$ (20,000) \$ (20,000)

32.3 This reduction is from the general
 32.4 fund appropriation for labor
 32.5 standards/apprenticeship.

32.6 Sec. 6. **BUREAU OF MEDIATION**
 32.7 **SERVICES** \$ (16,000) \$ (16,000)

32.8 This reduction is from the general fund
 32.9 appropriation for mediation services.

32.10 Sec. 7. **MINNESOTA HISTORICAL**
 32.11 **SOCIETY**

32.12 Subdivision 1. Total Appropriation \$ (168,000) \$ (168,000)

32.13 The appropriation reductions for each
 32.14 purpose are shown in the following
 32.15 subdivisions.

32.16 Subd. 2. Education and Outreach (96,000) (96,000)

32.17 Subd. 3. Preservation and Access (72,000) (72,000)

32.18 **ARTICLE 10**

32.19 **TRANSPORTATION**

32.20 Section 1. **SUMMARY OF APPROPRIATIONS.**

32.21 The amounts shown in this section summarize direct appropriations, by fund, made
 32.22 in this article.

		<u>2010</u>		<u>2011</u>		<u>Total</u>
32.23						
32.24	<u>General</u>	\$	(1,649,000)	\$	(11,649,000)	\$ (13,298,000)

32.25 Sec. 2. **APPROPRIATIONS.**

32.26 The sums shown in the columns marked "Appropriations" are added to or, if shown
 32.27 in parentheses, subtracted from the appropriations in Laws 2009, chapter 36, article 1, to
 32.28 the agencies and for the purposes specified in this article. The appropriations are from the
 32.29 general fund, or another named fund, and are available for the fiscal years indicated for
 32.30 each purpose. The figures "2010" and "2011" used in this article mean that the addition to
 32.31 or subtraction from the appropriation listed under them are available for the fiscal year
 32.32 ending June 30, 2010, or June 30, 2011, respectively. Supplemental appropriations and

33.1 reductions to appropriations for the fiscal year ending June 30, 2010, are effective the
 33.2 day following final enactment.

33.3		<u>APPROPRIATIONS</u>	
33.4		<u>Available for the Year</u>	
33.5		<u>Ending June 30</u>	
33.6		<u>2010</u>	<u>2011</u>

33.7 **Sec. 3. TRANSPORTATION**

33.8	<u>Subdivision 1. Total Appropriation</u>	\$	<u>(24,000)</u>	\$	<u>(1,474,000)</u>
------	--	-----------	------------------------	-----------	---------------------------

33.9 The appropriation reductions for each
 33.10 purpose are shown in the following
 33.11 subdivisions.

33.12 **Subd. 2. Multimodal Systems**

33.13	<u>(a) Transit</u>		<u>(9,000)</u>		<u>(1,459,000)</u>
-------	---------------------------	--	-----------------------	--	---------------------------

33.14 This reduction is to the Transit Improvement
 33.15 Administration appropriation.

33.16 The base appropriation from the general fund
 33.17 for fiscal years 2012 and 2013 is \$16,292,000
 33.18 each year.

33.19	<u>(b) Freight</u>		<u>(9,000)</u>		<u>(9,000)</u>
-------	---------------------------	--	-----------------------	--	-----------------------

33.20 This reduction is to the rail service plan
 33.21 appropriation.

33.22	<u>(c) Electronic Communication</u>		<u>(6,000)</u>		<u>(6,000)</u>
-------	--	--	-----------------------	--	-----------------------

33.23 This reduction is to the Roosevelt Tower
 33.24 appropriation.

33.25 **Sec. 4. METROPOLITAN COUNCIL**

33.26	<u>Subdivision 1. Total Appropriation</u>	\$	<u>(1,625,000)</u>	\$	<u>(10,175,000)</u>
-------	--	-----------	---------------------------	-----------	----------------------------

33.27 The appropriation reductions for each
 33.28 purpose are shown in the following
 33.29 subdivisions.

33.30	<u>Subd. 2. Bus Transit</u>		<u>(1,506,000)</u>		<u>(10,056,000)</u>
-------	------------------------------------	--	---------------------------	--	----------------------------

34.1 This reduction is to the appropriation for bus
 34.2 system operations.

34.3 The base appropriation for fiscal years 2012
 34.4 and 2013 is \$59,796,000 each year.

34.5 Subd. 3. Rail Operations (119,000) (119,000)

34.6 This reduction is to the appropriation for rail
 34.7 systems.

34.8 The base appropriation for fiscal years 2012
 34.9 and 2013 is \$5,174,000 each year.

34.10 **ARTICLE 11**

34.11 **PUBLIC SAFETY**

34.12 Section 1. **SUMMARY OF APPROPRIATIONS.**

34.13 The amounts shown in this section summarize direct appropriations, by fund, made
 34.14 in this article.

		<u>2010</u>		<u>2011</u>		<u>Total</u>
34.15						
34.16	<u>General</u>	\$	<u>(79,000)</u>	\$	<u>(79,000)</u>	<u>(158,000)</u>

34.17 Sec. 2. **APPROPRIATIONS.**

34.18 The sums shown in the columns marked "Appropriations" are added to or, if shown
 34.19 in parentheses, subtracted from the appropriations in Laws 2009, chapter 83, article 1, to
 34.20 the agencies and for the purposes specified in this article. The appropriations are from the
 34.21 general fund, or another named fund, and are available for the fiscal years indicated for
 34.22 each purpose. The figures "2010" and "2011" used in this article mean that the addition
 34.23 to or subtraction from the appropriation listed under them is available for the fiscal year
 34.24 ending June 30, 2010, or June 30, 2011, respectively. Supplemental appropriations and
 34.25 reductions to appropriations for the fiscal year ending June 30, 2010, are effective the
 34.26 day following final enactment.

APPROPRIATIONS
Available for the Year
Ending June 30
2010 2011

34.27

34.28

34.29

34.30

34.31 Sec. 3. **HUMAN RIGHTS** \$ (79,000) \$ (79,000)

ARTICLE 12

STATE GOVERNMENT

Section 1. SUMMARY OF APPROPRIATIONS.

The amounts shown in this section summarize direct appropriations, by fund, made in this article.

	<u>2010</u>	<u>2011</u>	<u>Total</u>
<u>General</u>	\$ (1,694,000)	\$ (15,820,000)	\$ (17,514,000)

Sec. 2. APPROPRIATIONS.

The sums shown in the columns marked "Appropriations" are added to or, if shown in parentheses, subtracted from, the appropriations in Laws 2009, chapter 101, article 1, to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2010" and "2011" used in this article mean that the addition to or subtraction from the appropriation listed under them is available for the fiscal year ending June 30, 2010, or June 30, 2011, respectively. Supplemental appropriations and reductions to appropriations for the fiscal year ending June 30, 2010, are effective the day following final enactment.

<u>APPROPRIATIONS</u>
<u>Available for the Year</u>
<u>Ending June 30</u>
<u>2010</u>
<u>2011</u>

Sec. 3. GOVERNOR AND LIEUTENANT GOVERNOR

\$	(81,000)	\$	(81,000)
----	----------	----	----------

\$13,000 of the reduction in each of fiscal years 2010 and 2011 are from the appropriation for necessary expenses in the normal performance of the governor's and lieutenant governor's duties for which no other reimbursement is provided.

Sec. 4. OFFICE OF ENTERPRISE TECHNOLOGY

\$	(130,000)	\$	(130,000)
----	-----------	----	-----------

\$96,000 of the reduction in each of fiscal years 2010 and 2011 are from the

37.1 Subdivision 1. **Plan submitted; effective date.** By June 15, 2010, the commissioner
37.2 of management and budget, in consultation with the affected agencies, shall reduce
37.3 general fund appropriations for fiscal year 2010 or 2011 to the affected agencies listed in
37.4 this section by a total of \$14,000,000. No single appropriation or program may be reduced
37.5 by more than 1.5 percent. These reductions are onetime.

37.6 Subd. 2. **Report.** By July 1, 2010, the commissioner of management and budget
37.7 shall submit to the chair and ranking minority member of the senate and house of
37.8 representatives Committees on Finance and Ways and Means a report of the appropriations
37.9 reduced.

37.10 Subd. 3. **Affected agencies.** The agencies whose appropriations must be reduced
37.11 are the following:

- 37.12 (1) Department of Education, state agency operations;
- 37.13 (2) Minnesota Office of Higher Education, state agency operations;
- 37.14 (3) Department of Human Services, state agency operations;
- 37.15 (4) Department of Health, state agency operations;
- 37.16 (5) Pollution Control Agency, all general fund programs;
- 37.17 (6) Department of Natural Resources, all general fund programs;
- 37.18 (7) Board of Water and Soil Resources, all general fund programs;
- 37.19 (8) Department of Commerce, all general fund programs;
- 37.20 (9) Department of Agriculture, all general fund programs;
- 37.21 (10) Department of Employment and Economic Development, all general fund
37.22 programs;
- 37.23 (11) Explore Minnesota Tourism, all general fund programs;
- 37.24 (12) Housing Finance Agency, all general fund programs;
- 37.25 (13) Department of Labor and Industry, all general fund programs;
- 37.26 (14) Bureau of Mediation Services, all general fund programs;
- 37.27 (15) Minnesota Historical Society, all general fund programs;
- 37.28 (16) Department of Transportation, all general fund programs, except greater
37.29 Minnesota transit;
- 37.30 (17) Department of Public Safety, all general fund programs;
- 37.31 (18) Department of Corrections, all general fund programs;
- 37.32 (19) Department of Human Rights, all general fund programs;
- 37.33 (20) Office of Enterprise Technology, all general fund programs;
- 37.34 (21) Department of Administration, all general fund programs;
- 37.35 (22) Department of Management and Budget, state agency operations; and

- 38.1 (23) Department of Revenue, state agency operations;
- 38.2 (24) all other executive branch state agencies, as defined in Minnesota Statutes,
- 38.3 section 16A.011, subdivision 12a, all general fund programs.

ARTICLE 13

HEALTH AND HUMAN SERVICES

Section 1. SUMMARY OF APPROPRIATIONS.

The amounts shown in this section summarize direct appropriations, by fund, made in this article.

	<u>2010</u>	<u>2011</u>	<u>Total</u>
<u>General</u>	\$ <u>(74,704,000)</u>	\$ <u>(83,052,000)</u>	\$ <u>(157,756,000)</u>

Sec. 2. APPROPRIATIONS.

The sums shown in the columns marked "Appropriations" are added to or, if shown in parentheses, subtracted from the appropriations in Laws 2009, chapter 79, article 13, as amended by Laws 2009, chapter 173, article 2, to the agencies and for the purposes specified in this article. The appropriations are from the general fund and are available for the fiscal years indicated for each purpose. The figures "2010" and "2011" used in this article mean that the addition to or subtraction from the appropriation listed under them is available for the fiscal year ending June 30, 2010, or June 30, 2011, respectively. Supplemental appropriations and reductions to appropriations for the fiscal year ending June 30, 2010, are effective the day following final enactment unless a different effective date is explicit. All reductions in this article are onetime, unless otherwise stated.

APPROPRIATIONS
Available for the Year
Ending June 30
2010 **2011**

Sec. 3. DEPARTMENT OF HUMAN SERVICES

<u>Subdivision 1. Total Appropriation</u>	\$ <u>(74,177,000)</u>	\$ <u>(82,527,000)</u>
--	------------------------	------------------------

The appropriation reductions for each purpose are shown in the following subdivisions.

<u>Subd. 2. Agency Management; Financial Operations</u>	<u>(3,289,000)</u>	<u>(3,282,000)</u>
--	--------------------	--------------------

39.1	<u>Subd. 3. Children and Economic Assistance</u>		
39.2	<u>Grants</u>		
39.3	<u>(a) Child Support Enforcement Grants</u>	<u>(3,400,000)</u>	<u>(1,249,000)</u>
39.4	<u>(b) Children's Services Grants</u>	<u>(600,000)</u>	<u>-0-</u>
39.5	<u>American Indian Child Welfare Projects.</u>		
39.6	<u>Notwithstanding Laws 2009, chapter 79,</u>		
39.7	<u>article 2, section 35, \$600,000 of the fiscal</u>		
39.8	<u>year 2009 funds extended in fiscal year 2010</u>		
39.9	<u>cancel to the general fund.</u>		
39.10	<u>(c) Children and Community Services Grants</u>	<u>(16,900,000)</u>	<u>(1,500,000)</u>
39.11	<u>(d) General Assistance Grants</u>	<u>(5,267,000)</u>	<u>(3,190,000)</u>
39.12	<u>(e) Minnesota Supplemental Aid Grants</u>	<u>(733,000)</u>	<u>-0-</u>
39.13	<u>(f) Group Residential Housing Grants</u>	<u>(467,000)</u>	<u>(706,000)</u>
39.14	<u>Subd. 4. Basic Health Care Grants</u>		
39.15	<u>(a) Medical Assistance Basic Health Care</u>		
39.16	<u>Grants - Families and Children</u>	<u>(5,599,000)</u>	<u>(30,585,000)</u>
39.17	<u>(b) Medical Assistance Basic Health Care</u>		
39.18	<u>Grants - Elderly and Disabled</u>	<u>(2,331,000)</u>	<u>(24,062,000)</u>
39.19	<u>Hospital Fee-for-Service Payment Delay.</u>		
39.20	<u>Payments from the Medicaid Management</u>		
39.21	<u>Information System that would otherwise</u>		
39.22	<u>have been made for inpatient hospital</u>		
39.23	<u>services for Minnesota health care program</u>		
39.24	<u>enrollees must be delayed as follows: for</u>		
39.25	<u>fiscal year 2011, June payments must be</u>		
39.26	<u>included in the first payments in fiscal</u>		
39.27	<u>year 2012. The provisions of Minnesota</u>		
39.28	<u>Statutes, section 16A.124, do not apply</u>		
39.29	<u>to these delayed payments. This payment</u>		
39.30	<u>delay includes, and is not in addition to, the</u>		
39.31	<u>payment delay for inpatient hospital services</u>		
39.32	<u>in Laws 2009, chapter 79, article 13, section</u>		
39.33	<u>3, subdivision 6, paragraph (c).</u>		

40.1 **Nonhospital Fee-for-Service Payment**

40.2 **Delay.** Payments from the Medicaid
 40.3 Management Information System that would
 40.4 otherwise have been made for nonhospital
 40.5 acute care services for Minnesota health
 40.6 care program enrollees must be delayed as
 40.7 follows: for fiscal year 2011, June payments
 40.8 must be included in the first payments in
 40.9 fiscal year 2012. This payment delay must
 40.10 not include nursing facilities, intermediate
 40.11 care facilities for persons with developmental
 40.12 disabilities, home and community-based
 40.13 services, prepaid health plans, personal care
 40.14 provider organizations, and home health
 40.15 agencies. The provisions of Minnesota
 40.16 Statutes, section 16A.124, do not apply
 40.17 to these delayed payments. This payment
 40.18 delay includes, and is not in addition to, the
 40.19 payment delay for nonhospital acute care
 40.20 services in Laws 2009, chapter 79, article 13,
 40.21 section 3, subdivision 6, paragraph (c).

40.22 <u>(c) General Assistance Medical Care Grants</u>	<u>(15,879,000)</u>	<u>-0-</u>
--	---------------------	------------

40.23 <u>Subd. 5. Health Care Management;</u>		
40.24 <u>Administration</u>	<u>(180,000)</u>	<u>(360,000)</u>

40.25 **Incentive Program and Outreach Grants.**

40.26 The general fund appropriation for the
 40.27 incentive program under Laws 2008, chapter
 40.28 358, article 5, section 3, subdivision 4,
 40.29 paragraph (b), is canceled. This paragraph is
 40.30 effective retroactively from January 1, 2010.

40.31 **Subd. 6. Continuing Care Grants**

40.32 <u>(a) Aging and Adult Services Grants</u>	<u>(3,600,000)</u>	<u>(3,600,000)</u>
---	--------------------	--------------------

40.33 **Community Service/Service Development**

40.34 **Grants Reduction.** Effective retroactively
 40.35 from July 1, 2009, funding for grants made

41.1 under Minnesota Statutes, sections 256.9754
 41.2 and 256B.0917, subdivision 13, is reduced
 41.3 by \$3,600,000 for each year of the biennium.
 41.4 Grants made during the biennium under
 41.5 Minnesota Statutes, section 256.9754, shall
 41.6 not be used for new construction or building
 41.7 renovation.

41.8 **Aging Grants Delay.** Aging grants must be
 41.9 reduced by \$917,000 in fiscal year 2011 and
 41.10 increased by \$917,000 in fiscal year 2012.
 41.11 These adjustments are onetime and must not
 41.12 be applied to the base. This provision expires
 41.13 June 30, 2012.

41.14 **(b) Medical Assistance Long-Term Care**
 41.15 **Facilities Grants** (3,827,000) (2,520,000)

41.16 **ICF/MR Variable Rates Suspension.**
 41.17 Effective retroactively from July 1, 2009,
 41.18 to June 30, 2010, no new variable rates
 41.19 shall be authorized for intermediate care
 41.20 facilities for persons with developmental
 41.21 disabilities under Minnesota Statutes, section
 41.22 256B.5013, subdivision 1.

41.23 **ICF/MR Occupancy Rate Adjustment**
 41.24 **Suspension.** Effective retroactively from
 41.25 July 1, 2009, to June 30, 2011, approval
 41.26 of new applications for occupancy rate
 41.27 adjustments for unoccupied short-term
 41.28 beds under Minnesota Statutes, section
 41.29 256B.5013, subdivision 7, is suspended.

41.30 **(c) Medical Assistance Long-Term Care**
 41.31 **Waivers and Home Care Grants** (2,318,000) (4,477,000)

41.32 **Developmental Disability Waiver Acuity**
 41.33 **Factor.** Effective retroactively from January
 41.34 1, 2010, the January 1, 2010, one percent
 41.35 growth factor in the developmental disability

42.1	<u>waiver allocations under Minnesota Statutes,</u>		
42.2	<u>section 256B.092, subdivisions 4 and 5,</u>		
42.3	<u>that is attributable to changes in acuity, is</u>		
42.4	<u>suspended to June 30, 2011.</u>		
42.5	<u>(d) Deaf and Hard-of-Hearing Grants</u>	<u>-0-</u>	<u>(169,000)</u>
42.6	<u>Deaf and Hard-of-Hearing Services</u>		
42.7	<u>Grants Delay.</u> Deaf and hard-of-hearing		
42.8	<u>services grants must be reduced by \$169,000</u>		
42.9	<u>in fiscal year 2011 and increased by \$169,000</u>		
42.10	<u>in fiscal year 2012. These adjustments are</u>		
42.11	<u>onetime and must not be applied to the base.</u>		
42.12	<u>This provision expires June 30, 2012.</u>		
42.13	<u>(e) Adult Mental Health Grants</u>	<u>(5,000,000)</u>	<u>-0-</u>
42.14	<u>(f) Chemical Dependency Entitlement Grants</u>	<u>(3,622,000)</u>	<u>(3,622,000)</u>
42.15	<u>(g) Chemical Dependency Nonentitlement</u>		
42.16	<u>Grants</u>	<u>(393,000)</u>	<u>(393,000)</u>
42.17	<u>(h) Other Continuing Care Grants</u>	<u>-0-</u>	<u>(1,414,000)</u>
42.18	<u>Other Continuing Care Grants Delay.</u>		
42.19	<u>Other continuing care grants must be reduced</u>		
42.20	<u>by \$1,414,000 in fiscal year 2011 and</u>		
42.21	<u>increased by \$1,414,000 in fiscal year 2012.</u>		
42.22	<u>These adjustments are onetime and must not</u>		
42.23	<u>be applied to the base. This provision expires</u>		
42.24	<u>June 30, 2012.</u>		
42.25	<u>Subd. 7. Continuing Care Management</u>	<u>(350,000)</u>	<u>-0-</u>
42.26	<u>County Maintenance of Effort.</u> The general		
42.27	<u>fund appropriation for the State-County</u>		
42.28	<u>Results Accountability and Service Delivery</u>		
42.29	<u>Reform under Minnesota Statutes, chapter</u>		
42.30	<u>402A, is canceled. This paragraph is</u>		
42.31	<u>effective retroactively from July 1, 2009.</u>		
42.32	<u>Subd. 8. State-Operated Services; Adult</u>		
42.33	<u>Mental Health Services</u>	<u>(422,000)</u>	<u>(4,588,000)</u>

44.1 **Community Service Development Grant**

44.2 **Reduction.** Funding for community service
 44.3 development grants must be reduced by
 44.4 \$260,000 for fiscal year 2010; \$284,000 in
 44.5 fiscal year 2011; \$43,000 in fiscal year 2012;
 44.6 and \$43,000 in fiscal year 2013. Base level
 44.7 funding shall be restored in fiscal year 2014.

44.8 **Community Service Development Grant**

44.9 **Community Initiative.** Funding for
 44.10 community service development grants shall
 44.11 be used to offset the cost of aging support
 44.12 grants. Base level funding shall be restored
 44.13 in fiscal year 2014.

44.14 **Senior Nutrition Use of Federal Funds.**

44.15 For fiscal year 2010, general fund grants
 44.16 for home-delivered meals and congregate
 44.17 dining shall be reduced by \$500,000. The
 44.18 commissioner must replace these general
 44.19 fund reductions with equal amounts from
 44.20 federal funding for senior nutrition from the
 44.21 American Recovery and Reinvestment Act
 44.22 of 2009.

44.23 **(b) Alternative Care Grants** 50,234,000 48,576,000

44.24 **Base Adjustment.** The general fund base is
 44.25 decreased by \$3,598,000 in fiscal year 2012
 44.26 and \$3,470,000 in fiscal year 2013.

44.27 **Alternative Care Transfer.** Any money
 44.28 allocated to the alternative care program that
 44.29 is not spent for the purposes indicated does
 44.30 not cancel but must be transferred to the
 44.31 medical assistance account.

44.32 **(c) Medical Assistance Grants; Long-Term**
 44.33 **Care Facilities.** 367,444,000 419,749,000

44.34 **(d) Medical Assistance Long-Term Care**
 44.35 **Waivers and Home Care Grants** 853,567,000 1,039,517,000

45.1 **Manage Growth in TBI and CADI**

45.2 **Waivers.** During the fiscal years beginning
45.3 on July 1, 2009, and July 1, 2010, the
45.4 commissioner shall allocate money for home
45.5 and community-based waiver programs
45.6 under Minnesota Statutes, section 256B.49,
45.7 to ensure a reduction in state spending that is
45.8 equivalent to limiting the caseload growth of
45.9 the TBI waiver to 12.5 allocations per month
45.10 each year of the biennium and the CADI
45.11 waiver to 95 allocations per month each year
45.12 of the biennium. Limits do not apply: (1)
45.13 when there is an approved plan for nursing
45.14 facility bed closures for individuals under
45.15 age 65 who require relocation due to the
45.16 bed closure; (2) to fiscal year 2009 waiver
45.17 allocations delayed due to unallotment; or (3)
45.18 to transfers authorized by the commissioner
45.19 from the personal care assistance program
45.20 of individuals having a home care rating
45.21 of "CS," "MT," or "HL." Priorities for the
45.22 allocation of funds must be for individuals
45.23 anticipated to be discharged from institutional
45.24 settings or who are at imminent risk of a
45.25 placement in an institutional setting.

45.26 **Manage Growth in DD Waiver.** The
45.27 commissioner shall manage the growth in
45.28 the DD waiver by limiting the allocations
45.29 included in the February 2009 forecast to 15
45.30 additional diversion allocations each month
45.31 for the calendar years that begin on January
45.32 1, 2010, and January 1, 2011. Additional
45.33 allocations must be made available for
45.34 transfers authorized by the commissioner
45.35 from the personal care program of individuals

46.1 having a home care rating of "CS," "MT,"
 46.2 or "HL."

46.3 **Adjustment to Lead Agency Waiver**

46.4 **Allocations.** Prior to the availability of the
 46.5 alternative license defined in Minnesota
 46.6 Statutes, section 245A.11, subdivision 8,
 46.7 the commissioner shall reduce lead agency
 46.8 waiver allocations for the purposes of
 46.9 implementing a moratorium on corporate
 46.10 foster care.

46.11 **Alternatives to Personal Care Assistance**

46.12 **Services.** Base level funding of \$3,237,000
 46.13 in fiscal year 2012 and \$4,856,000 in
 46.14 fiscal year 2013 is to implement alternative
 46.15 services to personal care assistance services
 46.16 for persons with mental health and other
 46.17 behavioral challenges who can benefit
 46.18 from other services that more appropriately
 46.19 meet their needs and assist them in living
 46.20 independently in the community. These
 46.21 services may include, but not be limited to, a
 46.22 1915(i) state plan option.

46.23 **(e) Mental Health Grants**

46.24	Appropriations by Fund		
46.25	General	77,739,000	77,739,000
46.26	Health Care Access	750,000	750,000
46.27	Lottery Prize	1,508,000	1,508,000

46.28 **Funding Usage.** Up to 75 percent of a fiscal
 46.29 year's appropriation for adult mental health
 46.30 grants may be used to fund allocations in that
 46.31 portion of the fiscal year ending December
 46.32 31.

46.33	(f) Deaf and Hard-of-Hearing Grants	1,930,000	1,917,000
46.34	(g) Chemical Dependency Entitlement Grants	111,303,000	122,822,000

47.1 **Payments for Substance Abuse Treatment.**

47.2 For services provided during fiscal years
47.3 2010 and 2011, county-negotiated rates and
47.4 provider claims to the consolidated chemical
47.5 dependency fund must not exceed rates
47.6 charged for these services on January 1,
47.7 2009; and rates for fiscal years 2010 and
47.8 2011 must not exceed 160 percent of the
47.9 average rate on January 1, 2009, for each
47.10 group of vendors with similar attributes.

47.11 For services provided in fiscal years 2012
47.12 and 2013, statewide average rates under
47.13 the new rate methodology to be developed
47.14 under Minnesota Statutes, section 254B.12,
47.15 must not exceed the average rates charged
47.16 for these services on January 1, 2009, plus a
47.17 state share increase of \$3,787,000 for fiscal
47.18 year 2012 and \$5,023,000 for fiscal year
47.19 2013. Notwithstanding any provision to the
47.20 contrary in this article, this provision expires
47.21 on June 30, 2013.

47.22 **Chemical Dependency Special Revenue**

47.23 **Account.** For fiscal year 2010, \$750,000
47.24 must be transferred from the consolidated
47.25 chemical dependency treatment fund
47.26 administrative account and deposited into the
47.27 general fund.

47.28 **County CD Share of MA Costs for**

47.29 **ARRA Compliance.** Notwithstanding the
47.30 provisions of Minnesota Statutes, chapter
47.31 254B, for chemical dependency services
47.32 provided during the period October 1, 2008,
47.33 to December 31, 2010, and reimbursed by
47.34 medical assistance at the enhanced federal
47.35 matching rate provided under the American
47.36 Recovery and Reinvestment Act of 2009, the

48.1 county share is 30 percent of the nonfederal
 48.2 share. This provision is effective the day
 48.3 following final enactment.

48.4	(h) Chemical Dependency Nonentitlement		
48.5	Grants	1,729,000	1,729,000
48.6	(i) Other Continuing Care Grants	19,201,000	17,528,000

48.7 **Base Adjustment.** The general fund base is
 48.8 increased by \$2,639,000 in fiscal year 2012
 48.9 and increased by \$3,854,000 in fiscal year
 48.10 2013.

48.11 **Technology Grants.** \$650,000 in fiscal
 48.12 year 2010 and \$1,000,000 in fiscal year
 48.13 2011 are for technology grants, case
 48.14 consultation, evaluation, and consumer
 48.15 information grants related to developing and
 48.16 supporting alternatives to shift-staff foster
 48.17 care residential service models.

48.18 **Other Continuing Care Grants; HIV**
 48.19 **Grants.** Money appropriated for the HIV
 48.20 drug and insurance grant program in fiscal
 48.21 year 2010 may be used in either year of the
 48.22 biennium.

48.23 **Quality Assurance Commission.** Effective
 48.24 July 1, 2009, state funding for the quality
 48.25 assurance commission under Minnesota
 48.26 Statutes, section 256B.0951, is canceled.

48.27 Sec. 6. Laws 2009, chapter 79, article 13, section 4, subdivision 4, as amended by
 48.28 Laws 2009, chapter 173, article 2, section 2, subdivision 4, is amended to read:

48.29 Subd. 4. **Health Protection**

48.30	Appropriations by Fund		
48.31	General	9,871,000	9,780,000
48.32	State Government		
48.33	Special Revenue	30,209,000	30,209,000

49.1 **Base Adjustment.** The general fund base is
49.2 reduced by \$50,000 in each of fiscal years
49.3 2012 and 2013.

49.4 **Health Protection Appropriations.** (a)
49.5 \$163,000 each year is for the lead abatement
49.6 grant program.

49.7 (b) \$100,000 each year is for emergency
49.8 preparedness and response activities.

49.9 (c) \$50,000 each year is for tuberculosis
49.10 prevention and control. This is a onetime
49.11 appropriation.

49.12 ~~(d) \$55,000 in fiscal year 2010 is for~~
49.13 ~~pentachlorophenol.~~

49.14 ~~(e) \$20,000 in fiscal year 2010 is for a PFC~~
49.15 ~~Citizens Advisory Group.~~

49.16 **American Recovery and Reinvestment**
49.17 **Act Funds.** Federal funds received
49.18 by the commissioner for immunization
49.19 operations from the American Recovery
49.20 and Reinvestment Act of 2009, Public Law
49.21 111-5, are appropriated to the commissioner
49.22 for the purposes of the grant.

49.23 Sec. 7. Minnesota Statutes 2009 Supplement, section 256B.056, subdivision 3c,
49.24 is amended to read:

49.25 Subd. 3c. **Asset limitations for families and children.** A household of two or
49.26 more persons must not own more than \$20,000 in total net assets except that this asset
49.27 limit shall be \$6,000 for the period January 1, 2011, through June 30, 2011, plus \$200
49.28 for each additional legal dependent, and a household of one person must not own more
49.29 than \$10,000 in total net assets, except that this asset limit shall be \$3,000 for the period
49.30 January 1, 2011, through June 30, 2011. In addition to these maximum amounts, an
49.31 eligible individual or family may accrue interest on these amounts, but they must be
49.32 reduced to the maximum at the time of an eligibility redetermination. The value of assets
49.33 that are not considered in determining eligibility for medical assistance for families and

50.1 children is the value of those assets excluded under the AFDC state plan as of July 16,
50.2 1996, as required by the Personal Responsibility and Work Opportunity Reconciliation
50.3 Act of 1996 (PRWORA), Public Law 104-193, with the following exceptions:

50.4 (1) household goods and personal effects are not considered;

50.5 (2) capital and operating assets of a trade or business up to \$200,000 are not
50.6 considered, except that a bank account that contains personal income or assets, or is used to
50.7 pay personal expenses, is not considered a capital or operating asset of a trade or business;

50.8 (3) one motor vehicle is excluded for each person of legal driving age who is
50.9 employed or seeking employment;

50.10 (4) assets designated as burial expenses are excluded to the same extent they are
50.11 excluded by the Supplemental Security Income program;

50.12 (5) court-ordered settlements up to \$10,000 are not considered;

50.13 (6) individual retirement accounts and funds are not considered; and

50.14 (7) assets owned by children are not considered.

50.15 The assets specified in clause (2) must be disclosed to the local agency at the time of
50.16 application and at the time of an eligibility redetermination, and must be verified upon
50.17 request of the local agency.

50.18 **EFFECTIVE DATE.** This section is effective January 1, 2011.

50.19 Sec. 8. Minnesota Statutes 2009 Supplement, section 256B.0659, subdivision 11,
50.20 is amended to read:

50.21 Subd. 11. **Personal care assistant; requirements.** (a) A personal care assistant
50.22 must meet the following requirements:

50.23 (1) be at least 18 years of age with the exception of persons who are 16 or 17 years
50.24 of age with these additional requirements:

50.25 (i) supervision by a qualified professional every 60 days; and

50.26 (ii) employment by only one personal care assistance provider agency responsible
50.27 for compliance with current labor laws;

50.28 (2) be employed by a personal care assistance provider agency;

50.29 (3) enroll with the department as a personal care assistant after clearing a background
50.30 study. Before a personal care assistant provides services, the personal care assistance
50.31 provider agency must initiate a background study on the personal care assistant under
50.32 chapter 245C, and the personal care assistance provider agency must have received a
50.33 notice from the commissioner that the personal care assistant is:

50.34 (i) not disqualified under section 245C.14; or

51.1 (ii) is disqualified, but the personal care assistant has received a set aside of the
51.2 disqualification under section 245C.22;

51.3 (4) be able to effectively communicate with the recipient and personal care
51.4 assistance provider agency;

51.5 (5) be able to provide covered personal care assistance services according to the
51.6 recipient's personal care assistance care plan, respond appropriately to recipient needs,
51.7 and report changes in the recipient's condition to the supervising qualified professional
51.8 or physician;

51.9 (6) not be a consumer of personal care assistance services;

51.10 (7) maintain daily written records including, but not limited to, time sheets under
51.11 subdivision 12;

51.12 (8) effective January 1, 2010, complete standardized training as determined by the
51.13 commissioner before completing enrollment. Personal care assistant training must include
51.14 successful completion of the following training components: basic first aid, vulnerable
51.15 adult, child maltreatment, OSHA universal precautions, basic roles and responsibilities of
51.16 personal care assistants including information about assistance with lifting and transfers
51.17 for recipients, emergency preparedness, orientation to positive behavioral practices, fraud
51.18 issues, and completion of time sheets. Upon completion of the training components,
51.19 the personal care assistant must demonstrate the competency to provide assistance to
51.20 recipients;

51.21 (9) complete training and orientation on the needs of the recipient within the first
51.22 seven days after the services begin; and

51.23 (10) be limited to providing and being paid for up to 310 hours per month, except
51.24 that this limit shall be 275 hours per month for the period July 1, 2010, through June 30,
51.25 2011, of personal care assistance services regardless of the number of recipients being
51.26 served or the number of personal care assistance provider agencies enrolled with.

51.27 (b) A legal guardian may be a personal care assistant if the guardian is not being paid
51.28 for the guardian services and meets the criteria for personal care assistants in paragraph (a).

51.29 (c) Effective January 1, 2010, persons who do not qualify as a personal care assistant
51.30 include parents and stepparents of minors, spouses, paid legal guardians, family foster
51.31 care providers, except as otherwise allowed in section 256B.0625, subdivision 19a, or
51.32 staff of a residential setting.

51.33 **EFFECTIVE DATE.** This section is effective July 1, 2010.

51.34 Sec. 9. Minnesota Statutes 2009 Supplement, section 256B.441, subdivision 55,
51.35 is amended to read:

52.1 Subd. 55. **Phase-in of rebased operating payment rates.** (a) For the rate years
 52.2 beginning October 1, 2008, to October 1, 2015, the operating payment rate calculated
 52.3 under this section shall be phased in by blending the operating rate with the operating
 52.4 payment rate determined under section 256B.434. For purposes of this subdivision, the
 52.5 rate to be used that is determined under section 256B.434 shall not include the portion of
 52.6 the operating payment rate related to performance-based incentive payments under section
 52.7 256B.434, subdivision 4, paragraph (d). For the rate year beginning October 1, 2008, the
 52.8 operating payment rate for each facility shall be 13 percent of the operating payment rate
 52.9 from this section, and 87 percent of the operating payment rate from section 256B.434.
 52.10 ~~For the rate year beginning October 1, 2009, the operating payment rate for each facility~~
 52.11 ~~shall be 14 percent of the operating payment rate from this section, and 86 percent of the~~
 52.12 ~~operating payment rate from section 256B.434.~~ For rate years beginning October 1, 2009;
 52.13 October 1, 2010; October 1, 2011; and October 1, 2012, no rate adjustments shall be
 52.14 implemented under this section, but shall be determined under section 256B.434. For the
 52.15 rate year beginning October 1, 2013, the operating payment rate for each facility shall be
 52.16 65 percent of the operating payment rate from this section, and 35 percent of the operating
 52.17 payment rate from section 256B.434. For the rate year beginning October 1, 2014, the
 52.18 operating payment rate for each facility shall be 82 percent of the operating payment rate
 52.19 from this section, and 18 percent of the operating payment rate from section 256B.434. For
 52.20 the rate year beginning October 1, 2015, the operating payment rate for each facility shall
 52.21 be the operating payment rate determined under this section. The blending of operating
 52.22 payment rates under this section shall be performed separately for each RUG's class.

52.23 (b) For the rate year beginning October 1, 2008, the commissioner shall apply limits
 52.24 to the operating payment rate increases under paragraph (a) by creating a minimum
 52.25 percentage increase and a maximum percentage increase.

52.26 (1) Each nursing facility that receives a blended October 1, 2008, operating payment
 52.27 rate increase under paragraph (a) of less than one percent, when compared to its operating
 52.28 payment rate on September 30, 2008, computed using rates with RUG's weight of 1.00,
 52.29 shall receive a rate adjustment of one percent.

52.30 (2) The commissioner shall determine a maximum percentage increase that will
 52.31 result in savings equal to the cost of allowing the minimum increase in clause (1). Nursing
 52.32 facilities with a blended October 1, 2008, operating payment rate increase under paragraph
 52.33 (a) greater than the maximum percentage increase determined by the commissioner, when
 52.34 compared to its operating payment rate on September 30, 2008, computed using rates with
 52.35 a RUG's weight of 1.00, shall receive the maximum percentage increase.

53.1 (3) Nursing facilities with a blended October 1, 2008, operating payment rate
53.2 increase under paragraph (a) greater than one percent and less than the maximum
53.3 percentage increase determined by the commissioner, when compared to its operating
53.4 payment rate on September 30, 2008, computed using rates with a RUG's weight of 1.00,
53.5 shall receive the blended October 1, 2008, operating payment rate increase determined
53.6 under paragraph (a).

53.7 (4) The October 1, 2009, through October 1, 2015, operating payment rate for
53.8 facilities receiving the maximum percentage increase determined in clause (2) shall be
53.9 the amount determined under paragraph (a) less the difference between the amount
53.10 determined under paragraph (a) for October 1, 2008, and the amount allowed under clause
53.11 (2). This rate restriction does not apply to rate increases provided in any other section.

53.12 (c) A portion of the funds received under this subdivision that are in excess of
53.13 operating payment rates that a facility would have received under section 256B.434, as
53.14 determined in accordance with clauses (1) to (3), shall be subject to the requirements in
53.15 section 256B.434, subdivision 19, paragraphs (b) to (h).

53.16 (1) Determine the amount of additional funding available to a facility, which shall be
53.17 equal to total medical assistance resident days from the most recent reporting year times
53.18 the difference between the blended rate determined in paragraph (a) for the rate year being
53.19 computed and the blended rate for the prior year.

53.20 (2) Determine the portion of all operating costs, for the most recent reporting year,
53.21 that are compensation related. If this value exceeds 75 percent, use 75 percent.

53.22 (3) Subtract the amount determined in clause (2) from 75 percent.

53.23 (4) The portion of the fund received under this subdivision that shall be subject to
53.24 the requirements in section 256B.434, subdivision 19, paragraphs (b) to (h), shall equal
53.25 the amount determined in clause (1) times the amount determined in clause (3).

53.26 **EFFECTIVE DATE.** This section is effective retroactively from October 1, 2009.

53.27 Sec. 10. Minnesota Statutes 2009 Supplement, section 256B.69, subdivision 5a,
53.28 is amended to read:

53.29 Subd. 5a. **Managed care contracts.** (a) Managed care contracts under this section
53.30 and sections 256L.12 and 256D.03, shall be entered into or renewed on a calendar year
53.31 basis beginning January 1, 1996. Managed care contracts which were in effect on June
53.32 30, 1995, and set to renew on July 1, 1995, shall be renewed for the period July 1, 1995
53.33 through December 31, 1995 at the same terms that were in effect on June 30, 1995. The
53.34 commissioner may issue separate contracts with requirements specific to services to
53.35 medical assistance recipients age 65 and older.

54.1 (b) A prepaid health plan providing covered health services for eligible persons
54.2 pursuant to chapters 256B, 256D, and 256L, is responsible for complying with the terms
54.3 of its contract with the commissioner. Requirements applicable to managed care programs
54.4 under chapters 256B, 256D, and 256L, established after the effective date of a contract
54.5 with the commissioner take effect when the contract is next issued or renewed.

54.6 (c) Effective for services rendered on or after January 1, 2003, the commissioner
54.7 shall withhold five percent of managed care plan payments under this section and
54.8 county-based purchasing plan's payment rate under section 256B.692 for the prepaid
54.9 medical assistance and general assistance medical care programs pending completion of
54.10 performance targets. Each performance target must be quantifiable, objective, measurable,
54.11 and reasonably attainable, except in the case of a performance target based on a federal
54.12 or state law or rule. Criteria for assessment of each performance target must be outlined
54.13 in writing prior to the contract effective date. The managed care plan must demonstrate,
54.14 to the commissioner's satisfaction, that the data submitted regarding attainment of
54.15 the performance target is accurate. The commissioner shall periodically change the
54.16 administrative measures used as performance targets in order to improve plan performance
54.17 across a broader range of administrative services. The performance targets must include
54.18 measurement of plan efforts to contain spending on health care services and administrative
54.19 activities. The commissioner may adopt plan-specific performance targets that take into
54.20 account factors affecting only one plan, including characteristics of the plan's enrollee
54.21 population. The withheld funds must be returned no sooner than July of the following
54.22 year if performance targets in the contract are achieved. The commissioner may exclude
54.23 special demonstration projects under subdivision 23.

54.24 (d) Effective for services rendered on or after January 1, 2009, through December 31,
54.25 2009, the commissioner shall withhold three percent of managed care plan payments under
54.26 this section and county-based purchasing plan payments under section 256B.692 for the
54.27 prepaid medical assistance and general assistance medical care programs. The withheld
54.28 funds must be returned no sooner than July 1 and no later than July 31 of the following
54.29 year. The commissioner may exclude special demonstration projects under subdivision 23.

54.30 The return of the withhold under this paragraph is not subject to the requirements of
54.31 paragraph (c).

54.32 (e) Effective for services provided on or after January 1, 2010, the commissioner
54.33 shall require that managed care plans use the assessment and authorization processes,
54.34 forms, timelines, standards, documentation, and data reporting requirements, protocols,
54.35 billing processes, and policies consistent with medical assistance fee-for-service or the
54.36 Department of Human Services contract requirements consistent with medical assistance

55.1 fee-for-service or the Department of Human Services contract requirements for all
55.2 personal care assistance services under section 256B.0659.

55.3 (f) Effective for services rendered on or after January 1, 2010, through December
55.4 31, 2010, the commissioner shall withhold ~~3.5~~ 4.5 percent of managed care plan payments
55.5 under this section and county-based purchasing plan payments under section 256B.692
55.6 for the prepaid medical assistance program. The withheld funds must be returned no
55.7 sooner than July 1 and no later than July 31 of the following year. The commissioner may
55.8 exclude special demonstration projects under subdivision 23.

55.9 (g) Effective for services rendered on or after January 1, 2011, through December 31,
55.10 2011, the commissioner shall withhold ~~four~~ 4.5 percent of managed care plan payments
55.11 under this section and county-based purchasing plan payments under section 256B.692
55.12 for the prepaid medical assistance program. The withheld funds must be returned no
55.13 sooner than July 1 and no later than July 31 of the following year. The commissioner
55.14 may exclude special demonstration projects under subdivision 23. If an extension of the
55.15 enhanced federal medical assistance percentage (FMAP) under Public Law 111-5, section
55.16 5001, is enacted before June 15, 2010, the withhold percentage stated in this paragraph
55.17 shall be 4.0 percent.

55.18 (h) Effective for services rendered on or after January 1, 2012, through December
55.19 31, 2012, the commissioner shall withhold 4.5 percent of managed care plan payments
55.20 under this section and county-based purchasing plan payments under section 256B.692
55.21 for the prepaid medical assistance program. The withheld funds must be returned no
55.22 sooner than July 1 and no later than July 31 of the following year. The commissioner may
55.23 exclude special demonstration projects under subdivision 23.

55.24 (i) Effective for services rendered on or after January 1, 2013, through December 31,
55.25 2013, the commissioner shall withhold 4.5 percent of managed care plan payments under
55.26 this section and county-based purchasing plan payments under section 256B.692 for the
55.27 prepaid medical assistance program. The withheld funds must be returned no sooner than
55.28 July 1 and no later than July 31 of the following year. The commissioner may exclude
55.29 special demonstration projects under subdivision 23.

55.30 (j) Effective for services rendered on or after January 1, 2014, the commissioner
55.31 shall withhold three percent of managed care plan payments under this section and
55.32 county-based purchasing plan payments under section 256B.692 for the prepaid medical
55.33 assistance and prepaid general assistance medical care programs. The withheld funds must
55.34 be returned no sooner than July 1 and no later than July 31 of the following year. The
55.35 commissioner may exclude special demonstration projects under subdivision 23.

56.1 (k) A managed care plan or a county-based purchasing plan under section 256B.692
56.2 may include as admitted assets under section 62D.044 any amount withheld under this
56.3 section that is reasonably expected to be returned.

56.4 (l) Contracts between the commissioner and a prepaid health plan are exempt from
56.5 the set-aside and preference provisions of section 16C.16, subdivisions 6, paragraph
56.6 (a), and 7.

56.7 **EFFECTIVE DATE.** The additional withhold percentage in paragraph (f) is
56.8 effective retroactively from January 1, 2010.

56.9 Sec. 11. Minnesota Statutes 2009 Supplement, section 256B.76, subdivision 1, is
56.10 amended to read:

56.11 Subdivision 1. **Physician reimbursement.** (a) Effective for services rendered on
56.12 or after October 1, 1992, the commissioner shall make payments for physician services
56.13 as follows:

56.14 (1) payment for level one Centers for Medicare and Medicaid Services' common
56.15 procedural coding system codes titled "office and other outpatient services," "preventive
56.16 medicine new and established patient," "delivery, antepartum, and postpartum care,"
56.17 "critical care," cesarean delivery and pharmacologic management provided to psychiatric
56.18 patients, and level three codes for enhanced services for prenatal high risk, shall be paid
56.19 at the lower of (i) submitted charges, or (ii) 25 percent above the rate in effect on June
56.20 30, 1992. If the rate on any procedure code within these categories is different than the
56.21 rate that would have been paid under the methodology in section 256B.74, subdivision 2,
56.22 then the larger rate shall be paid;

56.23 (2) payments for all other services shall be paid at the lower of (i) submitted charges,
56.24 or (ii) 15.4 percent above the rate in effect on June 30, 1992; and

56.25 (3) all physician rates shall be converted from the 50th percentile of 1982 to the 50th
56.26 percentile of 1989, less the percent in aggregate necessary to equal the above increases
56.27 except that payment rates for home health agency services shall be the rates in effect
56.28 on September 30, 1992.

56.29 (b) Effective for services rendered on or after January 1, 2000, payment rates for
56.30 physician and professional services shall be increased by three percent over the rates
56.31 in effect on December 31, 1999, except for home health agency and family planning
56.32 agency services. The increases in this paragraph shall be implemented January 1, 2000,
56.33 for managed care.

56.34 (c) Effective for services rendered on or after July 1, 2009, payment rates for
56.35 physician and professional services shall be reduced by five percent, except that for the

57.1 period July 1, 2009, through June 30, 2010, payments rates shall be reduced by 6.5 percent
57.2 for the medical assistance and general assistance medical care programs, over the rates
57.3 in effect on June 30, 2009. The additional 1.5 percent reduction in effect for the period
57.4 from July 1, 2010, through June 30, 2010, does not apply to physician services billed by a
57.5 psychiatrist or an advanced practice registered nurse with a specialty in mental health.
57.6 This reduction does not apply to office or other outpatient visits, preventive medicine visits
57.7 and family planning visits billed by physicians, advanced practice nurses, or physician
57.8 assistants in a family planning agency or in one of the following primary care practices:
57.9 general practice, general internal medicine, general pediatrics, general geriatrics, and
57.10 family medicine. This reduction does not apply to federally qualified health centers,
57.11 rural health centers, and Indian health services. Effective October 1, 2009, payments
57.12 made to managed care plans and county-based purchasing plans under sections 256B.69,
57.13 256B.692, and 256L.12 shall reflect the payment reduction described in this paragraph.

57.14 **EFFECTIVE DATE.** The additional rate reductions in this section are effective
57.15 retroactively from July 1, 2009.

57.16 Sec. 12. Minnesota Statutes 2008, section 256B.76, subdivision 4, is amended to read:

57.17 Subd. 4. **Critical access dental providers.** (a) Effective for dental services rendered
57.18 on or after January 1, 2002, the commissioner shall increase reimbursements to dentists
57.19 and dental clinics deemed by the commissioner to be critical access dental providers.
57.20 For dental services rendered on or after July 1, 2007, the commissioner shall increase
57.21 reimbursement by 30 percent above the reimbursement rate that would otherwise be paid to
57.22 the critical access dental provider. The commissioner shall pay the health plan companies
57.23 in amounts sufficient to reflect increased reimbursements to critical access dental providers
57.24 as approved by the commissioner. In determining which dentists and dental clinics shall
57.25 be deemed critical access dental providers, the commissioner shall review:

57.26 (1) the utilization rate in the service area in which the dentist or dental clinic operates
57.27 for dental services to patients covered by medical assistance, general assistance medical
57.28 care, or MinnesotaCare as their primary source of coverage;

57.29 (2) the level of services provided by the dentist or dental clinic to patients covered
57.30 by medical assistance, general assistance medical care, or MinnesotaCare as their primary
57.31 source of coverage; and

57.32 (3) whether the level of services provided by the dentist or dental clinic is critical to
57.33 maintaining adequate levels of patient access within the service area.

57.34 In the absence of a critical access dental provider in a service area, the commissioner may
57.35 designate a dentist or dental clinic as a critical access dental provider if the dentist or

58.1 dental clinic is willing to provide care to patients covered by medical assistance, general
58.2 assistance medical care, or MinnesotaCare at a level which significantly increases access
58.3 to dental care in the service area.

58.4 (b) Notwithstanding paragraph (a), critical access payments must not be made for
58.5 dental services provided from April 1, 2010, through June 30, 2010.

58.6 **EFFECTIVE DATE.** This section is effective retroactively from April 1, 2010.

58.7 Sec. 13. Minnesota Statutes 2009 Supplement, section 256B.766, is amended to read:

58.8 **256B.766 REIMBURSEMENT FOR BASIC CARE SERVICES.**

58.9 (a) Effective for services provided on or after July 1, 2009, total payments for basic
58.10 care services, shall be reduced by three percent, except that for the period July 1, 2009,
58.11 through June 30, 2011, total payments shall be reduced by 4.5 percent for the medical
58.12 assistance and general assistance medical care programs, prior to third-party liability
58.13 and spenddown calculation. Payments made to managed care plans and county-based
58.14 purchasing plans shall be reduced for services provided on or after October 1, 2009,
58.15 to reflect this reduction.

58.16 (b) This section does not apply to physician and professional services, inpatient
58.17 hospital services, family planning services, mental health services, dental services,
58.18 prescription drugs, medical transportation, federally qualified health centers, rural health
58.19 centers, Indian health services, and Medicare cost-sharing.

58.20 **EFFECTIVE DATE.** The additional rate reductions in this section are effective
58.21 retroactively from July 1, 2009.

58.22 Sec. 14. **REDUCTION OF GROUP RESIDENTIAL HOUSING**
58.23 **SUPPLEMENTAL SERVICE RATE.**

58.24 Effective retroactively from November 1, 2009, through June 30, 2011, the
58.25 commissioner of human services shall decrease the group residential housing (GRH)
58.26 supplementary service rate under Minnesota Statutes, section 256I.05, subdivision 1a, by
58.27 five percent for services rendered on or after that date, except that reimbursement rates
58.28 for a GRH facility reimbursed as a nursing facility shall not be reduced. The reduction
58.29 in this paragraph is in addition to the reduction under Laws 2009, chapter 79, article
58.30 8, section 79, paragraph (b), clause (11).

58.31 **EFFECTIVE DATE.** This section is effective retroactively from November 1, 2009.

59.1 Sec. 15. ARTICLE EFFECTIVE DATE.

59.2 This article is effective the day following final enactment.

59.3 **ARTICLE 14**

59.4 **AIDS, CREDITS, REFUNDS**

59.5 Section 1. Minnesota Statutes 2008, section 273.1384, subdivision 6, as added by Laws
59.6 2010, chapter 215, article 13, section 2, is amended to read:

59.7 Subd. 6. **Credit reduction.** In 2011 and each year thereafter, the market value
59.8 credit reimbursement amount for each taxing jurisdiction determined under this section
59.9 is reduced by the dollar amount of the reduction in market value credit reimbursements
59.10 for that taxing jurisdiction in 2010 due to ~~unallotment~~ the reductions announced prior
59.11 ~~to February 28, 2010, under section 16A.152~~ under section 477A.0132. No taxing
59.12 jurisdiction's market value credit reimbursements are reduced to less than zero under
59.13 this subdivision. The commissioner of revenue shall pay the annual market value credit
59.14 reimbursement amounts, after reduction under this subdivision, to the affected taxing
59.15 jurisdictions as provided in this section.

59.16 **EFFECTIVE DATE.** This section is effective for taxes payable in 2011 and
59.17 thereafter.

59.18 Sec. 2. **[477A.0132] 2009 AND 2010 AID REDUCTIONS.**

59.19 Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms
59.20 have the meanings given them in this subdivision.

59.21 (b) The "2009 revenue base" for a statutory or home rule charter city is the sum of
59.22 the city's certified property tax levy for taxes payable in 2009, plus the amount of local
59.23 government aid under section 477A.013, subdivision 9, that the city was certified to
59.24 receive in 2009, plus the amount of taconite aids under sections 298.28 and 298.282 that
59.25 the city was certified to receive in 2009, including any amounts required to be placed in a
59.26 special fund for distribution in a later year.

59.27 (c) The "2009 revenue base" for a county is the sum of the county's certified property
59.28 tax levy for taxes payable in 2009, plus the amount of county program aid under section
59.29 477A.0124 that the county was certified to receive in 2009, plus the amount of taconite
59.30 aids under sections 298.28 and 298.282 that the county was certified to receive in 2009,
59.31 including any amounts required to be placed in a special fund for distribution in a later year.

59.32 (d) The "2009 revenue base" for a town is the sum of the town's certified property
59.33 tax levy for taxes payable in 2009, plus the amount of aid under section 477A.013 that
59.34 the town was certified to receive in 2009, plus the amount of taconite aids under sections

60.1 298.28 and 298.282 that the town was certified to receive in 2009, including any amounts
60.2 required to be placed in a special fund for distribution in a later year.

60.3 (e) "Population" means the population of the county, city, or town for 2007 based on
60.4 information available to the commissioner of revenue in July 2009.

60.5 (f) "Adjusted net tax capacity" means the amount of net tax capacity for the county,
60.6 city, or town, computed using equalized market values according to section 477A.011,
60.7 subdivision 20, for aid payable in 2009.

60.8 (g) "Adjusted net tax capacity per capita" means the jurisdiction's adjusted net tax
60.9 capacity divided by its population.

60.10 Subd. 2. **2009 aid reductions.** (a) The commissioner of revenue must compute a
60.11 2009 aid reduction amount for each county.

60.12 The aid reduction amount is zero for a county with a population of less than 5,000,
60.13 and is zero for a county containing the Shooting Star Casino property that was removed
60.14 from the tax rolls in 2009.

60.15 For all other counties, the aid reduction amount is equal to 1.188968672 percent of
60.16 the county's 2009 revenue base.

60.17 The reduction amount is limited to the sum of the amount of county program aid
60.18 under section 477A.0124 that the county was certified to receive in 2009, plus the amount
60.19 of market value credit reimbursements under section 273.1384 payable to the county in
60.20 2009 before the reductions in this section.

60.21 The reduction amount is applied first to reduce the amount payable to the county
60.22 in 2009 as county program aid under section 477A.013 and then, if necessary, to reduce
60.23 the amount payable to the county in 2009 as market value credit reimbursements under
60.24 section 273.1384.

60.25 No county's aid or reimbursements are reduced to less than zero under this section.

60.26 (b) The commissioner of revenue must compute a 2009 aid reduction amount for
60.27 each city.

60.28 The aid reduction amount is zero for any city with a population of less than 1,000 that
60.29 has an adjusted net tax capacity per capita amount less than the statewide average adjusted
60.30 net tax capacity amount per capita for all cities. The aid reduction amount is also zero for
60.31 a city located outside the seven-county metropolitan area, with a 2006 population greater
60.32 than 3,500, a pre-1940 housing percentage greater than 29 percent, a commercial-industrial
60.33 percentage less than nine percent, and a population decline percentage of zero based on the
60.34 data used to certify the 2009 local government aid distribution under section 477A.013.

60.35 For all other cities, the aid reduction amount is equal to 3.3127634 percent of the
60.36 city's 2009 revenue base.

61.1 The reduction amount is limited to the sum of the amount of local government aid
61.2 under section 477A.013, subdivision 9, that the city was certified to receive in 2009, plus
61.3 the amount of market value credit reimbursements under section 273.1384 payable to the
61.4 city in 2009 before the reductions in this section.

61.5 The reduction amount for a city is further limited to \$22 per capita.

61.6 The reduction amount is applied first to reduce the amount payable to the city in
61.7 2009 as local government aid under section 477A.013 and then, if necessary, to reduce
61.8 the amount payable to the city in 2009 as market value credit reimbursements under
61.9 section 273.1384.

61.10 No city's aid or reimbursements are reduced to less than zero under this section.

61.11 (c) The commissioner of revenue must compute a 2009 aid reduction amount for
61.12 each town.

61.13 The aid reduction amount is zero for any town with a population of less than 1,000
61.14 that has an adjusted net tax capacity per capita amount less than the statewide average
61.15 adjusted net tax capacity amount per capita for all towns.

61.16 For all other towns, the aid reduction amount is equal to 1.735103 percent of the
61.17 town's 2009 revenue base.

61.18 The reduction amount is limited to \$5 per capita.

61.19 The reduction amount is applied to reduce the amount payable to the town in 2009
61.20 as market value credit reimbursements under section 273.1384.

61.21 No town's reimbursements are reduced to less than zero under this section.

61.22 Subd. 3. **2010 aid reductions.** (a) The commissioner of revenue must compute a
61.23 2010 aid reduction amount for each county.

61.24 The aid reduction amount is zero for a county with a population of less than 5,000,
61.25 and is zero for a county containing the Shooting Star Casino property that was removed
61.26 from the tax rolls in 2009.

61.27 For all other counties, the aid reduction amount is equal to 2.41396687 percent of
61.28 the county's 2009 revenue base.

61.29 The reduction amount is limited to the sum of the amount of county program aid
61.30 under section 477A.0124 that the county was certified to receive in 2009, plus the amount
61.31 of market value credit reimbursements under section 273.1384 payable to the county in
61.32 2009 before the reductions in this section.

61.33 The reduction amount is applied first to reduce the amount payable to the county
61.34 in 2010 as county program aid under section 477A.013 and then, if necessary, to reduce
61.35 the amount payable to the county in 2010 as market value credit reimbursements under
61.36 section 273.1384.

62.1 No county's aid or reimbursements are reduced to less than zero under this section.

62.2 (b) The commissioner of revenue must compute a 2010 aid reduction amount for
62.3 each city.

62.4 The aid reduction amount is zero for any city with a population of less than 1,000
62.5 that has an adjusted net tax capacity per capita amount less than the statewide average
62.6 adjusted net tax capacity amount per capita for all cities.

62.7 For all other cities, the aid reduction amount is equal to 7.643803025 percent of the
62.8 city's 2009 revenue base.

62.9 The reduction amount is limited to the sum of the amount of local government aid
62.10 under section 477A.013, subdivision 9, that the city was certified to receive in 2010, plus
62.11 the amount of market value credit reimbursements under section 273.1384 payable to the
62.12 city in 2010 before the reductions in this section.

62.13 The reduction amount for a city is further limited to \$55 per capita.

62.14 The reduction amount is applied first to reduce the amount payable to the city in
62.15 2010 as local government aid under section 477A.013 and then, if necessary, to reduce
62.16 the amount payable to the city in 2010 as market value credit reimbursements under
62.17 section 273.1384.

62.18 No city's aid or reimbursements are reduced to less than zero under this section.

62.19 (c) The commissioner of revenue must compute a 2010 aid reduction amount for
62.20 each town.

62.21 The aid reduction amount is zero for any town with a population of less than 1,000
62.22 that has an adjusted net tax capacity per capita amount less than the statewide average
62.23 adjusted net tax capacity amount per capita for all towns.

62.24 For all other towns, the aid reduction amount is equal to 3.660798 percent of the
62.25 town's 2009 revenue base.

62.26 The reduction amount is limited to \$10 per capita.

62.27 The reduction amount is applied to reduce the amount payable to the town in 2010
62.28 as market value credit reimbursements under section 273.1384.

62.29 No town's reimbursements are reduced to less than zero under this section.

62.30 **EFFECTIVE DATE.** This section is effective the day following final enactment
62.31 and is retroactive for aids and credit reimbursements payable in 2009.

62.32 Sec. 3. Laws 2010, chapter 215, article 13, section 6, is amended to read:

62.33 Sec. 6. **477A.0133 ADDITIONAL 2010 AID AND CREDIT REDUCTIONS.**

62.34 Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms
62.35 have the meanings given them in this subdivision.

63.1 (b) The "2010 revenue base" for a county is the sum of the county's certified property
63.2 tax levy for taxes payable in 2010, plus the amount of county program aid under section
63.3 477A.0124 that the county was certified to receive in 2010, plus the amount of taconite
63.4 aids under sections 298.28 and 298.282 that the county was certified to receive in 2010
63.5 including any amounts required to be placed in a special fund for distribution in a later year.

63.6 (c) The "2010 revenue base" for a statutory or home rule charter city is the sum of
63.7 the city's certified property tax levy for taxes payable in 2010, plus the amount of local
63.8 government aid under section 477A.013, subdivision 9, that the city was certified to
63.9 receive in 2010, plus the amount of taconite aids under sections 298.28 and 298.282 that
63.10 the city was certified to receive in 2010 including any amounts required to be placed in a
63.11 special fund for distribution in a later year.

63.12 Subd. 2. **2010 reductions; counties and cities.** The commissioner of revenue
63.13 must compute additional 2010 aid and credit reimbursement reduction amounts for each
63.14 county and city under this section, after implementing any reduction of county program
63.15 aid under section 477A.0124, local government aid under section 477A.013, or market
63.16 value credit reimbursements under section 273.1384, to reflect the ~~reduction of allotments~~
63.17 ~~under section 16A.152~~ reductions under section 477A.0132.

63.18 The additional reduction amounts under this section are limited to the sum of the
63.19 amount of county program aid under section 477A.0124, local government aid under
63.20 section 477A.013, and market value credit reimbursements under section 273.1384
63.21 payable to the county or city in 2010 before the reductions in this section, but after the
63.22 reductions ~~for unallotments~~ under section 477A.0132.

63.23 The reduction amount under this section is applied first to reduce the amount
63.24 payable to the county or city in 2010 as market value credit reimbursements under section
63.25 273.1384, and then if necessary, to reduce the amount payable as either county program
63.26 aid under section 477A.0124 in the case of a county, or local government aid under section
63.27 477A.013 in the case of a city.

63.28 No aid or reimbursement amount is reduced to less than zero under this section.

63.29 The additional 2010 aid reduction amount for a county is equal to 1.82767 percent
63.30 of the county's 2010 revenue base. The additional 2010 aid reduction amount for a city
63.31 is equal to the lesser of (1) 3.4287 percent of the city's 2010 revenue base or (2) \$28
63.32 multiplied by the city's 2008 population.

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

63.34 Sec. 4. **REFUNDS AND CREDITS.**

64.1 Subdivision 1. **Political contribution credit.** Notwithstanding the provisions of
64.2 Minnesota Statutes, section 290.06, subdivision 23, or any other law to the contrary, the
64.3 political contribution refund does not apply to contributions made after June 30, 2009,
64.4 and before July 1, 2011.

64.5 Subd. 2. **Property tax refund.** For property tax refunds based on rent paid during
64.6 calendar year 2009 only, but also applying to refunds based on property taxes payable in
64.7 2010 that include gross rent paid in 2009, the following rules apply:

64.8 (1) "rent constituting property taxes" must be calculated by substituting "15 percent"
64.9 for "19 percent" under Minnesota Statutes, section 290A.03, subdivision 11; and

64.10 (2) "property taxes payable" must be calculated under Minnesota Statutes, section
64.11 290A.03, subdivision 13, by substituting "15 percent" for "19 percent" in determining the
64.12 portion of gross rent paid that is included in property taxes payable.

64.13 Subd. 3. **Sustainable forest incentive program.** The maximum sustainable forest
64.14 incentive program payments under Minnesota Statutes, section 290C.07, per each Social
64.15 Security number or state or federal business tax identification number must not exceed
64.16 \$100,000. The provisions of this subdivision apply only to payments made during fiscal
64.17 year 2011.

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

64.19 Sec. 5. **LEVY VALIDATION.**

64.20 Any special levy under Minnesota Statutes, section 275.70, subdivision 5, clause
64.21 (22), approved by the commissioner of revenue for taxes payable in 2010, is validated
64.22 notwithstanding a later judicial decision that may affect the validity of unallotments that
64.23 were announced in 2009. A local government may not levy under Minnesota Statutes,
64.24 section 275.70, subdivision 5, clause (22), for taxes payable in 2011 for any retroactive
64.25 reduction in aid and credit reimbursements for aids and credits payable in 2008 or 2009.

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

64.27 **ARTICLE 15**

64.28 **SPECIAL REVENUE FUND**

64.29 Section 1. Minnesota Statutes 2008, section 3.9741, subdivision 2, is amended to read:

64.30 Subd. 2. **Postsecondary Education Board.** The legislative auditor may enter into
64.31 an interagency agreement with the Board of Trustees of the Minnesota State Colleges and
64.32 Universities to conduct financial audits, in addition to audits conducted under section

65.1 3.972, subdivision 2. All payments received for audits requested by the board shall be
65.2 ~~added to the appropriation for~~ deposited in the special revenue fund and appropriated to
65.3 the legislative auditor to pay audit expenses.

65.4 Sec. 2. Minnesota Statutes 2008, section 8.15, subdivision 3, is amended to read:

65.5 Subd. 3. **Agreements.** (a) To facilitate the delivery of legal services, the attorney
65.6 general may:

65.7 (1) enter into agreements with executive branch agencies, political subdivisions, or
65.8 quasi-state agencies to provide legal services for the benefit of the citizens of Minnesota;
65.9 and

65.10 (2) in addition to funds otherwise appropriated by the legislature, accept and spend
65.11 funds received under any agreement authorized in clause (1) for the purpose set forth in
65.12 clause (1), subject to a report of receipts to the chairs of the senate Finance Committee and
65.13 the house of representatives Ways and Means Committee by October 15 each year.

65.14 (b) When entering into an agreement for legal services, the attorney general must
65.15 notify the committees responsible for funding the Office of the Attorney General. When
65.16 the attorney general enters into an agreement with a state agency, the attorney general
65.17 must also notify the committees responsible for funding that agency.

65.18 Funds received under this subdivision must be deposited in ~~the general~~ an account in
65.19 the special revenue fund and are appropriated to the attorney general for the purposes set
65.20 forth in this subdivision.

65.21 Sec. 3. Minnesota Statutes 2008, section 13.03, subdivision 10, is amended to read:

65.22 Subd. 10. **Costs for providing copies of data.** Money may be collected by a
65.23 responsible authority in a state agency for the actual cost to the agency of providing
65.24 copies or electronic transmittal of government data ~~is appropriated to the agency and~~
65.25 ~~added to the appropriations from which the costs were paid.~~ When money collected for
65.26 purposes of this section is of a magnitude sufficient to warrant a separate account in the
65.27 state treasury, that money must be deposited in a fund other than the general fund and is
65.28 appropriated to the agency.

65.29 Sec. 4. Minnesota Statutes 2008, section 16C.23, subdivision 6, is amended to read:

65.30 Subd. 6. **State surplus property.** The commissioner may do any of the following to
65.31 dispose of state surplus property:

65.32 (1) transfer it to or between state agencies;

65.33 (2) transfer it to a governmental unit or nonprofit organization in Minnesota; or

66.1 (3) sell it and charge a fee to cover expenses incurred by the commissioner in the
66.2 disposal of the surplus property.

66.3 The proceeds of the sale less the fee must be deposited in an account in a fund other
66.4 than the general fund and are appropriated to the agency for whose account the sale was
66.5 made, to be used and expended by that agency to purchase similar state property.

66.6 Sec. 5. Minnesota Statutes 2008, section 103B.101, subdivision 9, is amended to read:

66.7 Subd. 9. **Powers and duties.** In addition to the powers and duties prescribed
66.8 elsewhere, the board shall:

66.9 (1) coordinate the water and soil resources planning activities of counties, soil and
66.10 water conservation districts, watershed districts, watershed management organizations,
66.11 and any other local units of government through its various authorities for approval of
66.12 local plans, administration of state grants, and by other means as may be appropriate;

66.13 (2) facilitate communication and coordination among state agencies in cooperation
66.14 with the Environmental Quality Board, and between state and local units of government,
66.15 in order to make the expertise and resources of state agencies involved in water and soil
66.16 resources management available to the local units of government to the greatest extent
66.17 possible;

66.18 (3) coordinate state and local interests with respect to the study in southwestern
66.19 Minnesota under United States Code, title 16, section 1009;

66.20 (4) develop information and education programs designed to increase awareness
66.21 of local water and soil resources problems and awareness of opportunities for local
66.22 government involvement in preventing or solving them;

66.23 (5) provide a forum for the discussion of local issues and opportunities relating
66.24 to water and soil resources management;

66.25 (6) adopt an annual budget and work program that integrate the various functions
66.26 and responsibilities assigned to it by law; and

66.27 (7) report to the governor and the legislature by October 15 of each even-numbered
66.28 year with an assessment of board programs and recommendations for any program
66.29 changes and board membership changes necessary to improve state and local efforts
66.30 in water and soil resources management.

66.31 The board may accept grants, gifts, donations, or contributions in money, services,
66.32 materials, or otherwise from the United States, a state agency, or other source to achieve
66.33 an authorized purpose. The board may enter into a contract or agreement necessary or
66.34 appropriate to accomplish the transfer. The board may receive and expend money to
66.35 acquire conservation easements, as defined in chapter 84C, on behalf of the state and

67.1 federal government consistent with the Camp Ripley's Army Compatible Use Buffer
67.2 Project.

67.3 Any money received is hereby deposited in an account in a fund other than the
67.4 general fund and appropriated and dedicated for the purpose for which it is granted.

67.5 Sec. 6. Minnesota Statutes 2008, section 103I.681, subdivision 11, is amended to read:

67.6 Subd. 11. **Permit fee schedule.** (a) The commissioner of natural resources shall
67.7 adopt a permit fee schedule under chapter 14. The schedule may provide minimum fees
67.8 for various classes of permits, and additional fees, which may be imposed subsequent
67.9 to the application, based on the cost of receiving, processing, analyzing, and issuing
67.10 the permit, and the actual inspecting and monitoring of the activities authorized by the
67.11 permit, including costs of consulting services.

67.12 (b) A fee may not be imposed on a state or federal governmental agency applying
67.13 for a permit.

67.14 (c) The fee schedule may provide for the refund of a fee, in whole or in part, under
67.15 circumstances prescribed by the commissioner of natural resources. Fees received must
67.16 be deposited in the state treasury and credited to ~~the general~~ an account in the natural
67.17 resources fund. Permit fees received are appropriated annually from the ~~general~~ natural
67.18 resources fund to the commissioner of natural resources for the costs of inspecting and
67.19 monitoring the activities authorized by the permit, including costs of consulting services.

67.20 Sec. 7. Minnesota Statutes 2008, section 116J.551, subdivision 1, is amended to read:

67.21 Subdivision 1. **Grant account.** A contaminated site cleanup and development grant
67.22 account is created in the ~~general~~ special revenue fund. Money in the account may be used,
67.23 as appropriated by law, to make grants as provided in section 116J.554 and to pay for the
67.24 commissioner's costs in reviewing applications and making grants. Notwithstanding
67.25 section 16A.28, money appropriated to the account for this program from any source
67.26 is available until spent.

67.27 Sec. 8. Minnesota Statutes 2008, section 190.32, is amended to read:

67.28 **190.32 FEDERAL REIMBURSEMENT RECEIPTS.**

67.29 The Department of Military Affairs may deposit federal reimbursement receipts into
67.30 ~~the general fund~~ an account in the special revenue fund, maintenance of military training
67.31 facilities. These receipts are for services, supplies, and materials initially purchased by the
67.32 Camp Ripley maintenance account.

68.1 Sec. 9. Minnesota Statutes 2008, section 257.69, subdivision 2, is amended to read:

68.2 Subd. 2. **Guardian; legal fees.** (a) The court may order expert witness and guardian
68.3 ad litem fees and other costs of the trial and pretrial proceedings, including appropriate
68.4 tests, to be paid by the parties in proportions and at times determined by the court. The
68.5 court shall require a party to pay part of the fees of court-appointed counsel according
68.6 to the party's ability to pay, but if counsel has been appointed the appropriate agency
68.7 shall pay the party's proportion of all other fees and costs. The agency responsible for
68.8 child support enforcement shall pay the fees and costs for blood or genetic tests in a
68.9 proceeding in which it is a party, is the real party in interest, or is acting on behalf of the
68.10 child. However, at the close of a proceeding in which paternity has been established under
68.11 sections 257.51 to 257.74, the court shall order the adjudicated father to reimburse the
68.12 public agency, if the court finds he has sufficient resources to pay the costs of the blood or
68.13 genetic tests. When a party bringing an action is represented by the county attorney, no
68.14 filing fee shall be paid to the court administrator.

68.15 (b) In each fiscal year, the commissioner of management and budget shall deposit
68.16 guardian ad litem reimbursements in the ~~general~~ special revenue fund and credit them to a
68.17 separate account with the trial courts. The balance of this account is appropriated to the
68.18 trial courts and does not cancel but is available until expended. Expenditures by the state
68.19 court administrator's office from this account must be based on the amount of the guardian
68.20 ad litem reimbursements received by the state from the courts in each judicial district.

68.21 Sec. 10. Minnesota Statutes 2008, section 260C.331, subdivision 6, is amended to read:

68.22 Subd. 6. **Guardian ad litem fees.** (a) In proceedings in which the court appoints a
68.23 guardian ad litem pursuant to section 260C.163, subdivision 5, clause (a), the court may
68.24 inquire into the ability of the parents to pay for the guardian ad litem's services and,
68.25 after giving the parents a reasonable opportunity to be heard, may order the parents to
68.26 pay guardian fees.

68.27 (b) In each fiscal year, the commissioner of management and budget shall deposit
68.28 guardian ad litem reimbursements in the ~~general~~ special revenue fund and credit them to a
68.29 separate account with the trial courts. The balance of this account is appropriated to the
68.30 trial courts and does not cancel but is available until expended. Expenditures by the state
68.31 court administrator's office from this account must be based on the amount of the guardian
68.32 ad litem reimbursements received by the state from the courts in each judicial district.

68.33 Sec. 11. Minnesota Statutes 2009 Supplement, section 270.97, is amended to read:

68.34 **270.97 DEPOSIT OF REVENUES.**

69.1 The commissioner shall deposit all revenues derived from the tax, interest, and
69.2 penalties received from the county in the contaminated site cleanup and development
69.3 account in the ~~general~~ special revenue fund and is annually appropriated to the
69.4 commissioner of the Department of Employment and Economic Development, for the
69.5 purposes of section 116J.551.

69.6 Sec. 12. Minnesota Statutes 2008, section 299C.48, is amended to read:

69.7 **299C.48 CONNECTION BY AUTHORIZED AGENCY; FEE,**
69.8 **APPROPRIATION.**

69.9 (a) An agency authorized under section 299C.46, subdivision 3, may connect with
69.10 and participate in the criminal justice data communications network upon approval
69.11 of the commissioner of public safety; provided, that the agency shall first agree to pay
69.12 installation charges as may be necessary for connection and monthly operational charges
69.13 as may be established by the commissioner of public safety. Before participation by a
69.14 criminal justice agency may be approved, the agency must have executed an agreement
69.15 with the commissioner providing for security of network facilities and restrictions on
69.16 access to data supplied to and received through the network.

69.17 (b) In addition to any fee otherwise authorized, the commissioner of public safety
69.18 shall impose a fee for providing secure dial-up or Internet access for criminal justice
69.19 agencies and noncriminal justice agencies. The following monthly fees apply:

69.20 (1) criminal justice agency accessing via Internet, \$15;

69.21 (2) criminal justice agency accessing via dial-up, \$35;

69.22 (3) noncriminal justice agency accessing via Internet, \$35; and

69.23 (4) noncriminal justice agency accessing via dial-up, \$35.

69.24 (c) The installation and monthly operational charges collected by the commissioner
69.25 of public safety under paragraphs (a) and (b) must be deposited in an account in the special
69.26 revenue fund and are annually appropriated to the commissioner to administer sections
69.27 299C.46 to 299C.50.

69.28 Sec. 13. Minnesota Statutes 2008, section 299E.02, is amended to read:

69.29 **299E.02 CONTRACT SERVICES; APPROPRIATION.**

69.30 Fees charged for contracted security services provided by the Capitol Complex
69.31 Security Division of the Department of Public Safety must be deposited in an account in
69.32 the special revenue fund and are annually appropriated to the commissioner of public
69.33 safety to administer and provide these services.

70.1 Sec. 14. Minnesota Statutes 2008, section 446A.086, subdivision 2, as amended by
70.2 Laws 2010, chapter 290, section 14, is amended to read:

70.3 Subd. 2. **Application.** (a) This section provides a state guarantee of the payment of
70.4 principal and interest on debt obligations if:

70.5 (1) the obligations are issued for new projects and are not issued for the purposes of
70.6 refunding previous obligations;

70.7 (2) application to the Public Facilities Authority is made before issuance; and

70.8 (3) the obligations are covered by an agreement meeting the requirements of
70.9 subdivision 3.

70.10 (b) Applications to be covered by the provisions of this section must be made in a
70.11 form and contain the information prescribed by the authority. Applications are subject to
70.12 either a fee of \$500 for each bond issue requested by a county or governmental unit or the
70.13 applicable fees under section 446A.087.

70.14 (c) Application fees paid under this section must be deposited in a separate credit
70.15 enhancement bond guarantee account in the ~~general~~ special revenue fund. Money in the
70.16 credit enhancement bond guarantee account is appropriated to the authority for purposes
70.17 of administering this section.

70.18 (d) Neither the authority nor the commissioner is required to promulgate
70.19 administrative rules under this section and the procedures and requirements established by
70.20 the authority or commissioner under this section are not subject to chapter 14.

70.21 Sec. 15. Minnesota Statutes 2008, section 469.177, subdivision 11, is amended to read:

70.22 Subd. 11. **Deduction for enforcement costs; appropriation.** (a) The county
70.23 treasurer shall deduct an amount equal to 0.25 percent of any increment distributed to an
70.24 authority or municipality. The county treasurer shall pay the amount deducted to the
70.25 commissioner of management and budget for deposit in ~~the state general~~ an account in
70.26 the special revenue fund.

70.27 (b) The amounts deducted and paid under paragraph (a) are appropriated to the state
70.28 auditor for the cost of (1) the financial reporting of tax increment financing information
70.29 and (2) the cost of examining and auditing of authorities' use of tax increment financing
70.30 as provided under section 469.1771, subdivision 1. Notwithstanding section 16A.28 or
70.31 any other law to the contrary, this appropriation does not cancel and remains available
70.32 until spent.

70.33 (c) For taxes payable in 2002 and thereafter, the commissioner of revenue shall
70.34 increase the percent in paragraph (a) to a percent equal to the product of the percent in
70.35 paragraph (a) and the amount that the statewide tax increment levy for taxes payable in

71.1 2002 would have been without the class rate changes in this act and the elimination of
71.2 the general education levy in this act divided by the statewide tax increment levy for
71.3 taxes payable in 2002.

71.4 Sec. 16. Minnesota Statutes 2008, section 518.165, subdivision 3, is amended to read:

71.5 Subd. 3. **Fees.** (a) A guardian ad litem appointed under either subdivision 1 or 2
71.6 may be appointed either as a volunteer or on a fee basis. If a guardian ad litem is appointed
71.7 on a fee basis, the court shall enter an order for costs, fees, and disbursements in favor
71.8 of the child's guardian ad litem. The order may be made against either or both parties,
71.9 except that any part of the costs, fees, or disbursements which the court finds the parties
71.10 are incapable of paying shall be borne by the state courts. The costs of court-appointed
71.11 counsel to the guardian ad litem shall be paid by the county in which the proceeding is
71.12 being held if a party is incapable of paying for them. Until the recommendations of the
71.13 task force created in Laws 1999, chapter 216, article 7, section 42, are implemented, the
71.14 costs of court-appointed counsel to a guardian ad litem in the Eighth Judicial District shall
71.15 be paid by the state courts if a party is incapable of paying for them. In no event may the
71.16 court order that costs, fees, or disbursements be paid by a party receiving public assistance
71.17 or legal assistance or by a party whose annual income falls below the poverty line as
71.18 established under United States Code, title 42, section 9902(2).

71.19 (b) In each fiscal year, the commissioner of management and budget shall deposit
71.20 guardian ad litem reimbursements in the ~~general~~ special revenue fund and credit them to a
71.21 separate account with the trial courts. The balance of this account is appropriated to the
71.22 trial courts and does not cancel but is available until expended. Expenditures by the state
71.23 court administrator's office from this account must be based on the amount of the guardian
71.24 ad litem reimbursements received by the state from the courts in each judicial district.

71.25 Sec. 17. Minnesota Statutes 2008, section 609.3241, is amended to read:

71.26 **609.3241 PENALTY ASSESSMENT AUTHORIZED.**

71.27 When a court sentences an adult convicted of violating section 609.322 or 609.324,
71.28 while acting other than as a prostitute, the court shall impose an assessment of not less
71.29 than \$250 and not more than \$500 for a violation of section 609.324, subdivision 2, or a
71.30 misdemeanor violation of section 609.324, subdivision 3; otherwise the court shall impose
71.31 an assessment of not less than \$500 and not more than \$1,000. The mandatory minimum
71.32 portion of the assessment is to be used for the purposes described in section 626.558,
71.33 subdivision 2a, and is in addition to the surcharge required by section 357.021, subdivision
71.34 6. Any portion of the assessment imposed in excess of the mandatory minimum amount

72.1 shall be ~~forwarded to the general~~ deposited in an account in the special revenue fund and
72.2 is appropriated annually to the commissioner of public safety. The commissioner, with the
72.3 assistance of the General Crime Victims Advisory Council, shall use money received under
72.4 this section for grants to agencies that provide assistance to individuals who have stopped
72.5 or wish to stop engaging in prostitution. Grant money may be used to provide these
72.6 individuals with medical care, child care, temporary housing, and educational expenses.

72.7 Sec. 18. Minnesota Statutes 2008, section 611.20, subdivision 3, is amended to read:

72.8 Subd. 3. **Reimbursement.** In each fiscal year, the commissioner of management
72.9 and budget shall deposit the payments in the ~~general~~ special revenue fund and credit them
72.10 to a separate account with the Board of Public Defense. The amount credited to this
72.11 account is appropriated to the Board of Public Defense.

72.12 The balance of this account does not cancel but is available until expended.
72.13 Expenditures by the board from this account for each judicial district public defense office
72.14 must be based on the amount of the payments received by the state from the courts in
72.15 each judicial district. A district public defender's office that receives money under this
72.16 subdivision shall use the money to supplement office overhead payments to part-time
72.17 attorneys providing public defense services in the district. By January 15 of each year,
72.18 the Board of Public Defense shall report to the chairs and ranking minority members of
72.19 the senate and house of representatives divisions having jurisdiction over criminal justice
72.20 funding on the amount appropriated under this subdivision, the number of cases handled
72.21 by each district public defender's office, the number of cases in which reimbursements
72.22 were ordered, the average amount of reimbursement ordered, and the average amount of
72.23 money received by part-time attorneys under this subdivision.

72.24 Sec. 19. Laws 1994, chapter 531, section 1, is amended to read:

72.25 Section 1. **SALE OF WILDLIFE LANDS.**

72.26 Notwithstanding Minnesota Statutes, sections 84.027, subdivision 10; 92.45; 94.09
72.27 to 94.165; 97A.135; 103F.535, or any other law, the commissioner of administration may
72.28 sell lands located in the Gordy Yaeger wildlife management area in Olmsted county. The
72.29 consideration for the lands described in sections 2 and 3 shall be \$950 per acre. The
72.30 conveyances shall be by ~~quitclaim~~ quitclaim deed in a form approved by the attorney
72.31 general and shall reserve to the state all minerals and mineral rights. The proceeds received
72.32 from the sales are to be deposited in an account in the ~~general~~ natural resources fund and
72.33 are appropriated to the commissioner of natural resources for acquisition of replacement

73.1 wildlife management area lands. These sales are pursuant to the recommendation of the
73.2 Gordy Yaeger wildlife management area advisory committee.

73.3 **ARTICLE 16**

73.4 **HEALTH CARE**

73.5 Section 1. Minnesota Statutes 2008, section 256.01, is amended by adding a
73.6 subdivision to read:

73.7 Subd. 30. **Review and evaluation of ongoing studies.** The commissioner
73.8 shall review all ongoing studies, reports, and program evaluations completed by the
73.9 Department of Human Services for state fiscal years 2006 through 2010. For each item,
73.10 the commissioner shall report the legislature's appropriation for that work, if any, and the
73.11 actual reported cost of the completed work by the Department of Human Services. The
73.12 commissioner shall make recommendations to the legislature about which studies, reports,
73.13 and program evaluations required by law on an ongoing basis are duplicative, unnecessary,
73.14 or obsolete. The commissioner shall repeat this review every five fiscal years.

73.15 Sec. 2. Minnesota Statutes 2008, section 256.9657, subdivision 2, is amended to read:

73.16 Subd. 2. **Hospital surcharge.** (a) Effective October 1, 1992, each Minnesota
73.17 hospital except facilities of the federal Indian Health Service and regional treatment
73.18 centers shall pay to the medical assistance account a surcharge equal to 1.4 percent of net
73.19 patient revenues excluding net Medicare revenues reported by that provider to the health
73.20 care cost information system according to the schedule in subdivision 4.

73.21 (b) Effective July 1, 1994, the surcharge under paragraph (a) is increased to 1.56
73.22 percent.

73.23 (c) Effective July 1, 2010, the surcharge under paragraph (b) is increased to 2.63
73.24 percent.

73.25 (d) Effective October 1, 2011, the surcharge under paragraph (c) is reduced to
73.26 2.30 percent.

73.27 (e) Notwithstanding the Medicare cost finding and allowable cost principles, the
73.28 hospital surcharge is not an allowable cost for purposes of rate setting under sections
73.29 256.9685 to 256.9695.

73.30 **EFFECTIVE DATE.** This section is effective July 1, 2010.

73.31 Sec. 3. Minnesota Statutes 2008, section 256.9657, subdivision 3, is amended to read:

73.32 Subd. 3. **Surcharge on HMOs and community integrated service networks.** (a)
73.33 Effective October 1, 1992, each health maintenance organization with a certificate of

74.1 authority issued by the commissioner of health under chapter 62D and each community
74.2 integrated service network licensed by the commissioner under chapter 62N shall pay to
74.3 the commissioner of human services a surcharge equal to six-tenths of one percent of the
74.4 total premium revenues of the health maintenance organization or community integrated
74.5 service network as reported to the commissioner of health according to the schedule in
74.6 subdivision 4.

74.7 (b) Effective October 1, 2010, in addition to the surcharge under paragraph (a), each
74.8 health maintenance organization shall pay to the commissioner a surcharge equal to 0.52
74.9 percent of total premium revenues and each county-based purchasing plan authorized
74.10 under section 256B.692 shall pay to the commissioner a surcharge equal to 1.12 percent
74.11 of the total premium revenues of the plan, as reported to the commissioner of health,
74.12 according to the payment schedule in subdivision 4. Notwithstanding section 256.9656,
74.13 money collected under this paragraph shall be deposited in the health care access fund
74.14 established in section 16A.724.

74.15 (c) For purposes of this subdivision, total premium revenue means:

74.16 (1) premium revenue recognized on a prepaid basis from individuals and groups
74.17 for provision of a specified range of health services over a defined period of time which
74.18 is normally one month, excluding premiums paid to a health maintenance organization
74.19 or community integrated service network from the Federal Employees Health Benefit
74.20 Program;

74.21 (2) premiums from Medicare wrap-around subscribers for health benefits which
74.22 supplement Medicare coverage;

74.23 (3) Medicare revenue, as a result of an arrangement between a health maintenance
74.24 organization or a community integrated service network and the Centers for Medicare
74.25 and Medicaid Services of the federal Department of Health and Human Services, for
74.26 services to a Medicare beneficiary, excluding Medicare revenue that states are prohibited
74.27 from taxing under sections 1854, 1860D-12, and 1876 of title XVIII of the federal Social
74.28 Security Act, codified as United States Code, title 42, sections 1395mm, 1395w-112, and
74.29 1395w-24, respectively, as they may be amended from time to time; and

74.30 (4) medical assistance revenue, as a result of an arrangement between a health
74.31 maintenance organization or community integrated service network and a Medicaid state
74.32 agency, for services to a medical assistance beneficiary.

74.33 If advance payments are made under clause (1) or (2) to the health maintenance
74.34 organization or community integrated service network for more than one reporting period,
74.35 the portion of the payment that has not yet been earned must be treated as a liability.

75.1 ~~(e)~~ (d) When a health maintenance organization or community integrated service
75.2 network merges or consolidates with or is acquired by another health maintenance
75.3 organization or community integrated service network, the surviving corporation or the
75.4 new corporation shall be responsible for the annual surcharge originally imposed on
75.5 each of the entities or corporations subject to the merger, consolidation, or acquisition,
75.6 regardless of whether one of the entities or corporations does not retain a certificate of
75.7 authority under chapter 62D or a license under chapter 62N.

75.8 ~~(d)~~ (e) Effective July 1 of each year, the surviving corporation's or the new
75.9 corporation's surcharge shall be based on the revenues earned in the second previous
75.10 calendar year by all of the entities or corporations subject to the merger, consolidation,
75.11 or acquisition regardless of whether one of the entities or corporations does not retain a
75.12 certificate of authority under chapter 62D or a license under chapter 62N until the total
75.13 premium revenues of the surviving corporation include the total premium revenues of all
75.14 the merged entities as reported to the commissioner of health.

75.15 ~~(e)~~ (f) When a health maintenance organization or community integrated service
75.16 network, which is subject to liability for the surcharge under this chapter, transfers,
75.17 assigns, sells, leases, or disposes of all or substantially all of its property or assets, liability
75.18 for the surcharge imposed by this chapter is imposed on the transferee, assignee, or buyer
75.19 of the health maintenance organization or community integrated service network.

75.20 ~~(f)~~ (g) In the event a health maintenance organization or community integrated
75.21 service network converts its licensure to a different type of entity subject to liability
75.22 for the surcharge under this chapter, but survives in the same or substantially similar
75.23 form, the surviving entity remains liable for the surcharge regardless of whether one of
75.24 the entities or corporations does not retain a certificate of authority under chapter 62D
75.25 or a license under chapter 62N.

75.26 ~~(g)~~ (h) The surcharge assessed to a health maintenance organization or community
75.27 integrated service network ends when the entity ceases providing services for premiums
75.28 and the cessation is not connected with a merger, consolidation, acquisition, or conversion.

75.29 **EFFECTIVE DATE.** This section is effective July 1, 2010.

75.30 Sec. 4. Minnesota Statutes 2009 Supplement, section 256.969, subdivision 2b, is
75.31 amended to read:

75.32 Subd. 2b. **Operating payment rates.** In determining operating payment rates for
75.33 admissions occurring on or after the rate year beginning January 1, 1991, and every two
75.34 years after, or more frequently as determined by the commissioner, the commissioner shall
75.35 obtain operating data from an updated base year and establish operating payment rates

76.1 per admission for each hospital based on the cost-finding methods and allowable costs of
 76.2 the Medicare program in effect during the base year. Rates under the general assistance
 76.3 medical care, medical assistance, and MinnesotaCare programs shall not be rebased to
 76.4 more current data on January 1, 1997, January 1, 2005, for the first 24 months of the
 76.5 rebased period beginning January 1, 2009. For the first ~~three~~ 24 months of the rebased
 76.6 period beginning January 1, 2011, rates shall not be rebased ~~at 74.25 percent of the full~~
 76.7 ~~value of the rebasing percentage change. From April 1, 2011, to March 31, 2012, rates~~
 76.8 ~~shall be rebased at 39.2 percent of the full value of the rebasing percentage change, except~~
 76.9 that a Minnesota long-term hospital shall be rebased effective January 1, 2011, based on
 76.10 its most recent Medicare cost report ending on or before September 1, 2008, with the
 76.11 provisions under subdivisions 9 and 23, based on the rates in effect on December 31, 2010.
 76.12 For subsequent rate setting periods in which the base years are updated, a Minnesota
 76.13 long-term hospital's base year shall remain within the same period as other hospitals.
 76.14 Effective ~~April 1, 2012~~ January 1, 2013, rates shall be rebased at full value. The base year
 76.15 operating payment rate per admission is standardized by the case mix index and adjusted
 76.16 by the hospital cost index, relative values, and disproportionate population adjustment.
 76.17 The cost and charge data used to establish operating rates shall only reflect inpatient
 76.18 services covered by medical assistance and shall not include property cost information
 76.19 and costs recognized in outlier payments.

76.20 **EFFECTIVE DATE.** This section is effective July 1, 2010.

76.21 Sec. 5. Minnesota Statutes 2009 Supplement, section 256.969, subdivision 3a, is
 76.22 amended to read:

76.23 Subd. 3a. **Payments.** (a) Acute care hospital billings under the medical
 76.24 assistance program must not be submitted until the recipient is discharged. However,
 76.25 the commissioner shall establish monthly interim payments for inpatient hospitals that
 76.26 have individual patient lengths of stay over 30 days regardless of diagnostic category.
 76.27 Except as provided in section 256.9693, medical assistance reimbursement for treatment
 76.28 of mental illness shall be reimbursed based on diagnostic classifications. Individual
 76.29 hospital payments established under this section and sections 256.9685, 256.9686, and
 76.30 256.9695, in addition to third party and recipient liability, for discharges occurring during
 76.31 the rate year shall not exceed, in aggregate, the charges for the medical assistance covered
 76.32 inpatient services paid for the same period of time to the hospital. This payment limitation
 76.33 shall be calculated separately for medical assistance and general assistance medical
 76.34 care services. The limitation on general assistance medical care shall be effective for
 76.35 admissions occurring on or after July 1, 1991. Services that have rates established under

77.1 subdivision 11 or 12, must be limited separately from other services. After consulting with
77.2 the affected hospitals, the commissioner may consider related hospitals one entity and
77.3 may merge the payment rates while maintaining separate provider numbers. The operating
77.4 and property base rates per admission or per day shall be derived from the best Medicare
77.5 and claims data available when rates are established. The commissioner shall determine
77.6 the best Medicare and claims data, taking into consideration variables of recency of the
77.7 data, audit disposition, settlement status, and the ability to set rates in a timely manner.
77.8 The commissioner shall notify hospitals of payment rates by December 1 of the year
77.9 preceding the rate year. The rate setting data must reflect the admissions data used to
77.10 establish relative values. Base year changes from 1981 to the base year established for the
77.11 rate year beginning January 1, 1991, and for subsequent rate years, shall not be limited
77.12 to the limits ending June 30, 1987, on the maximum rate of increase under subdivision
77.13 1. The commissioner may adjust base year cost, relative value, and case mix index data
77.14 to exclude the costs of services that have been discontinued by the October 1 of the year
77.15 preceding the rate year or that are paid separately from inpatient services. Inpatient stays
77.16 that encompass portions of two or more rate years shall have payments established based
77.17 on payment rates in effect at the time of admission unless the date of admission preceded
77.18 the rate year in effect by six months or more. In this case, operating payment rates for
77.19 services rendered during the rate year in effect and established based on the date of
77.20 admission shall be adjusted to the rate year in effect by the hospital cost index.

77.21 (b) For fee-for-service admissions occurring on or after July 1, 2002, the total
77.22 payment, before third-party liability and spenddown, made to hospitals for inpatient
77.23 services is reduced by .5 percent from the current statutory rates.

77.24 (c) In addition to the reduction in paragraph (b), the total payment for fee-for-service
77.25 admissions occurring on or after July 1, 2003, made to hospitals for inpatient services
77.26 before third-party liability and spenddown, is reduced five percent from the current
77.27 statutory rates. Mental health services within diagnosis related groups 424 to 432, and
77.28 facilities defined under subdivision 16 are excluded from this paragraph.

77.29 (d) In addition to the reduction in paragraphs (b) and (c), the total payment for
77.30 fee-for-service admissions occurring on or after August 1, 2005, made to hospitals for
77.31 inpatient services before third-party liability and spenddown, is reduced 6.0 percent
77.32 from the current statutory rates. Mental health services within diagnosis related groups
77.33 424 to 432 and facilities defined under subdivision 16 are excluded from this paragraph.
77.34 Notwithstanding section 256.9686, subdivision 7, for purposes of this paragraph, medical
77.35 assistance does not include general assistance medical care. Payments made to managed

78.1 care plans shall be reduced for services provided on or after January 1, 2006, to reflect
78.2 this reduction.

78.3 (e) In addition to the reductions in paragraphs (b), (c), and (d), the total payment for
78.4 fee-for-service admissions occurring on or after July 1, 2008, through June 30, 2009, made
78.5 to hospitals for inpatient services before third-party liability and spenddown, is reduced
78.6 3.46 percent from the current statutory rates. Mental health services with diagnosis related
78.7 groups 424 to 432 and facilities defined under subdivision 16 are excluded from this
78.8 paragraph. Payments made to managed care plans shall be reduced for services provided
78.9 on or after January 1, 2009, through June 30, 2009, to reflect this reduction.

78.10 (f) In addition to the reductions in paragraphs (b), (c), and (d), the total payment for
78.11 fee-for-service admissions occurring on or after July 1, 2009, through June 30, 2010, made
78.12 to hospitals for inpatient services before third-party liability and spenddown, is reduced
78.13 1.9 percent from the current statutory rates. Mental health services with diagnosis related
78.14 groups 424 to 432 and facilities defined under subdivision 16 are excluded from this
78.15 paragraph. Payments made to managed care plans shall be reduced for services provided
78.16 on or after July 1, 2009, through June 30, 2010, to reflect this reduction.

78.17 (g) In addition to the reductions in paragraphs (b), (c), and (d), the total payment
78.18 for fee-for-service admissions occurring on or after July 1, 2010, made to hospitals for
78.19 inpatient services before third-party liability and spenddown, is reduced 1.79 percent
78.20 from the current statutory rates. Mental health services with diagnosis related groups
78.21 424 to 432 and facilities defined under subdivision 16 are excluded from this paragraph.
78.22 Payments made to managed care plans shall be reduced for services provided on or after
78.23 July 1, 2010, to reflect this reduction.

78.24 (h) In addition to the reductions in paragraphs (b), (c), (d), (f), and (g), the total
78.25 payment for fee-for-service admissions occurring on or after July 1, 2009, made to
78.26 hospitals for inpatient services before third-party liability and spenddown, is reduced
78.27 one percent from the current statutory rates. Facilities defined under subdivision 16 are
78.28 excluded from this paragraph. Payments made to managed care plans shall be reduced for
78.29 services provided on or after October 1, 2009, to reflect this reduction.

78.30 (i) In order to offset the ratable reductions provided for in this subdivision, the total
78.31 payment rate for medical assistance fee-for-service admissions occurring on or after July
78.32 1, 2010, to June 30, 2011, made to Minnesota hospitals for inpatient services before
78.33 third-party liability and spenddown, shall be increased by five percent from the current
78.34 statutory rates. Effective July 1, 2011, the rate increase under this paragraph shall be
78.35 reduced to 1.96 percent. For purposes of this paragraph, medical assistance does not
78.36 include general assistance medical care. The commissioner shall not adjust rates paid to a

79.1 prepaid health plan under contract with the commissioner to reflect payments provided
79.2 in this paragraph. The commissioner may utilize a settlement process to adjust rates in
79.3 excess of the Medicare upper limits on payments.

79.4 **EFFECTIVE DATE.** This section is effective July 1, 2010.

79.5 Sec. 6. Minnesota Statutes 2008, section 256.969, subdivision 21, is amended to read:

79.6 Subd. 21. **Mental health or chemical dependency admissions; rates.** (a)

79.7 Admissions under the general assistance medical care program occurring on or after
79.8 July 1, 1990, and admissions under medical assistance, excluding general assistance
79.9 medical care, occurring on or after July 1, 1990, and on or before September 30, 1992,
79.10 that are classified to a diagnostic category of mental health or chemical dependency
79.11 shall have rates established according to the methods of subdivision 14, except the per
79.12 day rate shall be multiplied by a factor of 2, provided that the total of the per day rates
79.13 shall not exceed the per admission rate. This methodology shall also apply when a hold
79.14 or commitment is ordered by the court for the days that inpatient hospital services are
79.15 medically necessary. Stays which are medically necessary for inpatient hospital services
79.16 and covered by medical assistance shall not be billable to any other governmental entity.
79.17 Medical necessity shall be determined under criteria established to meet the requirements
79.18 of section 256B.04, subdivision 15, or 256D.03, subdivision 7, paragraph (b).

79.19 (b) In order to ensure adequate access for the provision of mental health services
79.20 and to encourage broader delivery of these services outside the nonstate governmental
79.21 hospital setting, payment rates for medical assistance admissions occurring on or after
79.22 July 1, 2010, at a Minnesota private, not-for-profit hospital above the 75th percentile of all
79.23 Minnesota private, nonprofit hospitals for diagnosis-related groups 424 to 432 and 521
79.24 to 523 admissions paid by medical assistance for admissions occurring in calendar year
79.25 2007, shall be increased for these diagnosis-related groups at a percentage calculated to
79.26 cost not more than \$10,000,000 each fiscal year, including state and federal shares. For
79.27 purposes of this paragraph, medical assistance does not include general assistance medical
79.28 care. The commissioner shall not adjust rates paid to a prepaid health plan under contract
79.29 with the commissioner to reflect payments provided in this paragraph. The commissioner
79.30 may utilize a settlement process to adjust rates in excess of the Medicare upper limits
79.31 on payments.

79.32 **EFFECTIVE DATE.** This section is effective July 1, 2010.

79.33 Sec. 7. Minnesota Statutes 2008, section 256.969, subdivision 26, is amended to read:

80.1 Subd. 26. **Greater Minnesota payment adjustment after June 30, 2001.** (a) For
80.2 admissions occurring after June 30, 2001, the commissioner shall pay fee-for-service
80.3 inpatient admissions for the diagnosis-related groups specified in paragraph (b) at hospitals
80.4 located outside of the seven-county metropolitan area at the higher of:

80.5 (1) the hospital's current payment rate for the diagnostic category to which the
80.6 diagnosis-related group belongs, exclusive of disproportionate population adjustments
80.7 received under subdivision 9 and hospital payment adjustments received under subdivision
80.8 23; or

80.9 (2) 90 percent of the average payment rate for that diagnostic category for hospitals
80.10 located within the seven-county metropolitan area, exclusive of disproportionate
80.11 population adjustments received under subdivision 9 and hospital payment adjustments
80.12 received under subdivisions 20 and 23.

80.13 (b) The payment increases provided in paragraph (a) apply to the following
80.14 diagnosis-related groups, as they fall within the diagnostic categories:

- 80.15 (1) 370 cesarean section with complicating diagnosis;
- 80.16 (2) 371 cesarean section without complicating diagnosis;
- 80.17 (3) 372 vaginal delivery with complicating diagnosis;
- 80.18 (4) 373 vaginal delivery without complicating diagnosis;
- 80.19 (5) 386 extreme immaturity and respiratory distress syndrome, neonate;
- 80.20 (6) 388 full-term neonates with other problems;
- 80.21 (7) 390 prematurity without major problems;
- 80.22 (8) 391 normal newborn;
- 80.23 (9) 385 neonate, died or transferred to another acute care facility;
- 80.24 (10) 425 acute adjustment reaction and psychosocial dysfunction;
- 80.25 (11) 430 psychoses;
- 80.26 (12) 431 childhood mental disorders; and
- 80.27 (13) 164-167 appendectomy.

80.28 (c) For medical assistance admissions occurring on or after July 1, 2010, the
80.29 payment rate under paragraph (a), clause (2), shall be increased to 100 percent from 90
80.30 percent. For purposes of this paragraph, medical assistance does not include general
80.31 assistance medical care. The commissioner shall not adjust rates paid to a prepaid
80.32 health plan under contract with the commissioner to reflect payments provided in this
80.33 paragraph. The commissioner may utilize a settlement process to adjust rates in excess of
80.34 the Medicare upper limits on payments.

80.35 **EFFECTIVE DATE.** This section is effective July 1, 2010.

81.1 Sec. 8. Minnesota Statutes 2008, section 256.969, is amended by adding a subdivision
81.2 to read:

81.3 Subd. 31. **Hospital payment adjustment after June 30, 2010.** (a) For medical
81.4 assistance admissions occurring on or after July 1, 2010, to March 31, 2011, the
81.5 commissioner shall increase rates at Minnesota private, not-for-profit hospitals as follows:

81.6 (1) for a hospital with total admissions reimbursed by government payers equal to or
81.7 greater than 50 percent, payment rates for inpatient hospital services shall be increased for
81.8 each admission by \$250 multiplied by 437 percent;

81.9 (2) for a hospital with total admissions reimbursed by government payers equal to
81.10 or greater than 40 percent but less than 50 percent, payment rates for inpatient hospital
81.11 services shall be increased for each admission by \$250 multiplied by 349.6 percent; and

81.12 (3) for a hospital with total admissions reimbursed by government payers of less
81.13 than 40 percent, payment rates for inpatient hospital services shall be increased for each
81.14 admission by \$250 multiplied by 262.2 percent.

81.15 (b) For medical assistance admissions occurring on or after April 1, 2011, the
81.16 commissioner shall increase rates at Minnesota private, not-for-profit hospitals as follows:

81.17 (1) for a hospital with total admissions reimbursed by government payers equal to or
81.18 greater than 50 percent, payment rates for inpatient hospital services shall be increased for
81.19 each admission by \$250 multiplied by 145 percent;

81.20 (2) for a hospital with total admissions reimbursed by government payers equal to
81.21 or greater than 40 percent but less than 50 percent, payment rates for inpatient hospital
81.22 services shall be increased for each admission by \$250 multiplied by 116 percent; and

81.23 (3) for a hospital with total admissions reimbursed by government payers of less
81.24 than 40 percent, payment rates for inpatient hospital services shall be increased for each
81.25 admission by \$250 multiplied by 87 percent.

81.26 (c) For purposes of paragraphs (a) and (b), "government payers" means Medicare,
81.27 medical assistance, MinnesotaCare, and general assistance medical care.

81.28 (d) For medical assistance admissions occurring on or after July 1, 2010, to March
81.29 31, 2011, the commissioner shall increase rates for inpatient hospital services at Minnesota
81.30 hospitals by \$850 for each admission. For medical assistance admissions occurring on
81.31 or after April 1, 2011, the payment under this paragraph shall be reduced to \$320 per
81.32 admission.

81.33 (e) For purposes of this subdivision, medical assistance does not include general
81.34 assistance medical care. The commissioner shall not adjust rates paid to a prepaid
81.35 health plan under contract with the commissioner to reflect payments provided in this

82.1 subdivision. The commissioner may utilize a settlement process to adjust rates in excess
82.2 of the Medicare upper limits on payments.

82.3 **EFFECTIVE DATE.** This section is effective July 1, 2010.

82.4 Sec. 9. Minnesota Statutes 2008, section 256B.04, subdivision 14a, is amended to read:

82.5 Subd. 14a. **Level of need determination.** Nonemergency medical transportation
82.6 level of need determinations must be performed by a physician, a registered nurse working
82.7 under direct supervision of a physician, a physician's assistant, a nurse practitioner, a
82.8 licensed practical nurse, or a discharge planner. Nonemergency medical transportation
82.9 level of need determinations must not be performed more than ~~semiannually~~ annually on
82.10 any individual, unless the individual's circumstances have sufficiently changed so as
82.11 to require a new level of need determination. Individuals residing in licensed nursing
82.12 facilities are exempt from a level of need determination and are eligible for special
82.13 transportation services until the individual no longer resides in a licensed nursing facility.
82.14 If a person authorized by this subdivision to perform a level of need determination
82.15 determines that an individual requires stretcher transportation, the individual is presumed
82.16 to maintain that level of need until otherwise determined by a person authorized to
82.17 perform a level of need determination, or for six months, whichever is sooner.

82.18 Sec. 10. Minnesota Statutes 2008, section 256B.055, is amended by adding a
82.19 subdivision to read:

82.20 Subd. 15. **Adults without children.** Medical assistance may be paid for a person
82.21 who is:

82.22 (1) at least age 21 and under age 65;

82.23 (2) not pregnant;

82.24 (3) not entitled to Medicare Part A or enrolled in Medicare Part B under Title XVIII
82.25 of the Social Security Act;

82.26 (4) not an adult in a family with children as defined in section 256L.01, subdivision
82.27 3a; and

82.28 (5) not described in another subdivision of this section.

82.29 **EFFECTIVE DATE.** This section is effective July 1, 2010.

82.30 Sec. 11. Minnesota Statutes 2008, section 256B.056, subdivision 3, is amended to read:

82.31 Subd. 3. **Asset limitations for individuals and families.** (a) To be eligible for
82.32 medical assistance, a person must not individually own more than \$3,000 in assets, or if a

83.1 member of a household with two family members, husband and wife, or parent and child,
83.2 the household must not own more than \$6,000 in assets, plus \$200 for each additional
83.3 legal dependent. In addition to these maximum amounts, an eligible individual or family
83.4 may accrue interest on these amounts, but they must be reduced to the maximum at the
83.5 time of an eligibility redetermination. The accumulation of the clothing and personal
83.6 needs allowance according to section 256B.35 must also be reduced to the maximum at
83.7 the time of the eligibility redetermination. The value of assets that are not considered in
83.8 determining eligibility for medical assistance is the value of those assets excluded under
83.9 the supplemental security income program for aged, blind, and disabled persons, with
83.10 the following exceptions:

83.11 (1) household goods and personal effects are not considered;

83.12 (2) capital and operating assets of a trade or business that the local agency determines
83.13 are necessary to the person's ability to earn an income are not considered;

83.14 (3) motor vehicles are excluded to the same extent excluded by the supplemental
83.15 security income program;

83.16 (4) assets designated as burial expenses are excluded to the same extent excluded by
83.17 the supplemental security income program. Burial expenses funded by annuity contracts
83.18 or life insurance policies must irrevocably designate the individual's estate as contingent
83.19 beneficiary to the extent proceeds are not used for payment of selected burial expenses; and

83.20 (5) effective upon federal approval, for a person who no longer qualifies as an
83.21 employed person with a disability due to loss of earnings, assets allowed while eligible
83.22 for medical assistance under section 256B.057, subdivision 9, are not considered for 12
83.23 months, beginning with the first month of ineligibility as an employed person with a
83.24 disability, to the extent that the person's total assets remain within the allowed limits of
83.25 section 256B.057, subdivision 9, paragraph (c).

83.26 (b) No asset limit shall apply to persons eligible under section 256B.055, subdivision
83.27 15.

83.28 **EFFECTIVE DATE.** This section is effective July 1, 2010.

83.29 Sec. 12. Minnesota Statutes 2008, section 256B.056, subdivision 4, is amended to read:

83.30 Subd. 4. **Income.** (a) To be eligible for medical assistance, a person eligible under
83.31 section 256B.055, subdivisions 7, 7a, and 12, may have income up to 100 percent of
83.32 the federal poverty guidelines. Effective January 1, 2000, and each successive January,
83.33 recipients of supplemental security income may have an income up to the supplemental
83.34 security income standard in effect on that date.

84.1 (b) To be eligible for medical assistance, families and children may have an income
84.2 up to 133-1/3 percent of the AFDC income standard in effect under the July 16, 1996,
84.3 AFDC state plan. Effective July 1, 2000, the base AFDC standard in effect on July 16,
84.4 1996, shall be increased by three percent.

84.5 (c) Effective July 1, 2002, to be eligible for medical assistance, families and children
84.6 may have an income up to 100 percent of the federal poverty guidelines for the family size.

84.7 (d) Effective July 1, 2010, to be eligible for medical assistance under section
84.8 256B.055, subdivision 15, a person may have an income up to 75 percent of federal
84.9 poverty guidelines for the family size.

84.10 (e) In computing income to determine eligibility of persons under paragraphs (a) to
84.11 ~~(e)~~ (d) who are not residents of long-term care facilities, the commissioner shall disregard
84.12 increases in income as required by Public Law Numbers 94-566, section 503; 99-272;
84.13 and 99-509. Veterans aid and attendance benefits and Veterans Administration unusual
84.14 medical expense payments are considered income to the recipient.

84.15 **EFFECTIVE DATE.** This section is effective July 1, 2010.

84.16 Sec. 13. Minnesota Statutes 2008, section 256B.0625, subdivision 8, is amended to
84.17 read:

84.18 Subd. 8. **Physical therapy.** Medical assistance covers physical therapy and related
84.19 services, including specialized maintenance therapy. Authorization by the commissioner
84.20 is required to provide medically necessary services to a recipient beyond any of the
84.21 following onetime service thresholds, or a lower threshold where one has been established
84.22 by the commissioner for a specified service: (1) 80 units of any approved CPT code other
84.23 than modalities; (2) 20 modality sessions; and (3) three evaluations or reevaluations.

84.24 Services provided by a physical therapy assistant shall be reimbursed at the same rate as
84.25 services performed by a physical therapist when the services of the physical therapy
84.26 assistant are provided under the direction of a physical therapist who is on the premises.
84.27 Services provided by a physical therapy assistant that are provided under the direction
84.28 of a physical therapist who is not on the premises shall be reimbursed at 65 percent of
84.29 the physical therapist rate.

84.30 **EFFECTIVE DATE.** This section is effective July 1, 2010, for services provided
84.31 through fee-for-service, and January 1, 2011, for services provided through managed care.

84.32 Sec. 14. Minnesota Statutes 2008, section 256B.0625, subdivision 8a, is amended to
84.33 read:

85.1 Subd. 8a. **Occupational therapy.** Medical assistance covers occupational therapy
85.2 and related services, including specialized maintenance therapy. Authorization by the
85.3 commissioner is required to provide medically necessary services to a recipient beyond
85.4 any of the following onetime service thresholds, or a lower threshold where one has been
85.5 established by the commissioner for a specified service: (1) 120 units of any combination
85.6 of approved CPT codes; and (2) two evaluations or reevaluations. Services provided by an
85.7 occupational therapy assistant shall be reimbursed at the same rate as services performed
85.8 by an occupational therapist when the services of the occupational therapy assistant are
85.9 provided under the direction of the occupational therapist who is on the premises. Services
85.10 provided by an occupational therapy assistant that are provided under the direction of an
85.11 occupational therapist who is not on the premises shall be reimbursed at 65 percent of
85.12 the occupational therapist rate.

85.13 **EFFECTIVE DATE.** This section is effective July 1, 2010, for services provided
85.14 through fee-for-service, and January 1, 2011, for services provided through managed care.

85.15 Sec. 15. Minnesota Statutes 2008, section 256B.0625, subdivision 8b, is amended to
85.16 read:

85.17 Subd. 8b. **Speech language pathology and audiology services.** Medical assistance
85.18 covers speech language pathology and related services, including specialized maintenance
85.19 therapy. Authorization by the commissioner is required to provide medically necessary
85.20 services to a recipient beyond any of the following onetime service thresholds, or a
85.21 lower threshold where one has been established by the commissioner for a specified
85.22 service: (1) 50 treatment sessions with any combination of approved CPT codes; and
85.23 (2) one evaluation. Medical assistance covers audiology services and related services.
85.24 Services provided by a person who has been issued a temporary registration under section
85.25 148.5161 shall be reimbursed at the same rate as services performed by a speech language
85.26 pathologist or audiologist as long as the requirements of section 148.5161, subdivision
85.27 3, are met.

85.28 **EFFECTIVE DATE.** This section is effective July 1, 2010, for services provided
85.29 through fee-for-service, and January 1, 2011, for services provided through managed care.

85.30 Sec. 16. Minnesota Statutes 2008, section 256B.0625, is amended by adding a
85.31 subdivision to read:

86.1 Subd. 8d. **Chiropractic services.** Payment for chiropractic services is limited to
86.2 one annual evaluation and 12 visits per year unless prior authorization of a greater number
86.3 of visits is obtained.

86.4 Sec. 17. Minnesota Statutes 2009 Supplement, section 256B.0625, subdivision 13h,
86.5 is amended to read:

86.6 Subd. 13h. **Medication therapy management services.** (a) Medical assistance
86.7 and general assistance medical care cover medication therapy management services for
86.8 a recipient taking four or more prescriptions to treat or prevent two or more chronic
86.9 medical conditions, or a recipient with a drug therapy problem that is identified or prior
86.10 authorized by the commissioner that has resulted or is likely to result in significant
86.11 nondrug program costs. The commissioner may cover medical therapy management
86.12 services under MinnesotaCare if the commissioner determines this is cost-effective. For
86.13 purposes of this subdivision, "medication therapy management" means the provision
86.14 of the following pharmaceutical care services by a licensed pharmacist to optimize the
86.15 therapeutic outcomes of the patient's medications:

86.16 (1) performing or obtaining necessary assessments of the patient's health status;

86.17 (2) formulating a medication treatment plan;

86.18 (3) monitoring and evaluating the patient's response to therapy, including safety
86.19 and effectiveness;

86.20 (4) performing a comprehensive medication review to identify, resolve, and prevent
86.21 medication-related problems, including adverse drug events;

86.22 (5) documenting the care delivered and communicating essential information to
86.23 the patient's other primary care providers;

86.24 (6) providing verbal education and training designed to enhance patient
86.25 understanding and appropriate use of the patient's medications;

86.26 (7) providing information, support services, and resources designed to enhance
86.27 patient adherence with the patient's therapeutic regimens; and

86.28 (8) coordinating and integrating medication therapy management services within the
86.29 broader health care management services being provided to the patient.

86.30 Nothing in this subdivision shall be construed to expand or modify the scope of practice of
86.31 the pharmacist as defined in section 151.01, subdivision 27.

86.32 (b) To be eligible for reimbursement for services under this subdivision, a pharmacist
86.33 must meet the following requirements:

86.34 (1) have a valid license issued under chapter 151;

87.1 (2) have graduated from an accredited college of pharmacy on or after May 1996, or
87.2 completed a structured and comprehensive education program approved by the Board of
87.3 Pharmacy and the American Council of Pharmaceutical Education for the provision and
87.4 documentation of pharmaceutical care management services that has both clinical and
87.5 didactic elements;

87.6 (3) be practicing in an ambulatory care setting as part of a multidisciplinary team or
87.7 have developed a structured patient care process that is offered in a private or semiprivate
87.8 patient care area that is separate from the commercial business that also occurs in the
87.9 setting, or in home settings, excluding long-term care and group homes, if the service is
87.10 ordered by the provider-directed care coordination team; and

87.11 (4) make use of an electronic patient record system that meets state standards.

87.12 (c) For purposes of reimbursement for medication therapy management services,
87.13 the commissioner may enroll individual pharmacists as medical assistance and general
87.14 assistance medical care providers. The commissioner may also establish contact
87.15 requirements between the pharmacist and recipient, including limiting the number of
87.16 reimbursable consultations per recipient.

87.17 (d) If there are no pharmacists who meet the requirements of paragraph (b) practicing
87.18 within a reasonable geographic distance of the patient, a pharmacist who meets the
87.19 requirements may provide the services via two-way interactive video. Reimbursement
87.20 shall be at the same rates and under the same conditions that would otherwise apply to
87.21 the services provided. To qualify for reimbursement under this paragraph, the pharmacist
87.22 providing the services must meet the requirements of paragraph (b), and must be located
87.23 within an ambulatory care setting approved by the commissioner. The patient must also
87.24 be located within an ambulatory care setting approved by the commissioner. Services
87.25 provided under this paragraph may not be transmitted into the patient's residence.

87.26 (e) The commissioner shall establish a pilot project for an intensive medication
87.27 therapy management program for patients identified by the commissioner with multiple
87.28 chronic conditions and a high number of medications who are at high risk of preventable
87.29 hospitalizations, emergency room use, medication complications, and suboptimal
87.30 treatment outcomes due to medication-related problems. For purposes of the pilot
87.31 project, medication therapy management services may be provided in a patient's home
87.32 or community setting, in addition to other authorized settings. The commissioner may
87.33 waive existing payment policies and establish special payment rates for the pilot project.
87.34 The pilot project must be designed to produce a net savings to the state compared to the
87.35 estimated costs that would otherwise be incurred for similar patients without the program.
87.36 The pilot project must begin by January 1, 2010, and end June 30, 2012.

88.1 **EFFECTIVE DATE.** This section is effective July 1, 2010.

88.2 Sec. 18. Minnesota Statutes 2008, section 256B.0625, subdivision 18a, is amended to
88.3 read:

88.4 Subd. 18a. **Access to medical services.** (a) Medical assistance reimbursement for
88.5 meals for persons traveling to receive medical care may not exceed \$5.50 for breakfast,
88.6 \$6.50 for lunch, or \$8 for dinner.

88.7 (b) Medical assistance reimbursement for lodging for persons traveling to receive
88.8 medical care may not exceed \$50 per day unless prior authorized by the local agency.

88.9 (c) Medical assistance direct mileage reimbursement to the eligible person or the
88.10 eligible person's driver may not exceed 20 cents per mile.

88.11 (d) Regardless of the number of employees that an enrolled health care provider
88.12 may have, medical assistance covers sign and oral language interpreter services when
88.13 provided by an enrolled health care provider during the course of providing a direct,
88.14 person-to-person covered health care service to an enrolled recipient with limited English
88.15 proficiency or who has a hearing loss and uses interpreting services. Coverage for
88.16 face-to-face oral language interpreter services shall be provided only if the oral language
88.17 interpreter used by the enrolled health care provider is listed in the registry or roster
88.18 established under section 144.058.

88.19 **EFFECTIVE DATE.** This section is effective January 1, 2011.

88.20 Sec. 19. Minnesota Statutes 2008, section 256B.0625, subdivision 31, is amended to
88.21 read:

88.22 Subd. 31. **Medical supplies and equipment.** Medical assistance covers medical
88.23 supplies and equipment. Separate payment outside of the facility's payment rate shall
88.24 be made for wheelchairs and wheelchair accessories for recipients who are residents
88.25 of intermediate care facilities for the developmentally disabled. Reimbursement for
88.26 wheelchairs and wheelchair accessories for ICF/MR recipients shall be subject to the same
88.27 conditions and limitations as coverage for recipients who do not reside in institutions. A
88.28 wheelchair purchased outside of the facility's payment rate is the property of the recipient.
88.29 The commissioner may set reimbursement rates for specified categories of medical
88.30 supplies at levels below the Medicare payment rate.

88.31 Sec. 20. Minnesota Statutes 2008, section 256B.0625, is amended by adding a
88.32 subdivision to read:

89.1 Subd. 54. Services provided in birth centers. (a) Medical assistance covers
89.2 services provided in a licensed birth center by a licensed health professional if the service
89.3 would otherwise be covered if provided in a hospital.

89.4 (b) Facility services provided by a birth center shall be paid at the lower of billed
89.5 charges or 70 percent of the statewide average for a facility payment rate made to a
89.6 hospital for an uncomplicated vaginal birth as determined using the most recent calendar
89.7 year for which complete claims data is available. If a recipient is transported from a birth
89.8 center to a hospital prior to the delivery, the payment for facility services to the birth center
89.9 shall be the lower of billed charges or 15 percent of the average facility payment made to a
89.10 hospital for the services provided for an uncomplicated vaginal delivery as determined
89.11 using the most recent calendar year for which complete claims data is available.

89.12 (c) Nursery care services provided by a birth center shall be paid the lower of billed
89.13 charges or 70 percent of the statewide average for a payment rate paid to a hospital for
89.14 nursery care as determined by using the most recent calendar year for which complete
89.15 claims data is available.

89.16 (d) Professional services provided by traditional midwives licensed under chapter
89.17 147D shall be paid at the lower of billed charges or 100 percent of the rate paid to a
89.18 physician performing the same services. If a recipient is transported from a birth center to
89.19 a hospital prior to the delivery, a licensed traditional midwife who does not perform the
89.20 delivery may not bill for any delivery services. Services are not covered if provided by an
89.21 unlicensed traditional midwife.

89.22 (e) The commissioner shall apply for any necessary waivers from the Centers for
89.23 Medicare and Medicaid Services to allow birth centers and birth center providers to be
89.24 reimbursed.

89.25 **EFFECTIVE DATE.** This section is effective July 1, 2010.

89.26 Sec. 21. Minnesota Statutes 2008, section 256B.0631, subdivision 1, is amended to
89.27 read:

89.28 Subdivision 1. **Co-payments.** (a) Except as provided in subdivision 2, the medical
89.29 assistance benefit plan shall include the following co-payments for all recipients, effective
89.30 for services provided on or after October 1, 2003, and before January 1, 2009:

89.31 (1) \$3 per nonpreventive visit. For purposes of this subdivision, a visit means an
89.32 episode of service which is required because of a recipient's symptoms, diagnosis, or
89.33 established illness, and which is delivered in an ambulatory setting by a physician or
89.34 physician ancillary, chiropractor, podiatrist, nurse midwife, advanced practice nurse,
89.35 audiologist, optician, or optometrist;

90.1 (2) \$3 for eyeglasses;
90.2 (3) \$6 for nonemergency visits to a hospital-based emergency room; and
90.3 (4) \$3 per brand-name drug prescription and \$1 per generic drug prescription,
90.4 subject to a \$12 per month maximum for prescription drug co-payments. No co-payments
90.5 shall apply to antipsychotic drugs when used for the treatment of mental illness.

90.6 (b) Except as provided in subdivision 2, the medical assistance benefit plan shall
90.7 include the following co-payments for all recipients, effective for services provided on
90.8 or after January 1, 2009:

90.9 (1) ~~\$6~~ \$3.50 for nonemergency visits to a hospital-based emergency room;

90.10 (2) \$3 per brand-name drug prescription and \$1 per generic drug prescription,
90.11 subject to a \$7 per month maximum for prescription drug co-payments. No co-payments
90.12 shall apply to antipsychotic drugs when used for the treatment of mental illness; and

90.13 (3) for individuals identified by the commissioner with income at or below 100
90.14 percent of the federal poverty guidelines, total monthly co-payments must not exceed five
90.15 percent of family income. For purposes of this paragraph, family income is the total
90.16 earned and unearned income of the individual and the individual's spouse, if the spouse is
90.17 enrolled in medical assistance and also subject to the five percent limit on co-payments.

90.18 (c) Recipients of medical assistance are responsible for all co-payments in this
90.19 subdivision.

90.20 **EFFECTIVE DATE.** This section is effective January 1, 2011.

90.21 Sec. 22. Minnesota Statutes 2008, section 256B.0631, subdivision 3, is amended to
90.22 read:

90.23 Subd. 3. **Collection.** (a) The medical assistance reimbursement to the provider
90.24 shall be reduced by the amount of the co-payment, except that reimbursements shall
90.25 not be reduced:

90.26 (1) once a recipient has reached the \$12 per month maximum or the \$7 per month
90.27 maximum effective January 1, 2009, for prescription drug co-payments; or

90.28 (2) for a recipient identified by the commissioner under 100 percent of the federal
90.29 poverty guidelines who has met their monthly five percent co-payment limit.

90.30 (b) The provider collects the co-payment from the recipient. Providers may not deny
90.31 services to recipients who are unable to pay the co-payment.

90.32 (c) Medical assistance reimbursement to fee-for-service providers and payments to
90.33 managed care plans shall not be increased as a result of the removal of ~~the~~ co-payments
90.34 effective on or after January 1, 2009.

91.1 Sec. 23. Minnesota Statutes 2008, section 256B.0644, as amended by Laws 2010,
91.2 chapter 200, article 1, section 6, is amended to read:

91.3 **256B.0644 REIMBURSEMENT UNDER OTHER STATE HEALTH CARE**
91.4 **PROGRAMS.**

91.5 (a) A vendor of medical care, as defined in section 256B.02, subdivision 7, and a
91.6 health maintenance organization, as defined in chapter 62D, must participate as a provider
91.7 or contractor in the medical assistance program, general assistance medical care program,
91.8 and MinnesotaCare as a condition of participating as a provider in health insurance plans
91.9 and programs or contractor for state employees established under section 43A.18, the
91.10 public employees insurance program under section 43A.316, for health insurance plans
91.11 offered to local statutory or home rule charter city, county, and school district employees,
91.12 the workers' compensation system under section 176.135, and insurance plans provided
91.13 through the Minnesota Comprehensive Health Association under sections 62E.01 to
91.14 62E.19. The limitations on insurance plans offered to local government employees shall
91.15 not be applicable in geographic areas where provider participation is limited by managed
91.16 care contracts with the Department of Human Services.

91.17 (b) For providers other than health maintenance organizations, participation in the
91.18 medical assistance program means that:

91.19 (1) the provider accepts new medical assistance, general assistance medical care,
91.20 and MinnesotaCare patients;

91.21 (2) for providers other than dental service providers, at least 20 percent of the
91.22 provider's patients are covered by medical assistance, general assistance medical care,
91.23 and MinnesotaCare as their primary source of coverage; or

91.24 (3) for dental service providers, at least ten percent of the provider's patients are
91.25 covered by medical assistance, general assistance medical care, and MinnesotaCare as
91.26 their primary source of coverage, or the provider accepts new medical assistance and
91.27 MinnesotaCare patients who are children with special health care needs. For purposes
91.28 of this section, "children with special health care needs" means children up to age 18
91.29 who: (i) require health and related services beyond that required by children generally;
91.30 and (ii) have or are at risk for a chronic physical, developmental, behavioral, or emotional
91.31 condition, including: bleeding and coagulation disorders; immunodeficiency disorders;
91.32 cancer; endocrinopathy; developmental disabilities; epilepsy, cerebral palsy, and other
91.33 neurological diseases; visual impairment or deafness; Down syndrome and other genetic
91.34 disorders; autism; fetal alcohol syndrome; and other conditions designated by the
91.35 commissioner after consultation with representatives of pediatric dental providers and
91.36 consumers.

92.1 (c) Patients seen on a volunteer basis by the provider at a location other than
92.2 the provider's usual place of practice may be considered in meeting the participation
92.3 requirement in this section. The commissioner shall establish participation requirements
92.4 for health maintenance organizations. The commissioner shall provide lists of participating
92.5 medical assistance providers on a quarterly basis to the commissioner of management and
92.6 budget, the commissioner of labor and industry, and the commissioner of commerce. Each
92.7 of the commissioners shall develop and implement procedures to exclude as participating
92.8 providers in the program or programs under their jurisdiction those providers who do
92.9 not participate in the medical assistance program. The commissioner of management
92.10 and budget shall implement this section through contracts with participating health and
92.11 dental carriers.

92.12 ~~(d) Any hospital or other provider that is participating in a coordinated care~~
92.13 ~~delivery system under section 256D.031, subdivision 6, or receives payments from the~~
92.14 ~~uncompensated care pool under section 256D.031, subdivision 8, shall not refuse to~~
92.15 ~~provide services to any patient enrolled in general assistance medical care regardless of~~
92.16 ~~the availability or the amount of payment.~~

92.17 ~~(e) For purposes of paragraphs (a) and (b), participation in the general assistance~~
92.18 ~~medical care program applies only to pharmacy providers.~~

92.19 **EFFECTIVE DATE.** This section is effective July 1, 2010.

92.20 Sec. 24. **[256B.0755] HEALTH CARE DELIVERY SYSTEMS**
92.21 **DEMONSTRATION PROJECT.**

92.22 Subdivision 1. **Implementation.** (a) The commissioner shall develop and
92.23 authorize a demonstration project to test alternative and innovative health care delivery
92.24 systems, including accountable care organizations that provide services to a specified
92.25 patient population for an agreed upon total cost of care or risk-gain sharing payment
92.26 arrangement. The commissioner shall develop a request for proposals for participation in
92.27 the demonstration project in consultation with hospitals, primary care providers, health
92.28 plans, and other key stakeholders.

92.29 (b) In developing the request for proposals, the commissioner shall:

92.30 (1) establish uniform statewide methods of forecasting utilization and cost of care
92.31 for the appropriate Minnesota public program populations, to be used by the commissioner
92.32 for the health care delivery system projects;

92.33 (2) identify key indicators of quality, access, patient satisfaction, and other
92.34 performance indicators that will be measured, in addition to indicators for measuring
92.35 cost savings;

- 93.1 (3) allow maximum flexibility to encourage innovation and variation so that a variety
93.2 of provider collaborations are able to become health care delivery systems;
- 93.3 (4) encourage and authorize different levels and types of financial risk;
- 93.4 (5) encourage and authorize projects representing a wide variety of geographic
93.5 locations, patient populations, provider relationships, and care coordination models;
- 93.6 (6) encourage projects that involve close partnerships between the health care
93.7 delivery system and counties and nonprofit agencies that provide services to patients
93.8 enrolled with the health care delivery system, including social services, public health,
93.9 mental health, community-based services, and continuing care;
- 93.10 (7) encourage projects established by community hospitals, clinics, and other
93.11 providers in rural communities;
- 93.12 (8) identify required covered services for a total cost of care model or services
93.13 considered in whole or partially in an analysis of utilization for a risk/gain sharing model;
- 93.14 (9) establish a mechanism to monitor enrollment;
- 93.15 (10) establish quality standards for the delivery system demonstrations; and
- 93.16 (11) encourage participation of privately insured population so as to create sufficient
93.17 alignment in demonstration systems.
- 93.18 (c) To be eligible to participate in the demonstration project, a health care delivery
93.19 system must:
- 93.20 (1) provide required covered services and care coordination to recipients enrolled in
93.21 the health care delivery system;
- 93.22 (2) establish a process to monitor enrollment and ensure the quality of care provided;
- 93.23 (3) in cooperation with counties and community social service agencies, coordinate
93.24 the delivery of health care services with existing social services programs;
- 93.25 (4) provide a system for advocacy and consumer protection; and
- 93.26 (5) adopt innovative and cost-effective methods of care delivery and coordination,
93.27 which may include the use of allied health professionals, telemedicine, patient educators,
93.28 care coordinators, and community health workers.
- 93.29 (d) A health care delivery system demonstration may be formed by the following
93.30 groups of providers of services and suppliers if they have established a mechanism for
93.31 shared governance:
- 93.32 (1) professionals in group practice arrangements;
- 93.33 (2) networks of individual practices of professionals;
- 93.34 (3) partnerships or joint venture arrangements between hospitals and health care
93.35 professionals;
- 93.36 (4) hospitals employing professionals; and

94.1 (5) other groups of providers of services and suppliers as the commissioner
94.2 determines appropriate.

94.3 A managed care plan or county-based purchasing plan may participate in this
94.4 demonstration in collaboration with one or more of the entities listed in clauses (1) to (5).

94.5 A health care delivery system may contract with a managed care plan or a
94.6 county-based purchasing plan to provide administrative services, including the
94.7 administration of a payment system using the payment methods established by the
94.8 commissioner for health care delivery systems.

94.9 (e) The commissioner may require a health care delivery system to enter into
94.10 additional third-party contractual relationships for the assessment of risk and purchase of
94.11 stop loss insurance or another form of insurance risk management related to the delivery
94.12 of care described in paragraph (c).

94.13 Subd. 2. **Enrollment.** (a) Individuals eligible for medical assistance or
94.14 MinnesotaCare shall be eligible for enrollment in a health care delivery system.

94.15 (b) Eligible applicants and recipients may enroll in a health care delivery system if
94.16 a system serves the county in which the applicant or recipient resides. If more than one
94.17 health care delivery system serves a county, the applicant or recipient shall be allowed
94.18 to choose among the delivery systems. The commissioner may assign an applicant or
94.19 recipient to a health care delivery system if a health care delivery system is available and
94.20 no choice has been made by the applicant or recipient.

94.21 Subd. 3. **Accountability.** (a) Health care delivery systems must accept responsibility
94.22 for the quality of care based on standards established under subdivision 1, paragraph (b),
94.23 clause (10), and the cost of care or utilization of services provided to its enrollees under
94.24 subdivision 1, paragraph (b), clause (1).

94.25 (b) A health care delivery system may contract and coordinate with providers and
94.26 clinics for the delivery of services and shall contract with community health clinics,
94.27 federally qualified health centers, community mental health centers or programs, and rural
94.28 clinics to the extent practicable.

94.29 Subd. 4. **Payment system.** (a) In developing a payment system for health care
94.30 delivery systems, the commissioner shall establish a total cost of care benchmark or a
94.31 risk/gain sharing payment model to be paid for services provided to the recipients enrolled
94.32 in a health care delivery system.

94.33 (b) The payment system may include incentive payments to health care delivery
94.34 systems that meet or exceed annual quality and performance targets realized through
94.35 the coordination of care.

95.1 (c) An amount equal to the savings realized to the general fund as a result of the
95.2 demonstration project shall be transferred each fiscal year to the health care access fund.

95.3 Subd. 5. **Outpatient prescription drug coverage.** Outpatient prescription drug
95.4 coverage may be provided through accountable care organizations only if the delivery
95.5 method qualifies for federal prescription drug rebates.

95.6 Subd. 6. **Federal approval.** The commissioner shall apply for any federal waivers
95.7 or other federal approval required to implement this section. The commissioner shall
95.8 also apply for any applicable grant or demonstration under the Patient Protection and
95.9 Affordable Health Care Act, Public Law 111-148, or the Health Care and Education
95.10 Reconciliation Act of 2010, Public Law 111-152, that would further the purposes of or
95.11 assist in the establishment of accountable care organizations.

95.12 Subd. 7. **Expansion.** The commissioner shall explore the expansion of the
95.13 demonstration project to include additional medical assistance and MinnesotaCare
95.14 enrollees, and shall seek participation of Medicare in demonstration projects. The
95.15 commissioner shall seek to include participation of privately insured persons and Medicare
95.16 recipients in the health care delivery demonstration.

95.17 **EFFECTIVE DATE.** This section is effective July 1, 2011.

95.18 Sec. 25. **[256B.0756] HENNEPIN AND RAMSEY COUNTIES PILOT**
95.19 **PROGRAM.**

95.20 (a) The commissioner, upon federal approval of a new waiver request or amendment
95.21 of an existing demonstration, may establish a pilot program in Hennepin County or
95.22 Ramsey County, or both, to test alternative and innovative integrated health care delivery
95.23 networks.

95.24 (b) Individuals eligible for the pilot program shall be individuals who are eligible for
95.25 medical assistance under Minnesota Statutes, section 256B.055, subdivision 15, and who
95.26 reside in Hennepin County or Ramsey County.

95.27 (c) Individuals enrolled in the pilot shall be enrolled in an integrated health care
95.28 delivery network in their county of residence. The integrated health care delivery network
95.29 in Hennepin County shall be a network, such as an accountable care organization or a
95.30 community-based collaborative care network, created by or including Hennepin County
95.31 Medical Center. The integrated health care delivery network in Ramsey County shall be
95.32 a network, such as an accountable care organization or community-based collaborative
95.33 care network, created by or including Regions Hospital.

95.34 (d) The commissioner shall cap pilot program enrollment at 7,000 enrollees for
95.35 Hennepin County and 3,500 enrollees for Ramsey County.

96.1 (e) In developing a payment system for the pilot programs, the commissioner shall
96.2 establish a total cost of care for the recipients enrolled in the pilot programs that equals
96.3 the cost of care that would otherwise be spent for these enrollees in the prepaid medical
96.4 assistance program.

96.5 (f) Counties may transfer funds necessary to support the nonfederal share of
96.6 payments for integrated health care delivery networks in their county. Such transfers per
96.7 county shall not exceed 15 percent of the expected expenses for county enrollees.

96.8 (g) The commissioner shall apply to the federal government for, or as appropriate,
96.9 cooperate with counties, providers, or other entities that are applying for any applicable
96.10 grant or demonstration under the Patient Protection and Affordable Health Care Act, Public
96.11 Law 111-148, or the Health Care and Education Reconciliation Act of 2010, Public Law
96.12 111-152, that would further the purposes of or assist in the creation of an integrated health
96.13 care delivery network for the purposes of this subdivision, including, but not limited to, a
96.14 global payment demonstration or the community-based collaborative care network grants.

96.15 Sec. 26. Minnesota Statutes 2009 Supplement, section 256B.69, subdivision 5a,
96.16 is amended to read:

96.17 Subd. 5a. **Managed care contracts.** (a) Managed care contracts under this section
96.18 and sections 256L.12 and 256D.03, shall be entered into or renewed on a calendar year
96.19 basis beginning January 1, 1996. Managed care contracts which were in effect on June
96.20 30, 1995, and set to renew on July 1, 1995, shall be renewed for the period July 1, 1995
96.21 through December 31, 1995 at the same terms that were in effect on June 30, 1995. The
96.22 commissioner may issue separate contracts with requirements specific to services to
96.23 medical assistance recipients age 65 and older.

96.24 (b) A prepaid health plan providing covered health services for eligible persons
96.25 pursuant to chapters 256B, 256D, and 256L, is responsible for complying with the terms
96.26 of its contract with the commissioner. Requirements applicable to managed care programs
96.27 under chapters 256B, 256D, and 256L, established after the effective date of a contract
96.28 with the commissioner take effect when the contract is next issued or renewed.

96.29 (c) Effective for services rendered on or after January 1, 2003, the commissioner
96.30 shall withhold five percent of managed care plan payments under this section and
96.31 county-based purchasing ~~plan's payment rate~~ plan payments under section 256B.692 for
96.32 the prepaid medical assistance and general assistance medical care programs pending
96.33 completion of performance targets. Each performance target must be quantifiable,
96.34 objective, measurable, and reasonably attainable, except in the case of a performance target
96.35 based on a federal or state law or rule. Criteria for assessment of each performance target

97.1 must be outlined in writing prior to the contract effective date. The managed care plan
97.2 must demonstrate, to the commissioner's satisfaction, that the data submitted regarding
97.3 attainment of the performance target is accurate. The commissioner shall periodically
97.4 change the administrative measures used as performance targets in order to improve plan
97.5 performance across a broader range of administrative services. The performance targets
97.6 must include measurement of plan efforts to contain spending on health care services and
97.7 administrative activities. The commissioner may adopt plan-specific performance targets
97.8 that take into account factors affecting only one plan, including characteristics of the
97.9 plan's enrollee population. The withheld funds must be returned no sooner than July of the
97.10 following year if performance targets in the contract are achieved. The commissioner may
97.11 exclude special demonstration projects under subdivision 23.

97.12 (d) Effective for services rendered on or after January 1, 2009, through December 31,
97.13 2009, the commissioner shall withhold three percent of managed care plan payments under
97.14 this section and county-based purchasing plan payments under section 256B.692 for the
97.15 prepaid medical assistance and general assistance medical care programs. The withheld
97.16 funds must be returned no sooner than July 1 and no later than July 31 of the following
97.17 year. The commissioner may exclude special demonstration projects under subdivision 23.

97.18 The return of the withhold under this paragraph is not subject to the requirements of
97.19 paragraph (c).

97.20 (e) Effective for services provided on or after January 1, 2010, the commissioner
97.21 shall require that managed care plans use the assessment and authorization processes,
97.22 forms, timelines, standards, documentation, and data reporting requirements, protocols,
97.23 billing processes, and policies consistent with medical assistance fee-for-service or the
97.24 Department of Human Services contract requirements consistent with medical assistance
97.25 fee-for-service or the Department of Human Services contract requirements for all
97.26 personal care assistance services under section 256B.0659.

97.27 (f) Effective for services rendered on or after January 1, 2010, through December
97.28 31, 2010, the commissioner shall withhold 3.5 percent of managed care plan payments
97.29 under this section and county-based purchasing plan payments under section 256B.692
97.30 for the prepaid medical assistance program. The withheld funds must be returned no
97.31 sooner than July 1 and no later than July 31 of the following year. The commissioner may
97.32 exclude special demonstration projects under subdivision 23.

97.33 (g) Effective for services rendered on or after January 1, 2011, the commissioner
97.34 shall include as part of the performance targets described in paragraph (c) a reduction in
97.35 the health plan's emergency room utilization rate for state health care program enrollees

98.1 by a measurable rate of five percent from the plan's utilization rate for state health care
98.2 program enrollees for the previous calendar year.

98.3 The withheld funds must be returned no sooner than July 1 and no later than July 31
98.4 of the following calendar year if the managed care plan demonstrates to the satisfaction of
98.5 the commissioner that a reduction in the utilization rate was achieved.

98.6 The withhold described in this paragraph shall continue for each consecutive
98.7 contract period until the plan's emergency room utilization rate for state health care
98.8 program enrollees is reduced by 25 percent of the plan's emergency room utilization
98.9 rate for state health care program enrollees for calendar year 2009. Hospitals shall
98.10 cooperate with the health plans in meeting this performance target and shall accept
98.11 payment withholds that may be returned to the hospitals if the performance target is
98.12 achieved. The commissioner shall structure the withhold so that the commissioner returns
98.13 a portion of the withheld funds in amounts commensurate with achieved reductions in
98.14 utilization less than the targeted amount. The withhold in this paragraph does not apply to
98.15 county-based purchasing plans.

98.16 ~~(g)~~ (h) Effective for services rendered on or after January 1, 2011, through December
98.17 31, 2011, the commissioner shall withhold four percent of managed care plan payments
98.18 under this section and county-based purchasing plan payments under section 256B.692
98.19 for the prepaid medical assistance program. The withheld funds must be returned no
98.20 sooner than July 1 and no later than July 31 of the following year. The commissioner may
98.21 exclude special demonstration projects under subdivision 23.

98.22 ~~(h)~~ (i) Effective for services rendered on or after January 1, 2012, through December
98.23 31, 2012, the commissioner shall withhold 4.5 percent of managed care plan payments
98.24 under this section and county-based purchasing plan payments under section 256B.692
98.25 for the prepaid medical assistance program. The withheld funds must be returned no
98.26 sooner than July 1 and no later than July 31 of the following year. The commissioner may
98.27 exclude special demonstration projects under subdivision 23.

98.28 ~~(i)~~ (j) Effective for services rendered on or after January 1, 2013, through December
98.29 31, 2013, the commissioner shall withhold 4.5 percent of managed care plan payments
98.30 under this section and county-based purchasing plan payments under section 256B.692
98.31 for the prepaid medical assistance program. The withheld funds must be returned no
98.32 sooner than July 1 and no later than July 31 of the following year. The commissioner may
98.33 exclude special demonstration projects under subdivision 23.

98.34 ~~(j)~~ (k) Effective for services rendered on or after January 1, 2014, the commissioner
98.35 shall withhold three percent of managed care plan payments under this section and
98.36 county-based purchasing plan payments under section 256B.692 for the prepaid medical

99.1 assistance and prepaid general assistance medical care programs. The withheld funds must
99.2 be returned no sooner than July 1 and no later than July 31 of the following year. The
99.3 commissioner may exclude special demonstration projects under subdivision 23.

99.4 ~~(k)~~ (l) A managed care plan or a county-based purchasing plan under section
99.5 256B.692 may include as admitted assets under section 62D.044 any amount withheld
99.6 under this section that is reasonably expected to be returned.

99.7 ~~(h)~~ (m) Contracts between the commissioner and a prepaid health plan are exempt
99.8 from the set-aside and preference provisions of section 16C.16, subdivisions 6, paragraph
99.9 (a), and 7.

99.10 **EFFECTIVE DATE.** This section is effective July 1, 2010.

99.11 Sec. 27. Minnesota Statutes 2008, section 256B.69, is amended by adding a
99.12 subdivision to read:

99.13 Subd. 5k. **Rate modifications.** For services rendered on or after October 1, 2010,
99.14 the total payment made to managed care plans and county-based purchasing plans under
99.15 the medical assistance program shall be increased by 0.88 percent.

99.16 **EFFECTIVE DATE.** This section is effective October 1, 2010.

99.17 Sec. 28. Minnesota Statutes 2008, section 256B.69, is amended by adding a
99.18 subdivision to read:

99.19 Subd. 5l. **Actuarial soundness.** (a) Rates paid to managed care plans and
99.20 county-based purchasing plans shall satisfy requirements for actuarial soundness. In order
99.21 to comply with this subdivision, the rates must:

99.22 (1) be neither inadequate nor excessive;

99.23 (2) satisfy federal requirements;

99.24 (3) in the case of contracts with incentive arrangements, not exceed 105 percent of
99.25 the approved capitation payments attributable to the enrollees or services covered by
99.26 the incentive arrangement;

99.27 (4) be developed in accordance with generally accepted actuarial principles and
99.28 practices;

99.29 (5) be appropriate for the populations to be covered and the services to be furnished
99.30 under the contract; and

99.31 (6) be certified as meeting the requirements of federal regulations by actuaries who
99.32 meet the qualification standards established by the American Academy of Actuaries and
99.33 follow the practice standards established by the Actuarial Standards Board.

100.1 (b) Each year within 30 days of the establishment of plan rates, the commissioner
100.2 shall report to the chairs and ranking minority members of the senate Health and Human
100.3 Services Budget Division and the house of representatives Health Care and Human
100.4 Services Finance Division to certify how each of these conditions have been met by
100.5 the new payment rates.

100.6 Sec. 29. Minnesota Statutes 2008, section 256B.69, subdivision 20, as amended by
100.7 Laws 2010, chapter 200, article 1, section 10, is amended to read:

100.8 Subd. 20. **Ombudsperson.** ~~(a)~~ The commissioner shall designate an ombudsperson
100.9 to advocate for persons required to enroll in prepaid health plans under this section. The
100.10 ombudsperson shall advocate for recipients enrolled in prepaid health plans through
100.11 complaint and appeal procedures and ensure that necessary medical services are provided
100.12 either by the prepaid health plan directly or by referral to appropriate social services. At
100.13 the time of enrollment in a prepaid health plan, the local agency shall inform recipients
100.14 about the ombudsperson program and their right to a resolution of a complaint by the
100.15 prepaid health plan if they experience a problem with the plan or its providers.

100.16 ~~(b) The commissioner shall designate an ombudsperson to advocate for persons~~
100.17 ~~enrolled in a care coordination delivery system under section 256D.031. The~~
100.18 ~~ombudsperson shall advocate for recipients enrolled in a care coordination delivery~~
100.19 ~~system through the state appeal process and assist enrollees in accessing necessary~~
100.20 ~~medical services through the care coordination delivery systems directly or by referral to~~
100.21 ~~appropriate services. At the time of enrollment in a care coordination delivery system, the~~
100.22 ~~local agency shall inform recipients about the ombudsperson program.~~

100.23 Sec. 30. Minnesota Statutes 2008, section 256B.69, subdivision 27, is amended to read:

100.24 Subd. 27. **Information for persons with limited English-language proficiency.**
100.25 Managed care contracts entered into under this section and ~~sections 256D.03, subdivision~~
100.26 ~~4, paragraph (c), and section 256L.12~~ must require demonstration providers to provide
100.27 language assistance to enrollees that ensures meaningful access to its programs and
100.28 services according to Title VI of the Civil Rights Act and federal regulations adopted
100.29 under that law or any guidance from the United States Department of Health and Human
100.30 Services.

100.31 **EFFECTIVE DATE.** This section is effective retroactively from April 1, 2010.

100.32 Sec. 31. Minnesota Statutes 2008, section 256B.692, subdivision 1, is amended to read:

101.1 Subdivision 1. **In general.** County boards or groups of county boards may elect
101.2 to purchase or provide health care services on behalf of persons eligible for medical
101.3 assistance ~~and general assistance medical care~~ who would otherwise be required to or may
101.4 elect to participate in the prepaid medical assistance ~~or prepaid general assistance medical~~
101.5 ~~care programs~~ according to ~~sections~~ section 256B.69 and 256D.03. Counties that elect to
101.6 purchase or provide health care under this section must provide all services included in
101.7 prepaid managed care programs according to ~~sections~~ section 256B.69, subdivisions 1
101.8 to 22, ~~and 256D.03~~. County-based purchasing under this section is governed by section
101.9 256B.69, unless otherwise provided for under this section.

101.10 **EFFECTIVE DATE.** This section is effective retroactively from April 1, 2010.

101.11 Sec. 32. Minnesota Statutes 2009 Supplement, section 256B.76, subdivision 1, is
101.12 amended to read:

101.13 Subdivision 1. **Physician reimbursement.** (a) Effective for services rendered on
101.14 or after October 1, 1992, the commissioner shall make payments for physician services
101.15 as follows:

101.16 (1) payment for level one Centers for Medicare and Medicaid Services' common
101.17 procedural coding system codes titled "office and other outpatient services," "preventive
101.18 medicine new and established patient," "delivery, antepartum, and postpartum care,"
101.19 "critical care," cesarean delivery and pharmacologic management provided to psychiatric
101.20 patients, and level three codes for enhanced services for prenatal high risk, shall be paid
101.21 at the lower of (i) submitted charges, or (ii) 25 percent above the rate in effect on June
101.22 30, 1992. If the rate on any procedure code within these categories is different than the
101.23 rate that would have been paid under the methodology in section 256B.74, subdivision 2,
101.24 then the larger rate shall be paid;

101.25 (2) payments for all other services shall be paid at the lower of (i) submitted charges,
101.26 or (ii) 15.4 percent above the rate in effect on June 30, 1992; and

101.27 (3) all physician rates shall be converted from the 50th percentile of 1982 to the 50th
101.28 percentile of 1989, less the percent in aggregate necessary to equal the above increases
101.29 except that payment rates for home health agency services shall be the rates in effect
101.30 on September 30, 1992.

101.31 (b) Effective for services rendered on or after January 1, 2000, payment rates for
101.32 physician and professional services shall be increased by three percent over the rates
101.33 in effect on December 31, 1999, except for home health agency and family planning
101.34 agency services. The increases in this paragraph shall be implemented January 1, 2000,
101.35 for managed care.

102.1 (c) Effective for services rendered on or after July 1, 2009, payment rates for
102.2 physician and professional services shall be reduced by five percent over the rates in effect
102.3 on June 30, 2009. This reduction ~~does~~ and the reductions in paragraph (d) do not apply
102.4 to office or other outpatient visits, preventive medicine visits and family planning visits
102.5 billed by physicians, advanced practice nurses, or physician assistants in a family planning
102.6 agency or in one of the following primary care practices: general practice, general internal
102.7 medicine, general pediatrics, general geriatrics, and family medicine. This reduction ~~does~~
102.8 and the reductions in paragraph (d) do not apply to federally qualified health centers,
102.9 rural health centers, and Indian health services. Effective October 1, 2009, payments
102.10 made to managed care plans and county-based purchasing plans under sections 256B.69,
102.11 256B.692, and 256L.12 shall reflect the payment reduction described in this paragraph.

102.12 (d) Effective for services rendered on or after July 1, 2010, payment rates for
102.13 physician and professional services shall be reduced an additional seven percent over
102.14 the five percent reduction in rates described in paragraph (c). This additional reduction
102.15 does not apply to physical therapy services, occupational therapy services, and speech
102.16 pathology and related services provided on or after July 1, 2010. This additional reduction
102.17 does not apply to physician services billed by a psychiatrist or an advanced practice nurse
102.18 with a specialty in mental health. Effective October 1, 2010, payments made to managed
102.19 care plans and county-based purchasing plans under sections 256B.69, 256B.692, and
102.20 256L.12 shall reflect the payment reduction described in this paragraph.

102.21 (e) Effective for services rendered on or after October 1, 2010, payment rates for
102.22 physician and professional services billed by physicians employed by and clinics owned
102.23 by a nonprofit health maintenance organization shall be increased by 14 percent. Effective
102.24 October 1, 2010, payments made to managed care plans and county-based purchasing
102.25 plans under sections 256B.69, 256B.692, and 256L.12, shall reflect the payment increase
102.26 described in this paragraph.

102.27 **EFFECTIVE DATE.** This section is effective July 1, 2010.

102.28 Sec. 33. Minnesota Statutes 2008, section 256B.76, subdivision 2, is amended to read:

102.29 Subd. 2. **Dental reimbursement.** (a) Effective for services rendered on or after
102.30 October 1, 1992, the commissioner shall make payments for dental services as follows:

102.31 (1) dental services shall be paid at the lower of (i) submitted charges, or (ii) 25
102.32 percent above the rate in effect on June 30, 1992; and

102.33 (2) dental rates shall be converted from the 50th percentile of 1982 to the 50th
102.34 percentile of 1989, less the percent in aggregate necessary to equal the above increases.

103.1 (b) Beginning October 1, 1999, the payment for tooth sealants and fluoride treatments
103.2 shall be the lower of (1) submitted charge, or (2) 80 percent of median 1997 charges.

103.3 (c) Effective for services rendered on or after January 1, 2000, payment rates for
103.4 dental services shall be increased by three percent over the rates in effect on December
103.5 31, 1999.

103.6 (d) Effective for services provided on or after January 1, 2002, payment for
103.7 diagnostic examinations and dental x-rays provided to children under age 21 shall be the
103.8 lower of (1) the submitted charge, or (2) 85 percent of median 1999 charges.

103.9 (e) The increases listed in paragraphs (b) and (c) shall be implemented January 1,
103.10 2000, for managed care.

103.11 (f) Effective for dental services rendered on or after October 1, 2010, by a
103.12 state-operated dental clinic, payment shall be paid on a reasonable cost basis that is based
103.13 on the Medicare principles of reimbursement. This payment shall be effective for services
103.14 rendered on or after January 1, 2011, to recipients enrolled in managed care plans or
103.15 county-based purchasing plans.

103.16 (g) Beginning in fiscal year 2011, if the payments to state-operated dental clinics
103.17 in paragraph (f), including state and federal shares, are less than \$1,850,000 per fiscal
103.18 year, a supplemental state payment equal to the difference between the total payments
103.19 in paragraph (f) and \$1,850,000 shall be paid from the general fund to state-operated
103.20 services for the operation of the dental clinics.

103.21 (h) If the cost-based payment system for state-operated dental clinics described in
103.22 paragraph (f) does not receive federal approval, then state-operated dental clinics shall be
103.23 designated as critical access dental providers under subdivision 4, paragraph (b), and shall
103.24 receive the critical access dental reimbursement rate as described under subdivision 4,
103.25 paragraph (a).

103.26 **EFFECTIVE DATE.** This section is effective July 1, 2010.

103.27 Sec. 34. Minnesota Statutes 2008, section 256B.76, subdivision 4, is amended to read:

103.28 Subd. 4. **Critical access dental providers.** (a) Effective for dental services
103.29 rendered on or after January 1, 2002, the commissioner shall increase reimbursements
103.30 to dentists and dental clinics deemed by the commissioner to be critical access dental
103.31 providers. For dental services rendered on or after July 1, 2007, the commissioner shall
103.32 increase reimbursement by 30 percent above the reimbursement rate that would otherwise
103.33 be paid to the critical access dental provider. The commissioner shall pay the ~~health plan~~
103.34 ~~companies~~ managed care plans and county-based purchasing plans in amounts sufficient
103.35 to reflect increased reimbursements to critical access dental providers as approved by the

104.1 commissioner. ~~In determining which dentists and dental clinics shall be deemed critical~~
104.2 ~~access dental providers, the commissioner shall review:~~

104.3 (b) The commissioner shall designate the following dentists and dental clinics as
104.4 critical access dental providers:

104.5 ~~(1) the utilization rate in the service area in which the dentist or dental clinic operates~~
104.6 ~~for dental services to patients covered by medical assistance, general assistance medical~~
104.7 ~~care, or MinnesotaCare as their primary source of coverage~~ nonprofit community clinics
104.8 that:

104.9 (i) have nonprofit status in accordance with chapter 317A;

104.10 (ii) have tax exempt status in accordance with the Internal Revenue Code, section
104.11 501(c)(3);

104.12 (iii) are established to provide oral health services to patients who are low income,
104.13 uninsured, have special needs, and are underserved;

104.14 (iv) have professional staff familiar with the cultural background of the clinic's
104.15 patients;

104.16 (v) charge for services on a sliding fee scale designed to provide assistance to
104.17 low-income patients based on current poverty income guidelines and family size;

104.18 (vi) do not restrict access or services because of a patient's financial limitations
104.19 or public assistance status; and

104.20 (vii) have free care available as needed;

104.21 ~~(2) the level of services provided by the dentist or dental clinic to patients covered~~
104.22 ~~by medical assistance, general assistance medical care, or MinnesotaCare as their primary~~
104.23 ~~source of coverage~~ federally qualified health centers, rural health clinics, and public
104.24 health clinics; and

104.25 ~~(3) whether the level of services provided by the dentist or dental clinic is critical~~
104.26 ~~to maintaining adequate levels of patient access within the service area~~ county owned
104.27 and operated hospital-based dental clinics;

104.28 (4) a dental clinic or dental group owned and operated by a nonprofit corporation in
104.29 accordance with chapter 317A with more than 10,000 patient encounters per year with
104.30 patients who are uninsured or covered by medical assistance, general assistance medical
104.31 care, or MinnesotaCare; and

104.32 (5) a dental clinic associated with an oral health or dental education program
104.33 operated by the University of Minnesota or an institution within the Minnesota State
104.34 Colleges and Universities system.

104.35 ~~In the absence of a critical access dental provider in a service area,~~ (c) The
104.36 commissioner may designate a dentist or dental clinic as a critical access dental provider

105.1 if the dentist or dental clinic is willing to provide care to patients covered by medical
105.2 assistance, general assistance medical care, or MinnesotaCare at a level which significantly
105.3 increases access to dental care in the service area.

105.4 **EFFECTIVE DATE.** This section is effective July 1, 2010.

105.5 Sec. 35. Minnesota Statutes 2009 Supplement, section 256B.766, is amended to read:

105.6 **256B.766 REIMBURSEMENT FOR BASIC CARE SERVICES.**

105.7 (a) Effective for services provided on or after July 1, 2009, total payments for
105.8 basic care services, shall be reduced by three percent, prior to third-party liability and
105.9 spenddown calculation. Effective July 1, 2010, the commissioner shall classify physical
105.10 therapy services, occupational therapy services, and speech language pathology and
105.11 related services as basic care services. The reduction in this paragraph shall apply to
105.12 physical therapy services, occupational therapy services, and speech language pathology
105.13 and related services provided on or after July 1, 2010.

105.14 (b) Payments made to managed care plans and county-based purchasing plans shall
105.15 be reduced for services provided on or after October 1, 2009, to reflect ~~this~~ the reduction
105.16 effective July 1, 2009, and payments made to the plans shall be reduced effective October
105.17 1, 2010, to reflect the reduction effective July 1, 2010.

105.18 ~~(b)~~ (c) This section does not apply to physician and professional services, inpatient
105.19 hospital services, family planning services, mental health services, dental services,
105.20 prescription drugs, medical transportation, federally qualified health centers, rural health
105.21 centers, Indian health services, and Medicare cost-sharing.

105.22 Sec. 36. **[256B.767] MEDICARE PAYMENT LIMIT.**

105.23 (a) Effective for services rendered on or after July 1, 2010, fee-for-service payment
105.24 rates for physician and professional services under section 256B.76, subdivision 1, and
105.25 basic care services subject to the rate reduction specified in section 256B.766, shall not
105.26 exceed the Medicare payment rate for the applicable service, as adjusted for any changes
105.27 in Medicare payment rates after July 1, 2010. The commissioner shall implement this
105.28 section after any other rate adjustment that is effective July 1, 2010, and shall reduce rates
105.29 under this section by first reducing or eliminating provider rate add-ons.

105.30 (b) This section does not apply to services provided by advanced practice certified
105.31 nurse midwives licensed under chapter 148 or traditional midwives licensed under chapter
105.32 147D. Notwithstanding this exemption, medical assistance fee-for-service payment rates
105.33 for advanced practice certified nurse midwives and licensed traditional midwives shall

106.1 equal and shall not exceed the medical assistance payment rate to physicians for the
106.2 applicable service.

106.3 (c) This section does not apply to mental health services or physician services billed
106.4 by a psychiatrist or an advanced practice registered nurse with a specialty in mental health.

106.5 Sec. 37. Minnesota Statutes 2009 Supplement, section 256D.03, subdivision 3, as
106.6 amended by Laws 2010, chapter 200, article 1, section 11, is amended to read:

106.7 Subd. 3. **General assistance medical care; eligibility.** (a) Beginning April 1, 2010,
106.8 the general assistance medical care program shall be administered according to section
106.9 256D.031, unless otherwise stated, except for outpatient prescription drug coverage,
106.10 which shall continue to be administered under this section and funded under section
106.11 256D.031, subdivision 9, beginning June 1, 2010.

106.12 (b) Outpatient prescription drug coverage under general assistance medical care is
106.13 limited to prescription drugs that:

106.14 (1) are covered under the medical assistance program as described in section
106.15 256B.0625, subdivisions 13 and 13d; and

106.16 (2) are provided by manufacturers that have fully executed general assistance
106.17 medical care rebate agreements with the commissioner and comply with the agreements.

106.18 Outpatient prescription drug coverage under general assistance medical care must conform
106.19 to coverage under the medical assistance program according to section 256B.0625,
106.20 subdivisions 13 to ~~13g~~ 13h.

106.21 (c) Outpatient prescription drug coverage does not include drugs administered in a
106.22 clinic or other outpatient setting.

106.23 (d) For the period beginning April 1, 2010, to June 30, 2010, general assistance
106.24 medical care covers the services listed in subdivision 4.

106.25 **EFFECTIVE DATE.** This section is effective retroactively from April 1, 2010.

106.26 Sec. 38. Minnesota Statutes 2008, section 256D.03, subdivision 3b, is amended to read:

106.27 Subd. 3b. **Cooperation.** ~~(a) General assistance or general assistance medical care~~
106.28 applicants and recipients must cooperate with the state and local agency to identify

106.29 potentially liable third-party payors and assist the state in obtaining third-party payments.

106.30 Cooperation includes identifying any third party who may be liable for care and services
106.31 provided under this chapter to the applicant, recipient, or any other family member for

106.32 whom application is made and providing relevant information to assist the state in pursuing
106.33 a potentially liable third party. ~~General assistance medical care applicants and recipients~~

106.34 ~~must cooperate by providing information about any group health plan in which they may~~

107.1 ~~be eligible to enroll. They must cooperate with the state and local agency in determining~~
107.2 ~~if the plan is cost-effective. For purposes of this subdivision, coverage provided by the~~
107.3 ~~Minnesota Comprehensive Health Association under chapter 62E shall not be considered~~
107.4 ~~group health plan coverage or cost-effective by the state and local agency. If the plan is~~
107.5 ~~determined cost-effective and the premium will be paid by the state or local agency or is~~
107.6 ~~available at no cost to the person, they must enroll or remain enrolled in the group health~~
107.7 ~~plan. Cost-effective insurance premiums approved for payment by the state agency and~~
107.8 ~~paid by the local agency are eligible for reimbursement according to subdivision 6.~~

107.9 ~~(b) Effective for all premiums due on or after June 30, 1997, general assistance~~
107.10 ~~medical care does not cover premiums that a recipient is required to pay under a qualified~~
107.11 ~~or Medicare supplement plan issued by the Minnesota Comprehensive Health Association.~~
107.12 ~~General assistance medical care shall continue to cover premiums for recipients who are~~
107.13 ~~covered under a plan issued by the Minnesota Comprehensive Health Association on June~~
107.14 ~~30, 1997, for a period of six months following receipt of the notice of termination or~~
107.15 ~~until December 31, 1997, whichever is later.~~

107.16 **EFFECTIVE DATE.** This section is effective July 1, 2010.

107.17 Sec. 39. Minnesota Statutes 2008, section 256D.031, subdivision 5, as added by Laws
107.18 2010, chapter 200, article 1, section 12, subdivision 5, is amended to read:

107.19 Subd. 5. **Payment rates and contract modification; April 1, 2010, to ~~May 31~~**
107.20 **June 30, 2010.** (a) For the period April 1, 2010, to ~~May 31~~ June 30, 2010, general
107.21 assistance medical care shall be paid on a fee-for-service basis. Fee-for-service payment
107.22 rates for services other than outpatient prescription drugs shall be set at 37 percent of the
107.23 payment rate in effect on March 31, 2010, except that for the period June 1, 2010, to June
107.24 30, 2010, fee-for-service payment rates for services other than prescription drugs shall be
107.25 set at 27 percent of the payment rate in effect on March 31, 2010.

107.26 (b) Outpatient prescription drugs covered under section 256D.03, subdivision
107.27 3, provided on or after April 1, 2010, to ~~May 31~~ June 30, 2010, shall be paid on a
107.28 fee-for-service basis according to section 256B.0625, subdivisions 13 to 13g.

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

107.30 Sec. 40. Minnesota Statutes 2009 Supplement, section 256L.03, subdivision 5, is
107.31 amended to read:

108.1 Subd. 5. **Co-payments and coinsurance.** (a) Except as provided in paragraphs (b)
108.2 and (c), the MinnesotaCare benefit plan shall include the following co-payments and
108.3 coinsurance requirements for all enrollees:

108.4 (1) ten percent of the paid charges for inpatient hospital services for adult enrollees,
108.5 subject to an annual inpatient out-of-pocket maximum of \$1,000 per individual;

108.6 (2) \$3 per prescription for adult enrollees;

108.7 (3) \$25 for eyeglasses for adult enrollees;

108.8 (4) \$3 per nonpreventive visit. For purposes of this subdivision, a "visit" means an
108.9 episode of service which is required because of a recipient's symptoms, diagnosis, or
108.10 established illness, and which is delivered in an ambulatory setting by a physician or
108.11 physician ancillary, chiropractor, podiatrist, nurse midwife, advanced practice nurse,
108.12 audiologist, optician, or optometrist; and

108.13 (5) \$6 for nonemergency visits to a hospital-based emergency room for services
108.14 provided through December 31, 2010, and \$3.50 effective January 1, 2011.

108.15 (b) Paragraph (a), clause (1), does not apply to parents and relative caretakers of
108.16 children under the age of 21.

108.17 (c) Paragraph (a) does not apply to pregnant women and children under the age of 21.

108.18 (d) Paragraph (a), clause (4), does not apply to mental health services.

108.19 (e) Adult enrollees with family gross income that exceeds 200 percent of the federal
108.20 poverty guidelines or 215 percent of the federal poverty guidelines on or after July 1, 2009,
108.21 and who are not pregnant shall be financially responsible for the coinsurance amount, if
108.22 applicable, and amounts which exceed the \$10,000 inpatient hospital benefit limit.

108.23 (f) When a MinnesotaCare enrollee becomes a member of a prepaid health plan,
108.24 or changes from one prepaid health plan to another during a calendar year, any charges
108.25 submitted towards the \$10,000 annual inpatient benefit limit, and any out-of-pocket
108.26 expenses incurred by the enrollee for inpatient services, that were submitted or incurred
108.27 prior to enrollment, or prior to the change in health plans, shall be disregarded.

108.28 (g) MinnesotaCare reimbursements to fee-for-service providers and payments to
108.29 managed care plans or county-based purchasing plans shall not be increased as a result of
108.30 the reduction of the co-payments in paragraph (a), clause (5), effective January 1, 2011.

108.31 **EFFECTIVE DATE.** This section is effective July 1, 2010.

108.32 Sec. 41. Minnesota Statutes 2008, section 256L.11, subdivision 6, is amended to read:

108.33 Subd. 6. **Enrollees 18 or older.** Payment by the MinnesotaCare program for
108.34 inpatient hospital services provided to MinnesotaCare enrollees eligible under section
108.35 256L.04, subdivision 7, or who qualify under section 256L.04, subdivisions 1 and 2,

109.1 with family gross income that exceeds 175 percent of the federal poverty guidelines
109.2 and who are not pregnant, who are 18 years old or older on the date of admission to the
109.3 inpatient hospital must be in accordance with paragraphs (a) and (b). Payment for adults
109.4 who are not pregnant and are eligible under section 256L.04, subdivisions 1 and 2, and
109.5 whose incomes are equal to or less than 175 percent of the federal poverty guidelines,
109.6 shall be as provided for under paragraph (c).

109.7 (a) If the medical assistance rate minus any co-payment required under section
109.8 256L.03, subdivision 4, is less than or equal to the amount remaining in the enrollee's
109.9 benefit limit under section 256L.03, subdivision 3, payment must be the medical
109.10 assistance rate minus any co-payment required under section 256L.03, subdivision 4. The
109.11 hospital must not seek payment from the enrollee in addition to the co-payment. The
109.12 MinnesotaCare payment plus the co-payment must be treated as payment in full.

109.13 (b) If the medical assistance rate minus any co-payment required under section
109.14 256L.03, subdivision 4, is greater than the amount remaining in the enrollee's benefit limit
109.15 under section 256L.03, subdivision 3, payment must be the lesser of:

109.16 (1) the amount remaining in the enrollee's benefit limit; or

109.17 (2) charges submitted for the inpatient hospital services less any co-payment
109.18 established under section 256L.03, subdivision 4.

109.19 The hospital may seek payment from the enrollee for the amount by which usual and
109.20 customary charges exceed the payment under this paragraph. If payment is reduced under
109.21 section 256L.03, subdivision 3, paragraph (b), the hospital may not seek payment from the
109.22 enrollee for the amount of the reduction.

109.23 ~~(c) For admissions occurring during the period of July 1, 1997, through June 30,~~
109.24 ~~1998, for adults who are not pregnant and are eligible under section 256L.04, subdivisions~~
109.25 ~~1 and 2, and whose incomes are equal to or less than 175 percent of the federal poverty~~
109.26 ~~guidelines, the commissioner shall pay hospitals directly, up to the medical assistance~~
109.27 ~~payment rate, for inpatient hospital benefits in excess of the \$10,000 annual inpatient~~
109.28 ~~benefit limit. For admissions occurring on or after July 1, 2011, for single adults and~~
109.29 households without children who are eligible under section 256L.04, subdivision 7, the
109.30 commissioner shall pay hospitals directly, up to the medical assistance payment rate, for
109.31 inpatient hospital benefits up to the \$10,000 annual inpatient benefit limit, minus any
109.32 co-payment required under section 256L.03, subdivision 5.

109.33 Sec. 42. Minnesota Statutes 2008, section 256L.07, is amended by adding a subdivision
109.34 to read:

110.1 Subd. 9. **Firefighters; volunteer ambulance attendants.** (a) For purposes of this
110.2 subdivision, "qualified individual" means:

110.3 (1) a volunteer firefighter with a department as defined in section 299N.01,
110.4 subdivision 2, who has passed the probationary period; and

110.5 (2) a volunteer ambulance attendant as defined in section 144E.001, subdivision 15.

110.6 (b) A qualified individual who documents to the satisfaction of the commissioner
110.7 status as a qualified individual by completing and submitting a one-page form developed
110.8 by the commissioner is eligible for MinnesotaCare without meeting other eligibility
110.9 requirements of this chapter, but must pay premiums equal to the average expected
110.10 capitation rate for adults with no children paid under section 256L.12. Individuals eligible
110.11 under this subdivision shall receive coverage for the benefit set provided to adults with no
110.12 children.

110.13 **EFFECTIVE DATE.** This section is effective April 1, 2011.

110.14 Sec. 43. Minnesota Statutes 2008, section 256L.12, subdivision 5, is amended to read:

110.15 Subd. 5. **Eligibility for other state programs.** MinnesotaCare enrollees who
110.16 become eligible for medical assistance ~~or general assistance medical care~~ will remain in
110.17 the same managed care plan if the managed care plan has a contract for that population.
110.18 ~~Effective January 1, 1998,~~ MinnesotaCare enrollees who were formerly eligible for
110.19 general assistance medical care pursuant to section 256D.03, subdivision 3, within six
110.20 months of MinnesotaCare enrollment and were enrolled in a prepaid health plan pursuant
110.21 to section 256D.03, subdivision 4, paragraph (c), must remain in the same managed care
110.22 plan if the managed care plan has a contract for that population. Managed care plans must
110.23 participate in the MinnesotaCare ~~and general assistance medical care programs~~ program
110.24 under a contract with the Department of Human Services in service areas where they
110.25 participate in the medical assistance program.

110.26 **EFFECTIVE DATE.** This section is effective retroactively from April 1, 2010.

110.27 Sec. 44. Minnesota Statutes 2008, section 256L.12, subdivision 9, is amended to read:

110.28 Subd. 9. **Rate setting; performance withholds.** (a) Rates will be prospective,
110.29 per capita, where possible. The commissioner may allow health plans to arrange for
110.30 inpatient hospital services on a risk or nonrisk basis. The commissioner shall consult with
110.31 an independent actuary to determine appropriate rates.

110.32 ~~(b) For services rendered on or after January 1, 2003, to December 31, 2003, the~~
110.33 ~~commissioner shall withhold .5 percent of managed care plan payments under this section~~

111.1 ~~pending completion of performance targets. The withheld funds must be returned no~~
111.2 ~~sooner than July 1 and no later than July 31 of the following year if performance targets~~
111.3 ~~in the contract are achieved. A managed care plan may include as admitted assets under~~
111.4 ~~section 62D.044 any amount withheld under this paragraph that is reasonably expected~~
111.5 ~~to be returned.~~

111.6 (e) For services rendered on or after January 1, 2004, the commissioner shall
111.7 withhold five percent of managed care plan payments and county-based purchasing
111.8 plan payments under this section pending completion of performance targets. Each
111.9 performance target must be quantifiable, objective, measurable, and reasonably attainable,
111.10 except in the case of a performance target based on a federal or state law or rule. Criteria
111.11 for assessment of each performance target must be outlined in writing prior to the
111.12 contract effective date. The managed care plan must demonstrate, to the commissioner's
111.13 satisfaction, that the data submitted regarding attainment of the performance target is
111.14 accurate. The commissioner shall periodically change the administrative measures used
111.15 as performance targets in order to improve plan performance across a broader range of
111.16 administrative services. The performance targets must include measurement of plan
111.17 efforts to contain spending on health care services and administrative activities. The
111.18 commissioner may adopt plan-specific performance targets that take into account factors
111.19 affecting only one plan, such as characteristics of the plan's enrollee population. The
111.20 withheld funds must be returned no sooner than July 1 and no later than July 31 of the
111.21 following calendar year if performance targets in the contract are achieved. ~~A managed~~
111.22 ~~care plan or a county-based purchasing plan under section 256B.692 may include as~~
111.23 ~~admitted assets under section 62D.044 any amount withheld under this paragraph that is~~
111.24 ~~reasonably expected to be returned.~~

111.25 (c) For services rendered on or after January 1, 2011, the commissioner shall
111.26 withhold an additional three percent of managed care plan or county-based purchasing
111.27 plan payments under this section. The withheld funds must be returned no sooner than
111.28 July 1 and no later than July 31 of the following calendar year. The return of the withhold
111.29 under this paragraph is not subject to the requirements of paragraph (b).

111.30 (d) Effective for services rendered on or after January 1, 2011, the commissioner
111.31 shall include as part of the performance targets described in paragraph (b) a reduction in
111.32 the plan's emergency room utilization rate for state health care program enrollees by a
111.33 measurable rate of five percent from the plan's utilization rate for the previous calendar
111.34 year.

112.1 The withheld funds must be returned no sooner than July 1 and no later than July 31
112.2 of the following calendar year if the managed care plan demonstrates to the satisfaction of
112.3 the commissioner that a reduction in the utilization rate was achieved.

112.4 The withhold described in this paragraph shall continue for each consecutive
112.5 contract period until the plan's emergency room utilization rate for state health care
112.6 program enrollees is reduced by 25 percent of the plan's emergency room utilization rate
112.7 for state health care program enrollees for calendar year 2009. Hospitals shall cooperate
112.8 with the health plans in meeting this performance target and shall accept payment
112.9 withholds that may be returned to the hospitals if the performance target is achieved. The
112.10 commissioner shall structure the withhold so that the commissioner returns a portion of
112.11 the withheld funds in amounts commensurate with achieved reductions in utilization less
112.12 than the targeted amount. The withhold described in this paragraph does not apply to
112.13 county-based purchasing plans.

112.14 (e) A managed care plan or a county-based purchasing plan under section 256B.692
112.15 may include as admitted assets under section 62D.044 any amount withheld under this
112.16 section that is reasonably expected to be returned.

112.17 **EFFECTIVE DATE.** This section is effective July 1, 2010.

112.18 Sec. 45. Minnesota Statutes 2008, section 256L.12, is amended by adding a subdivision
112.19 to read:

112.20 Subd. 9c. **Rate setting; increase effective October 1, 2010.** For services
112.21 rendered on or after October 1, 2010, the total payment made to managed care plans and
112.22 county-based purchasing plans under MinnesotaCare for families with children shall be
112.23 increased by 0.88 percent.

112.24 **EFFECTIVE DATE.** This section is effective July 1, 2010.

112.25 Sec. 46. Laws 2009, chapter 79, article 5, section 75, subdivision 1, is amended to read:

112.26 Subdivision 1. **Medical assistance coverage.** The commissioner of human services
112.27 shall establish a demonstration project to provide additional medical assistance coverage
112.28 for a maximum of 200 American Indian children in Minneapolis, St. Paul, and Duluth
112.29 who are burdened by health disparities associated with the cumulative health impact
112.30 of toxic environmental exposures. Under this demonstration project, the additional
112.31 medical assistance coverage for this population must include, but is not limited to, home
112.32 environmental assessments for triggers of asthma, and in-home asthma education on the
112.33 proper medical management of asthma by a certified asthma educator or public health

114.1	Appropriations by Fund		
114.2		2010	2011
114.3	General	34,807,000	118,493,000
114.4	Health Care Access	(42,792,000)	(211,621,000)

114.5 The amounts that may be spent for each
 114.6 purpose are specified in the following
 114.7 subdivisions.

114.8 **Special Revenue Fund Transfers.**

114.9 (a) The commissioner shall transfer the
 114.10 following amounts from special revenue
 114.11 fund balances to the general fund by June
 114.12 30 of each respective fiscal year: \$410,000
 114.13 for fiscal year 2010, and \$412,000 for fiscal
 114.14 year 2011.

114.15 (b) Actual transfers made under paragraph
 114.16 (a) must be separately identified and reported
 114.17 as part of the quarterly reporting of transfers
 114.18 to the chairs of the relevant senate budget
 114.19 division and house of representatives finance
 114.20 division.

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

114.22 Sec. 51. Laws 2010, chapter 200, article 2, section 2, subdivision 5, is amended to read:

114.23 Subd. 5. **Health Care Management**

114.24 The amounts that may be spent from the
 114.25 appropriation for each purpose are as follows:

114.26	Health Care Administration.	(2,998,000)	(5,270,000)
--------	------------------------------------	-------------	-------------

114.27 **Base Adjustment.** The general fund base
 114.28 for health care administration is reduced by
 114.29 ~~\$182,000~~ \$36,000 in fiscal year 2012 and
 114.30 ~~\$182,000~~ \$36,000 in fiscal year 2013.

114.31 Sec. 52. Laws 2010, chapter 200, article 2, section 2, subdivision 8, is amended to read:

115.1 Subd. 8. **Transfers**

115.2 The commissioner must transfer \$29,538,000
115.3 in fiscal year 2010 and \$18,462,000 in fiscal
115.4 year 2011 from the health care access fund to
115.5 the general fund. This is a onetime transfer.

115.6 The commissioner must transfer \$4,800,000
115.7 from the consolidated chemical dependency
115.8 treatment fund to the general fund by June
115.9 30, 2010.

115.10 **Compulsive Gambling ~~Special Revenue~~**

115.11 **Administration.** The lottery prize fund
115.12 appropriation for compulsive gambling
115.13 administration is reduced by \$6,000 for fiscal
115.14 year 2010 and \$4,000 for fiscal year 2011
115.15 ~~must be transferred from the lottery prize~~
115.16 ~~fund appropriation for compulsive gambling~~
115.17 ~~administration to the general fund by June~~
115.18 ~~30 of each respective fiscal year. These are~~
115.19 onetime reductions.

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

115.21 Sec. 53. **PREPAID HEALTH PLAN RATES.**

115.22 In negotiating the prepaid health plan contract rates for services rendered on or
115.23 after January 1, 2011, the commissioner of human services shall take into consideration
115.24 and the rates shall reflect the anticipated savings in the medical assistance program due
115.25 to extending medical assistance coverage to services provided in licensed birth centers,
115.26 the anticipated use of these services within the medical assistance population, and the
115.27 reduced medical assistance costs associated with the use of birth centers for normal,
115.28 low-risk deliveries.

115.29 **EFFECTIVE DATE.** This section is effective July 1, 2010.

115.30 Sec. 54. **STATE PLAN AMENDMENT; FEDERAL APPROVAL.**

115.31 The commissioner of human services shall submit a Medicaid state plan amendment
115.32 to receive federal fund participation for adults without children whose income is equal

116.1 to or less than 75 percent of federal poverty guidelines in accordance with the Patient
116.2 Protection and Affordable Care Act, Public Law 111-148, or the Health Care and
116.3 Education Reconciliation Act of 2010, Public Law 111-152. The effective date of the
116.4 state plan amendment shall be June 1, 2010.

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

116.6 Sec. 55. **UPPER PAYMENT LIMIT REPORT.**

116.7 Each January 15, beginning in 2011, the commissioner of human services shall
116.8 report the following information to the chairs of the house of representatives and senate
116.9 finance committees and divisions with responsibility for human services appropriations:

116.10 (1) the estimated room within the Medicare hospital upper payment limit for the
116.11 federal year beginning on October 1 of the year the report is made;

116.12 (2) the amount of a rate increase under Minnesota Statutes, section 256.969,
116.13 subdivision 3a, paragraph (i), that would increase medical assistance hospital spending
116.14 to the upper payment limit; and

116.15 (3) the amount of a surcharge increase under Minnesota Statutes, section 256.9657,
116.16 subdivision 2, needed to generate the state share of the potential rate increase under
116.17 clause (2).

116.18 **EFFECTIVE DATE.** This section is effective July 1, 2010.

116.19 Sec. 56. **REVISOR'S INSTRUCTION.**

116.20 The revisor of statutes shall edit Minnesota Statutes and Minnesota Rules to remove
116.21 references to the general assistance medical care program and references to Minnesota
116.22 Statutes, section 256D.03, subdivision 3, or Minnesota Statutes, chapter 256D, as it
116.23 pertains to general assistance medical care and make other changes as may be necessary
116.24 to remove references to the general assistance medical care program. The revisor may
116.25 consult with the Department of Human Services when making editing decisions on the
116.26 removal of these references.

116.27 Sec. 57. **REPEALER.**

116.28 (a) Minnesota Statutes 2008, section 256D.03, subdivisions 3, 3a, 5, 6, 7, and 8,
116.29 are repealed July 1, 2010.

116.30 (b) Laws 2010, chapter 200, article 1, sections 12, subdivisions 1, 2, 3, and 5; 18;
116.31 and 19, are repealed July 1, 2010.

117.1 (c) Laws 2010, chapter 200, article 1, section 12, subdivisions 4, 6, 7, 8, 9, and 10,
117.2 are repealed the day following final enactment.

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

117.4 **ARTICLE 17**

117.5 **CONTINUING CARE**

117.6 Section 1. Minnesota Statutes 2008, section 144D.03, subdivision 2, is amended to
117.7 read:

117.8 Subd. 2. **Registration information.** The establishment shall provide the following
117.9 information to the commissioner in order to be registered:

117.10 (1) the business name, street address, and mailing address of the establishment;

117.11 (2) the name and mailing address of the owner or owners of the establishment and, if
117.12 the owner or owners are not natural persons, identification of the type of business entity
117.13 of the owner or owners, and the names and addresses of the officers and members of the
117.14 governing body, or comparable persons for partnerships, limited liability corporations, or
117.15 other types of business organizations of the owner or owners;

117.16 (3) the name and mailing address of the managing agent, whether through
117.17 management agreement or lease agreement, of the establishment, if different from the
117.18 owner or owners, and the name of the on-site manager, if any;

117.19 (4) verification that the establishment has entered into a housing with services
117.20 contract, as required in section 144D.04, with each resident or resident's representative;

117.21 (5) verification that the establishment is complying with the requirements of section
117.22 325F.72, if applicable;

117.23 (6) the name and address of at least one natural person who shall be responsible
117.24 for dealing with the commissioner on all matters provided for in sections 144D.01 to
117.25 144D.06, and on whom personal service of all notices and orders shall be made, and who
117.26 shall be authorized to accept service on behalf of the owner or owners and the managing
117.27 agent, if any; ~~and~~

117.28 (7) the signature of the authorized representative of the owner or owners or, if
117.29 the owner or owners are not natural persons, signatures of at least two authorized
117.30 representatives of each owner, one of which shall be an officer of the owner; and

117.31 (8) whether services are included in the base rate to be paid by the resident.

117.32 Personal service on the person identified under clause (6) by the owner or owners in
117.33 the registration shall be considered service on the owner or owners, and it shall not be a
117.34 defense to any action that personal service was not made on each individual or entity. The

118.1 designation of one or more individuals under this subdivision shall not affect the legal
118.2 responsibility of the owner or owners under sections 144D.01 to 144D.06.

118.3 Sec. 2. Minnesota Statutes 2008, section 144D.04, subdivision 2, is amended to read:

118.4 Subd. 2. **Contents of contract.** A housing with services contract, which need not be
118.5 entitled as such to comply with this section, shall include at least the following elements
118.6 in itself or through supporting documents or attachments:

118.7 (1) the name, street address, and mailing address of the establishment;

118.8 (2) the name and mailing address of the owner or owners of the establishment and, if
118.9 the owner or owners is not a natural person, identification of the type of business entity
118.10 of the owner or owners;

118.11 (3) the name and mailing address of the managing agent, through management
118.12 agreement or lease agreement, of the establishment, if different from the owner or owners;

118.13 (4) the name and address of at least one natural person who is authorized to accept
118.14 service of process on behalf of the owner or owners and managing agent;

118.15 (5) a statement describing the registration and licensure status of the establishment
118.16 and any provider providing health-related or supportive services under an arrangement
118.17 with the establishment;

118.18 (6) the term of the contract;

118.19 (7) a description of the services to be provided to the resident in the base rate to be
118.20 paid by resident, including a delineation of the portion of the base rate that constitutes rent
118.21 and a delineation of charges for each service included in the base rate;

118.22 (8) a description of any additional services, including home care services, available
118.23 for an additional fee from the establishment directly or through arrangements with the
118.24 establishment, and a schedule of fees charged for these services;

118.25 (9) a description of the process through which the contract may be modified,
118.26 amended, or terminated;

118.27 (10) a description of the establishment's complaint resolution process available
118.28 to residents including the toll-free complaint line for the Office of Ombudsman for
118.29 Long-Term Care;

118.30 (11) the resident's designated representative, if any;

118.31 (12) the establishment's referral procedures if the contract is terminated;

118.32 (13) requirements of residency used by the establishment to determine who may
118.33 reside or continue to reside in the housing with services establishment;

118.34 (14) billing and payment procedures and requirements;

119.1 (15) a statement regarding the ability of residents to receive services from service
119.2 providers with whom the establishment does not have an arrangement;

119.3 (16) a statement regarding the availability of public funds for payment for residence
119.4 or services in the establishment; and

119.5 (17) a statement regarding the availability of and contact information for
119.6 long-term care consultation services under section 256B.0911 in the county in which the
119.7 establishment is located.

119.8 Sec. 3. **[144D.08] UNIFORM CONSUMER INFORMATION GUIDE.**

119.9 All housing with services establishments shall make available to all prospective
119.10 and current residents information consistent with the uniform format and the required
119.11 components adopted by the commissioner under section 144G.06.

119.12 Sec. 4. **[144D.09] TERMINATION OF LEASE.**

119.13 The housing with services establishment shall include with notice of termination
119.14 of lease information about how to contact the ombudsman for long-term care, including
119.15 the address and phone number along with a statement of how to request problem-solving
119.16 assistance.

119.17 Sec. 5. Minnesota Statutes 2008, section 144G.06, is amended to read:

119.18 **144G.06 UNIFORM CONSUMER INFORMATION GUIDE.**

119.19 (a) The commissioner of health shall establish an advisory committee consisting
119.20 of representatives of consumers, providers, county and state officials, and other
119.21 groups the commissioner considers appropriate. The advisory committee shall present
119.22 recommendations to the commissioner on:

119.23 (1) a format for a guide to be used by individual providers of assisted living, as
119.24 defined in section 144G.01, that includes information about services offered by that
119.25 provider, which services may be covered by Medicare, service costs, and other relevant
119.26 provider-specific information, as well as a statement of philosophy and values associated
119.27 with assisted living, presented in uniform categories that facilitate comparison with guides
119.28 issued by other providers; and

119.29 (2) requirements for informing assisted living clients, as defined in section 144G.01,
119.30 of their applicable legal rights.

119.31 (b) The commissioner, after reviewing the recommendations of the advisory
119.32 committee, shall adopt a uniform format for the guide to be used by individual providers,
119.33 and the required components of materials to be used by providers to inform assisted

120.1 living clients of their legal rights, and shall make the uniform format and the required
120.2 components available to assisted living providers.

120.3 Sec. 6. Minnesota Statutes 2009 Supplement, section 252.27, subdivision 2a, is
120.4 amended to read:

120.5 Subd. 2a. **Contribution amount.** (a) The natural or adoptive parents of a minor
120.6 child, including a child determined eligible for medical assistance without consideration of
120.7 parental income, must contribute to the cost of services used by making monthly payments
120.8 on a sliding scale based on income, unless the child is married or has been married,
120.9 parental rights have been terminated, or the child's adoption is subsidized according to
120.10 section 259.67 or through title IV-E of the Social Security Act. The parental contribution
120.11 is a partial or full payment for medical services provided for diagnostic, therapeutic,
120.12 curing, treating, mitigating, rehabilitation, maintenance, and personal care services as
120.13 defined in United States Code, title 26, section 213, needed by the child with a chronic
120.14 illness or disability.

120.15 (b) For households with adjusted gross income equal to or greater than 100 percent
120.16 of federal poverty guidelines, the parental contribution shall be computed by applying the
120.17 following schedule of rates to the adjusted gross income of the natural or adoptive parents:

120.18 (1) if the adjusted gross income is equal to or greater than 100 percent of federal
120.19 poverty guidelines and less than 175 percent of federal poverty guidelines, the parental
120.20 contribution is \$4 per month;

120.21 (2) if the adjusted gross income is equal to or greater than 175 percent of federal
120.22 poverty guidelines and less than or equal to 545 percent of federal poverty guidelines,
120.23 the parental contribution shall be determined using a sliding fee scale established by the
120.24 commissioner of human services which begins at one percent of adjusted gross income
120.25 at 175 percent of federal poverty guidelines and increases to 7.5 percent of adjusted
120.26 gross income for those with adjusted gross income up to 545 percent of federal poverty
120.27 guidelines;

120.28 (3) if the adjusted gross income is greater than 545 percent of federal poverty
120.29 guidelines and less than 675 percent of federal poverty guidelines, the parental
120.30 contribution shall be 7.5 percent of adjusted gross income;

120.31 (4) if the adjusted gross income is equal to or greater than 675 percent of federal
120.32 poverty guidelines and less than 975 percent of federal poverty guidelines, the parental
120.33 contribution shall be determined using a sliding fee scale established by the commissioner
120.34 of human services which begins at 7.5 percent of adjusted gross income at 675 percent of

121.1 federal poverty guidelines and increases to ten percent of adjusted gross income for those
121.2 with adjusted gross income up to 975 percent of federal poverty guidelines; and

121.3 (5) if the adjusted gross income is equal to or greater than 975 percent of federal
121.4 poverty guidelines, the parental contribution shall be 12.5 percent of adjusted gross
121.5 income.

121.6 If the child lives with the parent, the annual adjusted gross income is reduced by
121.7 \$2,400 prior to calculating the parental contribution. If the child resides in an institution
121.8 specified in section 256B.35, the parent is responsible for the personal needs allowance
121.9 specified under that section in addition to the parental contribution determined under this
121.10 section. The parental contribution is reduced by any amount required to be paid directly to
121.11 the child pursuant to a court order, but only if actually paid.

121.12 (c) The household size to be used in determining the amount of contribution under
121.13 paragraph (b) includes natural and adoptive parents and their dependents, including the
121.14 child receiving services. Adjustments in the contribution amount due to annual changes
121.15 in the federal poverty guidelines shall be implemented on the first day of July following
121.16 publication of the changes.

121.17 (d) For purposes of paragraph (b), "income" means the adjusted gross income of the
121.18 natural or adoptive parents determined according to the previous year's federal tax form,
121.19 except, effective retroactive to July 1, 2003, taxable capital gains to the extent the funds
121.20 have been used to purchase a home shall not be counted as income.

121.21 (e) The contribution shall be explained in writing to the parents at the time eligibility
121.22 for services is being determined. The contribution shall be made on a monthly basis
121.23 effective with the first month in which the child receives services. Annually upon
121.24 redetermination or at termination of eligibility, if the contribution exceeded the cost of
121.25 services provided, the local agency or the state shall reimburse that excess amount to
121.26 the parents, either by direct reimbursement if the parent is no longer required to pay a
121.27 contribution, or by a reduction in or waiver of parental fees until the excess amount is
121.28 exhausted. All reimbursements must include a notice that the amount reimbursed may be
121.29 taxable income if the parent paid for the parent's fees through an employer's health care
121.30 flexible spending account under the Internal Revenue Code, section 125, and that the
121.31 parent is responsible for paying the taxes owed on the amount reimbursed.

121.32 (f) The monthly contribution amount must be reviewed at least every 12 months;
121.33 when there is a change in household size; and when there is a loss of or gain in income
121.34 from one month to another in excess of ten percent. The local agency shall mail a written
121.35 notice 30 days in advance of the effective date of a change in the contribution amount.

122.1 A decrease in the contribution amount is effective in the month that the parent verifies a
122.2 reduction in income or change in household size.

122.3 (g) Parents of a minor child who do not live with each other shall each pay the
122.4 contribution required under paragraph (a). An amount equal to the annual court-ordered
122.5 child support payment actually paid on behalf of the child receiving services shall be
122.6 deducted from the adjusted gross income of the parent making the payment prior to
122.7 calculating the parental contribution under paragraph (b).

122.8 (h) The contribution under paragraph (b) shall be increased by an additional five
122.9 percent if the local agency determines that insurance coverage is available but not
122.10 obtained for the child. For purposes of this section, "available" means the insurance is a
122.11 benefit of employment for a family member at an annual cost of no more than five percent
122.12 of the family's annual income. For purposes of this section, "insurance" means health
122.13 and accident insurance coverage, enrollment in a nonprofit health service plan, health
122.14 maintenance organization, self-insured plan, or preferred provider organization.

122.15 Parents who have more than one child receiving services shall not be required
122.16 to pay more than the amount for the child with the highest expenditures. There shall
122.17 be no resource contribution from the parents. The parent shall not be required to pay
122.18 a contribution in excess of the cost of the services provided to the child, not counting
122.19 payments made to school districts for education-related services. Notice of an increase in
122.20 fee payment must be given at least 30 days before the increased fee is due.

122.21 (i) The contribution under paragraph (b) shall be reduced by \$300 per fiscal year if,
122.22 in the 12 months prior to July 1:

122.23 (1) the parent applied for insurance for the child;

122.24 (2) the insurer denied insurance;

122.25 (3) the parents submitted a complaint or appeal, in writing to the insurer, submitted
122.26 a complaint or appeal, in writing, to the commissioner of health or the commissioner of
122.27 commerce, or litigated the complaint or appeal; and

122.28 (4) as a result of the dispute, the insurer reversed its decision and granted insurance.

122.29 For purposes of this section, "insurance" has the meaning given in paragraph (h).

122.30 A parent who has requested a reduction in the contribution amount under this
122.31 paragraph shall submit proof in the form and manner prescribed by the commissioner or
122.32 county agency, including, but not limited to, the insurer's denial of insurance, the written
122.33 letter or complaint of the parents, court documents, and the written response of the insurer
122.34 approving insurance. The determinations of the commissioner or county agency under this
122.35 paragraph are not rules subject to chapter 14.

123.1 (j) Notwithstanding paragraph (b), for the period from July 1, 2010, to June 30,
123.2 2013, the parental contribution shall be computed by applying the following contribution
123.3 schedule to the adjusted gross income of the natural or adoptive parents:

123.4 (1) if the adjusted gross income is equal to or greater than 100 percent of federal
123.5 poverty guidelines and less than 175 percent of federal poverty guidelines, the parental
123.6 contribution is \$4 per month;

123.7 (2) if the adjusted gross income is equal to or greater than 175 percent of federal
123.8 poverty guidelines and less than or equal to 525 percent of federal poverty guidelines,
123.9 the parental contribution shall be determined using a sliding fee scale established by the
123.10 commissioner of human services which begins at one percent of adjusted gross income
123.11 at 175 percent of federal poverty guidelines and increases to eight percent of adjusted
123.12 gross income for those with adjusted gross income up to 525 percent of federal poverty
123.13 guidelines;

123.14 (3) if the adjusted gross income is greater than 525 percent of federal poverty
123.15 guidelines and less than 675 percent of federal poverty guidelines, the parental contribution
123.16 shall be 9.5 percent of adjusted gross income;

123.17 (4) if the adjusted gross income is equal to or greater than 675 percent of federal
123.18 poverty guidelines and less than 900 percent of federal poverty guidelines, the parental
123.19 contribution shall be determined using a sliding fee scale established by the commissioner
123.20 of human services which begins at 9.5 percent of adjusted gross income at 675 percent of
123.21 federal poverty guidelines and increases to 12 percent of adjusted gross income for those
123.22 with adjusted gross income up to 900 percent of federal poverty guidelines; and

123.23 (5) if the adjusted gross income is equal to or greater than 900 percent of federal
123.24 poverty guidelines, the parental contribution shall be 13.5 percent of adjusted gross
123.25 income. If the child lives with the parent, the annual adjusted gross income is reduced by
123.26 \$2,400 prior to calculating the parental contribution. If the child resides in an institution
123.27 specified in section 256B.35, the parent is responsible for the personal needs allowance
123.28 specified under that section in addition to the parental contribution determined under this
123.29 section. The parental contribution is reduced by any amount required to be paid directly to
123.30 the child pursuant to a court order, but only if actually paid.

123.31 **Sec. 7. [256.4825] REPORT REGARDING PROGRAMS AND SERVICES FOR**
123.32 **PEOPLE WITH DISABILITIES.**

123.33 The Minnesota State Council on Disability, the Minnesota Consortium for Citizens
123.34 with Disabilities, and the Arc of Minnesota may submit an annual report by January 15 of
123.35 each year, beginning in 2012, to the chairs and ranking minority members of the legislative

124.1 committees with jurisdiction over programs serving people with disabilities as provided in
124.2 this section. The report must describe the existing state policies and goals for programs
124.3 serving people with disabilities including, but not limited to, programs for employment,
124.4 transportation, housing, education, quality assurance, consumer direction, physical and
124.5 programmatic access, and health. The report must provide data and measurements to
124.6 assess the extent to which the policies and goals are being met. The commissioner of
124.7 human services and the commissioners of other state agencies administering programs for
124.8 people with disabilities shall cooperate with the Minnesota State Council on Disability,
124.9 the Minnesota Consortium for Citizens with Disabilities, and the Arc of Minnesota and
124.10 provide those organizations with existing published information and reports that will assist
124.11 in the preparation of the report.

124.12 Sec. 8. Minnesota Statutes 2008, section 256.9657, subdivision 3a, is amended to read:

124.13 Subd. 3a. **ICF/MR license surcharge.** (a) Effective July 1, 2003, each
124.14 non-state-operated facility as defined under section 256B.501, subdivision 1, shall pay
124.15 to the commissioner an annual surcharge according to the schedule in subdivision 4,
124.16 paragraph (d). The annual surcharge shall be \$1,040 per licensed bed. If the number of
124.17 licensed beds is reduced, the surcharge shall be based on the number of remaining licensed
124.18 beds the second month following the receipt of timely notice by the commissioner of
124.19 human services that beds have been delicensed. The facility must notify the commissioner
124.20 of health in writing when beds are delicensed. The commissioner of health must notify
124.21 the commissioner of human services within ten working days after receiving written
124.22 notification. If the notification is received by the commissioner of human services by
124.23 the 15th of the month, the invoice for the second following month must be reduced to
124.24 recognize the delicensing of beds. The commissioner may reduce, and may subsequently
124.25 restore, the surcharge under this subdivision based on the commissioner's determination of
124.26 a permissible surcharge.

124.27 (b) Effective July 1, 2010, the surcharge under paragraph (a) is increased to \$4,037
124.28 per licensed bed.

124.29 Sec. 9. Minnesota Statutes 2009 Supplement, section 256.975, subdivision 7, is
124.30 amended to read:

124.31 Subd. 7. **Consumer information and assistance and long-term care options**
124.32 **counseling; Senior LinkAge Line.** (a) The Minnesota Board on Aging shall operate a
124.33 statewide service to aid older Minnesotans and their families in making informed choices
124.34 about long-term care options and health care benefits. Language services to persons with

125.1 limited English language skills may be made available. The service, known as Senior
125.2 LinkAge Line, must be available during business hours through a statewide toll-free
125.3 number and must also be available through the Internet.

125.4 (b) The service must provide long-term care options counseling by assisting older
125.5 adults, caregivers, and providers in accessing information and options counseling about
125.6 choices in long-term care services that are purchased through private providers or available
125.7 through public options. The service must:

125.8 (1) develop a comprehensive database that includes detailed listings in both
125.9 consumer- and provider-oriented formats;

125.10 (2) make the database accessible on the Internet and through other telecommunication
125.11 and media-related tools;

125.12 (3) link callers to interactive long-term care screening tools and make these tools
125.13 available through the Internet by integrating the tools with the database;

125.14 (4) develop community education materials with a focus on planning for long-term
125.15 care and evaluating independent living, housing, and service options;

125.16 (5) conduct an outreach campaign to assist older adults and their caregivers in
125.17 finding information on the Internet and through other means of communication;

125.18 (6) implement a messaging system for overflow callers and respond to these callers
125.19 by the next business day;

125.20 (7) link callers with county human services and other providers to receive more
125.21 in-depth assistance and consultation related to long-term care options;

125.22 (8) link callers with quality profiles for nursing facilities and other providers
125.23 developed by the commissioner of health;

125.24 (9) incorporate information about the availability of housing options, as well as
125.25 registered housing with services and consumer rights within the MinnesotaHelp.info
125.26 network long-term care database to facilitate consumer comparison of services and costs
125.27 among housing with services establishments and with other in-home services and to
125.28 support financial self-sufficiency as long as possible. Housing with services establishments
125.29 and their arranged home care providers shall provide information ~~to the commissioner of~~
125.30 ~~human services that is consistent with information required by the commissioner of health~~
125.31 ~~under section 144G.06, the Uniform Consumer Information Guide~~ that will facilitate price
125.32 comparisons, including delineation of charges for rent and for services available. The
125.33 commissioners of health and human services shall align the data elements required by
125.34 section 144G.06, the Uniform Consumer Information Guide, and this section to provide
125.35 consumers standardized information and ease of comparison of long-term care options.

126.1 The commissioner of human services shall provide the data to the Minnesota Board on
126.2 Aging for inclusion in the MinnesotaHelp.info network long-term care database;

126.3 (10) provide long-term care options counseling. Long-term care options counselors
126.4 shall:

126.5 (i) for individuals not eligible for case management under a public program or public
126.6 funding source, provide interactive decision support under which consumers, family
126.7 members, or other helpers are supported in their deliberations to determine appropriate
126.8 long-term care choices in the context of the consumer's needs, preferences, values, and
126.9 individual circumstances, including implementing a community support plan;

126.10 (ii) provide Web-based educational information and collateral written materials to
126.11 familiarize consumers, family members, or other helpers with the long-term care basics,
126.12 issues to be considered, and the range of options available in the community;

126.13 (iii) provide long-term care futures planning, which means providing assistance to
126.14 individuals who anticipate having long-term care needs to develop a plan for the more
126.15 distant future; and

126.16 (iv) provide expertise in benefits and financing options for long-term care, including
126.17 Medicare, long-term care insurance, tax or employer-based incentives, reverse mortgages,
126.18 private pay options, and ways to access low or no-cost services or benefits through
126.19 volunteer-based or charitable programs; and

126.20 (11) using risk management and support planning protocols, provide long-term care
126.21 options counseling to current residents of nursing homes deemed appropriate for discharge
126.22 by the commissioner. In order to meet this requirement, the commissioner shall provide
126.23 designated Senior LinkAge Line contact centers with a list of nursing home residents
126.24 appropriate for discharge planning via a secure Web portal. Senior LinkAge Line shall
126.25 provide these residents, if they indicate a preference to receive long-term care options
126.26 counseling, with initial assessment, review of risk factors, independent living support
126.27 consultation, or referral to:

126.28 (i) long-term care consultation services under section 256B.0911;

126.29 (ii) designated care coordinators of contracted entities under section 256B.035 for
126.30 persons who are enrolled in a managed care plan; or

126.31 (iii) the long-term care consultation team for those who are appropriate for relocation
126.32 service coordination due to high-risk factors or psychological or physical disability.

126.33 Sec. 10. Minnesota Statutes 2008, section 256B.057, subdivision 9, is amended to read:

126.34 Subd. 9. **Employed persons with disabilities.** (a) Medical assistance may be paid
126.35 for a person who is employed and who:

127.1 (1) but for excess earnings or assets, meets the definition of disabled under the
127.2 supplemental security income program;

127.3 (2) is at least 16 but less than 65 years of age;

127.4 (3) meets the asset limits in paragraph (c); and

127.5 (4) ~~effective November 1, 2003~~, pays a premium and other obligations under
127.6 paragraph (e).

127.7 Any spousal income or assets shall be disregarded for purposes of eligibility and premium
127.8 determinations.

127.9 (b) After the month of enrollment, a person enrolled in medical assistance under
127.10 this subdivision who:

127.11 (1) is temporarily unable to work and without receipt of earned income due to a
127.12 medical condition, as verified by a physician, may retain eligibility for up to four calendar
127.13 months; or

127.14 (2) effective January 1, 2004, loses employment for reasons not attributable to the
127.15 enrollee, may retain eligibility for up to four consecutive months after the month of job
127.16 loss. To receive a four-month extension, enrollees must verify the medical condition or
127.17 provide notification of job loss. All other eligibility requirements must be met and the
127.18 enrollee must pay all calculated premium costs for continued eligibility.

127.19 (c) For purposes of determining eligibility under this subdivision, a person's assets
127.20 must not exceed \$20,000, excluding:

127.21 (1) all assets excluded under section 256B.056;

127.22 (2) retirement accounts, including individual accounts, 401(k) plans, 403(b) plans,
127.23 Keogh plans, and pension plans; and

127.24 (3) medical expense accounts set up through the person's employer.

127.25 (d)(1) Effective January 1, 2004, for purposes of eligibility, there will be a \$65
127.26 earned income disregard. To be eligible, a person applying for medical assistance under
127.27 this subdivision must have earned income above the disregard level.

127.28 (2) Effective January 1, 2004, to be considered earned income, Medicare, Social
127.29 Security, and applicable state and federal income taxes must be withheld. To be eligible,
127.30 a person must document earned income tax withholding.

127.31 (e)(1) A person whose earned and unearned income is equal to or greater than 100
127.32 percent of federal poverty guidelines for the applicable family size must pay a premium
127.33 to be eligible for medical assistance under this subdivision. The premium shall be based
127.34 on the person's gross earned and unearned income and the applicable family size using a
127.35 sliding fee scale established by the commissioner, which begins at one percent of income
127.36 at 100 percent of the federal poverty guidelines and increases to 7.5 percent of income

128.1 for those with incomes at or above 300 percent of the federal poverty guidelines. Annual
128.2 adjustments in the premium schedule based upon changes in the federal poverty guidelines
128.3 shall be effective for premiums due in July of each year.

128.4 (2) Effective January 1, 2004, all enrollees must pay a premium to be eligible for
128.5 medical assistance under this subdivision. An enrollee shall pay the greater of a \$35
128.6 premium or the premium calculated in clause (1).

128.7 (3) Effective November 1, 2003, all enrollees who receive unearned income must
128.8 pay one-half of one percent of unearned income in addition to the premium amount.

128.9 (4) Effective November 1, 2003, for enrollees whose income does not exceed 200
128.10 percent of the federal poverty guidelines and who are also enrolled in Medicare, the
128.11 commissioner must reimburse the enrollee for Medicare Part B premiums under section
128.12 256B.0625, subdivision 15, paragraph (a).

128.13 (5) Increases in benefits under title II of the Social Security Act shall not be counted
128.14 as income for purposes of this subdivision until July 1 of each year.

128.15 (f) A person's eligibility and premium shall be determined by the local county
128.16 agency. Premiums must be paid to the commissioner. All premiums are dedicated to
128.17 the commissioner.

128.18 (g) Any required premium shall be determined at application and redetermined at
128.19 the enrollee's six-month income review or when a change in income or household size is
128.20 reported. Enrollees must report any change in income or household size within ten days
128.21 of when the change occurs. A decreased premium resulting from a reported change in
128.22 income or household size shall be effective the first day of the next available billing month
128.23 after the change is reported. Except for changes occurring from annual cost-of-living
128.24 increases, a change resulting in an increased premium shall not affect the premium amount
128.25 until the next six-month review.

128.26 (h) Premium payment is due upon notification from the commissioner of the
128.27 premium amount required. Premiums may be paid in installments at the discretion of
128.28 the commissioner.

128.29 (i) Nonpayment of the premium shall result in denial or termination of medical
128.30 assistance unless the person demonstrates good cause for nonpayment. Good cause exists
128.31 if the requirements specified in Minnesota Rules, part 9506.0040, subpart 7, items B to
128.32 D, are met. Except when an installment agreement is accepted by the commissioner,
128.33 all persons disenrolled for nonpayment of a premium must pay any past due premiums
128.34 as well as current premiums due prior to being reenrolled. Nonpayment shall include
128.35 payment with a returned, refused, or dishonored instrument. The commissioner may

129.1 require a guaranteed form of payment as the only means to replace a returned, refused,
129.2 or dishonored instrument.

129.3 (j) The commissioner shall notify enrollees annually beginning at least 24 months
129.4 before the person's 65th birthday of the medical assistance eligibility rules affecting
129.5 income, assets, and treatment of a spouse's income and assets that will be applied upon
129.6 reaching age 65.

129.7 **EFFECTIVE DATE.** This section is effective January 1, 2011.

129.8 Sec. 11. Minnesota Statutes 2009 Supplement, section 256B.0659, subdivision 11,
129.9 is amended to read:

129.10 Subd. 11. **Personal care assistant; requirements.** (a) A personal care assistant
129.11 must meet the following requirements:

129.12 (1) be at least 18 years of age with the exception of persons who are 16 or 17 years
129.13 of age with these additional requirements:

129.14 (i) supervision by a qualified professional every 60 days; and

129.15 (ii) employment by only one personal care assistance provider agency responsible
129.16 for compliance with current labor laws;

129.17 (2) be employed by a personal care assistance provider agency;

129.18 (3) enroll with the department as a personal care assistant after clearing a background
129.19 study. Before a personal care assistant provides services, the personal care assistance
129.20 provider agency must initiate a background study on the personal care assistant under
129.21 chapter 245C, and the personal care assistance provider agency must have received a
129.22 notice from the commissioner that the personal care assistant is:

129.23 (i) not disqualified under section 245C.14; or

129.24 (ii) is disqualified, but the personal care assistant has received a set aside of the
129.25 disqualification under section 245C.22;

129.26 (4) be able to effectively communicate with the recipient and personal care
129.27 assistance provider agency;

129.28 (5) be able to provide covered personal care assistance services according to the
129.29 recipient's personal care assistance care plan, respond appropriately to recipient needs,
129.30 and report changes in the recipient's condition to the supervising qualified professional
129.31 or physician;

129.32 (6) not be a consumer of personal care assistance services;

129.33 (7) maintain daily written records including, but not limited to, time sheets under
129.34 subdivision 12;

130.1 (8) effective January 1, 2010, complete standardized training as determined by the
130.2 commissioner before completing enrollment. Personal care assistant training must include
130.3 successful completion of the following training components: basic first aid, vulnerable
130.4 adult, child maltreatment, OSHA universal precautions, basic roles and responsibilities of
130.5 personal care assistants including information about assistance with lifting and transfers
130.6 for recipients, emergency preparedness, orientation to positive behavioral practices, fraud
130.7 issues, and completion of time sheets. Upon completion of the training components,
130.8 the personal care assistant must demonstrate the competency to provide assistance to
130.9 recipients;

130.10 (9) complete training and orientation on the needs of the recipient within the first
130.11 seven days after the services begin; and

130.12 (10) be limited to providing and being paid for up to ~~310~~ 275 hours per month of
130.13 personal care assistance services regardless of the number of recipients being served or the
130.14 number of personal care assistance provider agencies enrolled with.

130.15 (b) A legal guardian may be a personal care assistant if the guardian is not being paid
130.16 for the guardian services and meets the criteria for personal care assistants in paragraph (a).

130.17 (c) Effective January 1, 2010, persons who do not qualify as a personal care assistant
130.18 include parents and stepparents of minors, spouses, paid legal guardians, family foster
130.19 care providers, except as otherwise allowed in section 256B.0625, subdivision 19a, or
130.20 staff of a residential setting.

130.21 **EFFECTIVE DATE.** This section is effective July 1, 2011.

130.22 Sec. 12. Minnesota Statutes 2008, section 256B.0915, is amended by adding a
130.23 subdivision to read:

130.24 **Subd. 3i. Rate reduction for customized living and 24-hour customized living**
130.25 **services.** (a) Effective July 1, 2010, the commissioner shall reduce service component
130.26 rates and service rate limits for customized living services and 24-hour customized living
130.27 services, from the rates in effect on June 30, 2010, by five percent.

130.28 (b) To implement the rate reductions in this subdivision, capitation rates paid by the
130.29 commissioner to managed care organizations under section 256B.69 shall reflect a ten
130.30 percent reduction for the specified services for the period January 1, 2011, to June 30,
130.31 2011, and a five percent reduction for those services on and after July 1, 2011.

130.32 Sec. 13. Minnesota Statutes 2009 Supplement, section 256B.441, subdivision 55,
130.33 is amended to read:

131.1 Subd. 55. **Phase-in of rebased operating payment rates.** (a) For the rate years
 131.2 beginning October 1, 2008, to October 1, 2015, the operating payment rate calculated
 131.3 under this section shall be phased in by blending the operating rate with the operating
 131.4 payment rate determined under section 256B.434. For purposes of this subdivision, the
 131.5 rate to be used that is determined under section 256B.434 shall not include the portion of
 131.6 the operating payment rate related to performance-based incentive payments under section
 131.7 256B.434, subdivision 4, paragraph (d). For the rate year beginning October 1, 2008, the
 131.8 operating payment rate for each facility shall be 13 percent of the operating payment rate
 131.9 from this section, and 87 percent of the operating payment rate from section 256B.434.
 131.10 ~~For the rate year beginning October 1, 2009, the operating payment rate for each facility~~
 131.11 ~~shall be 14 percent of the operating payment rate from this section, and 86 percent of~~
 131.12 ~~the operating payment rate from section 256B.434. For rate years beginning October 1,~~
 131.13 ~~2010; October 1, 2011; and October 1, 2012, For the rate period from October 1, 2009, to~~
 131.14 September 30, 2013, no rate adjustments shall be implemented under this section, but shall
 131.15 be determined under section 256B.434. For the rate year beginning October 1, 2013, the
 131.16 operating payment rate for each facility shall be 65 percent of the operating payment rate
 131.17 from this section, and 35 percent of the operating payment rate from section 256B.434.
 131.18 For the rate year beginning October 1, 2014, the operating payment rate for each facility
 131.19 shall be 82 percent of the operating payment rate from this section, and 18 percent of the
 131.20 operating payment rate from section 256B.434. For the rate year beginning October 1,
 131.21 2015, the operating payment rate for each facility shall be the operating payment rate
 131.22 determined under this section. The blending of operating payment rates under this section
 131.23 shall be performed separately for each RUG's class.

131.24 (b) For the rate year beginning October 1, 2008, the commissioner shall apply limits
 131.25 to the operating payment rate increases under paragraph (a) by creating a minimum
 131.26 percentage increase and a maximum percentage increase.

131.27 (1) Each nursing facility that receives a blended October 1, 2008, operating payment
 131.28 rate increase under paragraph (a) of less than one percent, when compared to its operating
 131.29 payment rate on September 30, 2008, computed using rates with RUG's weight of 1.00,
 131.30 shall receive a rate adjustment of one percent.

131.31 (2) The commissioner shall determine a maximum percentage increase that will
 131.32 result in savings equal to the cost of allowing the minimum increase in clause (1). Nursing
 131.33 facilities with a blended October 1, 2008, operating payment rate increase under paragraph
 131.34 (a) greater than the maximum percentage increase determined by the commissioner, when
 131.35 compared to its operating payment rate on September 30, 2008, computed using rates with
 131.36 a RUG's weight of 1.00, shall receive the maximum percentage increase.

132.1 (3) Nursing facilities with a blended October 1, 2008, operating payment rate
132.2 increase under paragraph (a) greater than one percent and less than the maximum
132.3 percentage increase determined by the commissioner, when compared to its operating
132.4 payment rate on September 30, 2008, computed using rates with a RUG's weight of 1.00,
132.5 shall receive the blended October 1, 2008, operating payment rate increase determined
132.6 under paragraph (a).

132.7 (4) The October 1, 2009, through October 1, 2015, operating payment rate for
132.8 facilities receiving the maximum percentage increase determined in clause (2) shall be
132.9 the amount determined under paragraph (a) less the difference between the amount
132.10 determined under paragraph (a) for October 1, 2008, and the amount allowed under clause
132.11 (2). This rate restriction does not apply to rate increases provided in any other section.

132.12 (c) A portion of the funds received under this subdivision that are in excess of
132.13 operating payment rates that a facility would have received under section 256B.434, as
132.14 determined in accordance with clauses (1) to (3), shall be subject to the requirements in
132.15 section 256B.434, subdivision 19, paragraphs (b) to (h).

132.16 (1) Determine the amount of additional funding available to a facility, which shall be
132.17 equal to total medical assistance resident days from the most recent reporting year times
132.18 the difference between the blended rate determined in paragraph (a) for the rate year being
132.19 computed and the blended rate for the prior year.

132.20 (2) Determine the portion of all operating costs, for the most recent reporting year,
132.21 that are compensation related. If this value exceeds 75 percent, use 75 percent.

132.22 (3) Subtract the amount determined in clause (2) from 75 percent.

132.23 (4) The portion of the fund received under this subdivision that shall be subject to
132.24 the requirements in section 256B.434, subdivision 19, paragraphs (b) to (h), shall equal
132.25 the amount determined in clause (1) times the amount determined in clause (3).

132.26 **EFFECTIVE DATE.** This section is effective retroactive to October 1, 2009.

132.27 Sec. 14. Minnesota Statutes 2008, section 256B.5012, is amended by adding a
132.28 subdivision to read:

132.29 **Subd. 9. Rate increase effective June 1, 2010.** For rate periods beginning on or
132.30 after June 1, 2010, the commissioner shall increase the total operating payment rate for
132.31 each facility reimbursed under this section by \$8.74 per day. The increase shall not be
132.32 subject to any annual percentage increase.

132.33 **EFFECTIVE DATE.** This section is effective June 1, 2010.

133.1 Sec. 15. Minnesota Statutes 2009 Supplement, section 256B.69, subdivision 23,
133.2 is amended to read:

133.3 Subd. 23. **Alternative services; elderly and disabled persons.** (a) The
133.4 commissioner may implement demonstration projects to create alternative integrated
133.5 delivery systems for acute and long-term care services to elderly persons and persons
133.6 with disabilities as defined in section 256B.77, subdivision 7a, that provide increased
133.7 coordination, improve access to quality services, and mitigate future cost increases.
133.8 The commissioner may seek federal authority to combine Medicare and Medicaid
133.9 capitation payments for the purpose of such demonstrations and may contract with
133.10 Medicare-approved special needs plans to provide Medicaid services. Medicare funds and
133.11 services shall be administered according to the terms and conditions of the federal contract
133.12 and demonstration provisions. For the purpose of administering medical assistance funds,
133.13 demonstrations under this subdivision are subject to subdivisions 1 to 22. The provisions
133.14 of Minnesota Rules, parts 9500.1450 to 9500.1464, apply to these demonstrations,
133.15 with the exceptions of parts 9500.1452, subpart 2, item B; and 9500.1457, subpart 1,
133.16 items B and C, which do not apply to persons enrolling in demonstrations under this
133.17 section. An initial open enrollment period may be provided. Persons who disenroll from
133.18 demonstrations under this subdivision remain subject to Minnesota Rules, parts 9500.1450
133.19 to 9500.1464. When a person is enrolled in a health plan under these demonstrations and
133.20 the health plan's participation is subsequently terminated for any reason, the person shall
133.21 be provided an opportunity to select a new health plan and shall have the right to change
133.22 health plans within the first 60 days of enrollment in the second health plan. Persons
133.23 required to participate in health plans under this section who fail to make a choice of
133.24 health plan shall not be randomly assigned to health plans under these demonstrations.
133.25 Notwithstanding section 256L.12, subdivision 5, and Minnesota Rules, part 9505.5220,
133.26 subpart 1, item A, if adopted, for the purpose of demonstrations under this subdivision,
133.27 the commissioner may contract with managed care organizations, including counties, to
133.28 serve only elderly persons eligible for medical assistance, elderly and disabled persons, or
133.29 disabled persons only. For persons with a primary diagnosis of developmental disability,
133.30 serious and persistent mental illness, or serious emotional disturbance, the commissioner
133.31 must ensure that the county authority has approved the demonstration and contracting
133.32 design. Enrollment in these projects for persons with disabilities shall be voluntary. The
133.33 commissioner shall not implement any demonstration project under this subdivision for
133.34 persons with a primary diagnosis of developmental disabilities, serious and persistent
133.35 mental illness, or serious emotional disturbance, without approval of the county board of
133.36 the county in which the demonstration is being implemented.

134.1 (b) Notwithstanding chapter 245B, sections 252.40 to 252.46, 256B.092, 256B.501
 134.2 to 256B.5015, and Minnesota Rules, parts 9525.0004 to 9525.0036, 9525.1200 to
 134.3 9525.1330, 9525.1580, and 9525.1800 to 9525.1930, the commissioner may implement
 134.4 under this section projects for persons with developmental disabilities. The commissioner
 134.5 may capitate payments for ICF/MR services, waived services for developmental
 134.6 disabilities, including case management services, day training and habilitation and
 134.7 alternative active treatment services, and other services as approved by the state and by the
 134.8 federal government. Case management and active treatment must be individualized and
 134.9 developed in accordance with a person-centered plan. Costs under these projects may not
 134.10 exceed costs that would have been incurred under fee-for-service. Beginning July 1, 2003,
 134.11 and until four years after the pilot project implementation date, subcontractor participation
 134.12 in the long-term care developmental disability pilot is limited to a nonprofit long-term
 134.13 care system providing ICF/MR services, home and community-based waiver services,
 134.14 and in-home services to no more than 120 consumers with developmental disabilities in
 134.15 Carver, Hennepin, and Scott Counties. The commissioner shall report to the legislature
 134.16 prior to expansion of the developmental disability pilot project. This paragraph expires
 134.17 four years after the implementation date of the pilot project.

134.18 (c) Before implementation of a demonstration project for disabled persons, the
 134.19 commissioner must provide information to appropriate committees of the house of
 134.20 representatives and senate and must involve representatives of affected disability groups
 134.21 in the design of the demonstration projects.

134.22 (d) A nursing facility reimbursed under the alternative reimbursement methodology
 134.23 in section 256B.434 may, in collaboration with a hospital, clinic, or other health care entity
 134.24 provide services under paragraph (a). The commissioner shall amend the state plan and
 134.25 seek any federal waivers necessary to implement this paragraph.

134.26 (e) The commissioner, in consultation with the commissioners of commerce and
 134.27 health, may approve and implement programs for all-inclusive care for the elderly (PACE)
 134.28 according to federal laws and regulations governing that program and state laws or rules
 134.29 applicable to participating providers. ~~The process for approval of these programs shall~~
 134.30 ~~begin only after the commissioner receives grant money in an amount sufficient to cover~~
 134.31 ~~the state share of the administrative and actuarial costs to implement the programs during~~
 134.32 ~~state fiscal years 2006 and 2007. Grant amounts for this purpose shall be deposited in an~~
 134.33 ~~account in the special revenue fund and are appropriated to the commissioner to be used~~
 134.34 ~~solely for the purpose of PACE administrative and actuarial costs.~~ A PACE provider is
 134.35 not required to be licensed or certified as a health plan company as defined in section
 134.36 62Q.01, subdivision 4. Persons age 55 and older who have been screened by the county

135.1 and found to be eligible for services under the elderly waiver or community alternatives
 135.2 for disabled individuals or who are already eligible for Medicaid but meet level of
 135.3 care criteria for receipt of waiver services may choose to enroll in the PACE program.
 135.4 Medicare and Medicaid services will be provided according to this subdivision and
 135.5 federal Medicare and Medicaid requirements governing PACE providers and programs.
 135.6 PACE enrollees will receive Medicaid home and community-based services through the
 135.7 PACE provider as an alternative to services for which they would otherwise be eligible
 135.8 through home and community-based waiver programs and Medicaid State Plan Services.
 135.9 The commissioner shall establish Medicaid rates for PACE providers that do not exceed
 135.10 costs that would have been incurred under fee-for-service or other relevant managed care
 135.11 programs operated by the state.

135.12 (f) The commissioner shall seek federal approval to expand the Minnesota disability
 135.13 health options (MnDHO) program established under this subdivision in stages, first to
 135.14 regional population centers outside the seven-county metro area and then to all areas of
 135.15 the state. Until July 1, 2009, expansion for MnDHO projects that include home and
 135.16 community-based services is limited to the two projects and service areas in effect on
 135.17 March 1, 2006. Enrollment in integrated MnDHO programs that include home and
 135.18 community-based services shall remain voluntary. Costs for home and community-based
 135.19 services included under MnDHO must not exceed costs that would have been incurred
 135.20 under the fee-for-service program. Notwithstanding whether expansion occurs under
 135.21 this paragraph, in determining MnDHO payment rates and risk adjustment methods ~~for~~
 135.22 ~~contract years starting in 2012~~, the commissioner must consider the methods used to
 135.23 determine county allocations for home and community-based program participants. If
 135.24 necessary to reduce MnDHO rates to comply with the provision regarding MnDHO costs
 135.25 for home and community-based services, the commissioner shall achieve the reduction
 135.26 by maintaining the base rate for contract ~~years~~ year 2010 ~~and 2011~~ for services provided
 135.27 under the community alternatives for disabled individuals waiver at the same level as for
 135.28 contract year 2009. The commissioner may apply other reductions to MnDHO rates to
 135.29 implement decreases in provider payment rates required by state law. Effective January
 135.30 1, 2011, enrollment and operation of the MnDHO program in effect during 2010 shall
 135.31 cease. The commissioner may reopen the program provided all applicable conditions of
 135.32 this section are met. In developing program specifications for expansion of integrated
 135.33 programs, the commissioner shall involve and consult the state-level stakeholder group
 135.34 established in subdivision 28, paragraph (d), including consultation on whether and how
 135.35 to include home and community-based waiver programs. ~~Plans for further expansion of to~~
 135.36 reopen MnDHO projects shall be presented to the chairs of the house of representatives

136.1 and senate committees with jurisdiction over health and human services policy and finance
136.2 ~~by February 1, 2007~~ prior to implementation.

136.3 (g) Notwithstanding section 256B.0261, health plans providing services under this
136.4 section are responsible for home care targeted case management and relocation targeted
136.5 case management. Services must be provided according to the terms of the waivers and
136.6 contracts approved by the federal government.

136.7 Sec. 16. Laws 2009, chapter 79, article 8, section 51, the effective date, is amended to
136.8 read:

136.9 **EFFECTIVE DATE.** This section is effective ~~January~~ July 1, 2011.

136.10 Sec. 17. Laws 2009, chapter 79, article 8, section 84, is amended to read:

136.11 Sec. 84. **HOUSING OPTIONS.**

136.12 The commissioner of human services, in consultation with the commissioner of
136.13 administration and the Minnesota Housing Finance Agency, and representatives of
136.14 counties, residents' advocacy groups, consumers of housing services, and provider
136.15 agencies shall explore ways to maximize the availability and affordability of housing
136.16 choices available to persons with disabilities or who need care assistance due to other
136.17 health challenges. A goal shall also be to minimize state physical plant costs in order to
136.18 serve more persons with appropriate program and care support. Consideration shall be
136.19 given to:

136.20 (1) improved access to rent subsidies;

136.21 (2) use of cooperatives, land trusts, and other limited equity ownership models;

136.22 (3) whether a public equity housing fund should be established that would maintain
136.23 the state's interest, to the extent paid from state funds, including group residential housing
136.24 and Minnesota supplemental aid shelter-needy funds in provider-owned housing, so that
136.25 when sold, the state would recover its share for a public equity fund to be used for future
136.26 public needs under this chapter;

136.27 (4) the desirability of the state acquiring an ownership interest or promoting the
136.28 use of publicly owned housing;

136.29 (5) promoting more choices in the market for accessible housing that meets the
136.30 needs of persons with physical challenges; ~~and~~

136.31 (6) what consumer ownership models, if any, are appropriate; and

136.32 (7) a review of the definition of home and community services and appropriate
136.33 settings where these services may be provided, including the number of people who

137.1 may reside under one roof, through the home and community-based waivers for seniors
137.2 and individuals with disabilities.

137.3 The commissioner shall provide a written report on the findings of the evaluation of
137.4 housing options to the chairs and ranking minority members of the house of representatives
137.5 and senate standing committees with jurisdiction over health and human services policy
137.6 and funding by December 15, 2010. This report shall replace the November 1, 2010,
137.7 annual report by the commissioner required in Minnesota Statutes, sections 256B.0916,
137.8 subdivision 7, and 256B.49, subdivision 21.

137.9 Sec. 18. **COMMISSIONER TO SEEK FEDERAL MATCH.**

137.10 (a) The commissioner of human services shall seek federal financial participation
137.11 for eligible activity related to fiscal years 2010 and 2011 grants to Advocating Change
137.12 Together to establish a statewide self-advocacy network for persons with developmental
137.13 disabilities and for eligible activities under any future grants to the organization.

137.14 (b) The commissioner shall report to the chairs and ranking minority members of
137.15 the senate Health and Human Services Budget Division and the house of representatives
137.16 Health Care and Human Services Finance Division by December 15, 2010, with the
137.17 results of the application for federal matching funds.

137.18 Sec. 19. **ICF/MR RATE INCREASE.**

137.19 The daily rate at an intermediate care facility for the developmentally disabled
137.20 located in Clearwater County and classified as a Class A facility with 15 beds shall be
137.21 increased from \$112.73 to \$138.23 for the rate period July 1, 2010, to June 30, 2011.

137.22 **ARTICLE 18**

137.23 **CHILDREN AND FAMILY SERVICES**

137.24 Section 1. Minnesota Statutes 2008, section 256D.0515, is amended to read:

137.25 **256D.0515 ASSET LIMITATIONS FOR FOOD STAMP HOUSEHOLDS.**

137.26 All food stamp households must be determined eligible for the benefit discussed
137.27 under section 256.029. Food stamp households must demonstrate that:

137.28 ~~(1) their gross income meets the federal Food Stamp requirements under United~~
137.29 ~~States Code, title 7, section 2014(c); and~~

137.30 ~~(2) they have financial resources, excluding vehicles, of less than \$7,000 is equal to~~
137.31 or less than 165 percent of the federal poverty guidelines for the same family size.

137.32 **EFFECTIVE DATE.** This section is effective November 1, 2010.

138.1 Sec. 2. Minnesota Statutes 2008, section 256I.05, is amended by adding a subdivision
138.2 to read:

138.3 Subd. 1n. **Supplemental rate; Mahnomen County.** Notwithstanding the
138.4 provisions of this section, for the rate period July 1, 2010, to June 30, 2011, a county
138.5 agency shall negotiate a supplemental service rate in addition to the rate specified in
138.6 subdivision 1, not to exceed \$753 per month or the existing rate, including any legislative
138.7 authorized inflationary adjustments, for a group residential provider located in Mahnomen
138.8 County that operates a 28-bed facility providing 24-hour care to individuals who are
138.9 homeless, disabled, chemically dependent, mentally ill, or chronically homeless.

138.10 Sec. 3. Minnesota Statutes 2008, section 256J.24, subdivision 6, is amended to read:

138.11 Subd. 6. **Family cap.** (a) MFIP assistance units shall not receive an increase in the
138.12 cash portion of the transitional standard as a result of the birth of a child, unless one of
138.13 the conditions under paragraph (b) is met. The child shall be considered a member of the
138.14 assistance unit according to subdivisions 1 to 3, but shall be excluded in determining
138.15 family size for purposes of determining the amount of the cash portion of the transitional
138.16 standard under subdivision 5. The child shall be included in determining family size for
138.17 purposes of determining the food portion of the transitional standard. The transitional
138.18 standard under this subdivision shall be the total of the cash and food portions as specified
138.19 in this paragraph. The family wage level under this subdivision shall be based on the
138.20 family size used to determine the food portion of the transitional standard.

138.21 (b) A child shall be included in determining family size for purposes of determining
138.22 the amount of the cash portion of the MFIP transitional standard when at least one of
138.23 the following conditions is met:

138.24 (1) for families receiving MFIP assistance on July 1, 2003, the child is born to the
138.25 adult parent before May 1, 2004;

138.26 (2) for families who apply for the diversionary work program under section 256J.95
138.27 or MFIP assistance on or after July 1, 2003, the child is born to the adult parent within
138.28 ten months of the date the family is eligible for assistance;

138.29 (3) the child was conceived as a result of a sexual assault or incest, provided that the
138.30 incident has been reported to a law enforcement agency;

138.31 (4) the child's mother is a minor caregiver as defined in section 256J.08, subdivision
138.32 59, and the child, or multiple children, are the mother's first birth; ~~or~~

138.33 (5) the child is the mother's first child subsequent to a pregnancy that did not result
138.34 in a live birth; or

139.1 (6) any child previously excluded in determining family size under paragraph
139.2 (a) shall be included if the adult parent or parents have not received benefits from the
139.3 diversionary work program under section 256J.95 or MFIP assistance in the previous ten
139.4 months. An adult parent or parents who reapply and have received benefits from the
139.5 diversionary work program or MFIP assistance in the past ten months shall be under the
139.6 ten-month grace period of their previous application under clause (2).

139.7 (c) Income and resources of a child excluded under this subdivision, except child
139.8 support received or distributed on behalf of this child, must be considered using the same
139.9 policies as for other children when determining the grant amount of the assistance unit.

139.10 (d) The caregiver must assign support and cooperate with the child support
139.11 enforcement agency to establish paternity and collect child support on behalf of the
139.12 excluded child. Failure to cooperate results in the sanction specified in section 256J.46,
139.13 subdivisions 2 and 2a. Current support paid on behalf of the excluded child shall be
139.14 distributed according to section 256.741, subdivision 15.

139.15 (e) County agencies must inform applicants of the provisions under this subdivision
139.16 at the time of each application and at recertification.

139.17 (f) Children excluded under this provision shall be deemed MFIP recipients for
139.18 purposes of child care under chapter 119B.

139.19 **EFFECTIVE DATE.** This section is effective September 1, 2010.

139.20 Sec. 4. Minnesota Statutes 2009 Supplement, section 256J.425, subdivision 3, is
139.21 amended to read:

139.22 Subd. 3. **Hard-to-employ participants.** (a) An assistance unit subject to the time
139.23 limit in section 256J.42, subdivision 1, is eligible to receive months of assistance under
139.24 a hardship extension if the participant who reached the time limit belongs to any of the
139.25 following groups:

139.26 (1) a person who is diagnosed by a licensed physician, psychological practitioner, or
139.27 other qualified professional, as developmentally disabled or mentally ill, and the condition
139.28 severely limits the person's ability to obtain or maintain suitable employment;

139.29 (2) a person who:

139.30 (i) has been assessed by a vocational specialist or the county agency to be
139.31 unemployable for purposes of this subdivision; or

139.32 (ii) has an IQ below 80 who has been assessed by a vocational specialist or a county
139.33 agency to be employable, but the condition severely limits the person's ability to obtain or
139.34 maintain suitable employment. The determination of IQ level must be made by a qualified
139.35 professional. In the case of a non-English-speaking person: (A) the determination must

140.1 be made by a qualified professional with experience conducting culturally appropriate
140.2 assessments, whenever possible; (B) the county may accept reports that identify an
140.3 IQ range as opposed to a specific score; (C) these reports must include a statement of
140.4 confidence in the results;

140.5 (3) a person who is determined by a qualified professional to be learning disabled,
140.6 and the condition severely limits the person's ability to obtain or maintain suitable
140.7 employment. For purposes of the initial approval of a learning disability extension, the
140.8 determination must have been made or confirmed within the previous 12 months. In the
140.9 case of a non-English-speaking person: (i) the determination must be made by a qualified
140.10 professional with experience conducting culturally appropriate assessments, whenever
140.11 possible; and (ii) these reports must include a statement of confidence in the results. If a
140.12 rehabilitation plan for a participant extended as learning disabled is developed or approved
140.13 by the county agency, the plan must be incorporated into the employment plan. However,
140.14 a rehabilitation plan does not replace the requirement to develop and comply with an
140.15 employment plan under section 256J.521; or

140.16 (4) a person who has been granted a family violence waiver, and who is complying
140.17 with an employment plan under section 256J.521, subdivision 3.

140.18 (b) For purposes of this ~~section~~ chapter, "severely limits the person's ability to obtain
140.19 or maintain suitable employment" means:

140.20 (1) that a qualified professional has determined that the person's condition prevents
140.21 the person from working 20 or more hours per week; or

140.22 (2) for a person who meets the requirements of paragraph (a), clause (2), item (ii), or
140.23 clause (3), a qualified professional has determined the person's condition:

140.24 (i) significantly restricts the range of employment that the person is able to perform;
140.25 or

140.26 (ii) significantly interferes with the person's ability to obtain or maintain suitable
140.27 employment for 20 or more hours per week.

140.28 Sec. 5. Minnesota Statutes 2009 Supplement, section 256J.621, is amended to read:

140.29 **256J.621 WORK PARTICIPATION CASH BENEFITS.**

140.30 (a) Effective October 1, 2009, upon exiting the diversionary work program (DWP)
140.31 or upon terminating the Minnesota family investment program with earnings, a participant
140.32 who is employed may be eligible for work participation cash benefits of ~~\$50~~ \$25 per
140.33 month to assist in meeting the family's basic needs as the participant continues to move
140.34 toward self-sufficiency.

141.1 (b) To be eligible for work participation cash benefits, the participant shall not
141.2 receive MFIP or diversionary work program assistance during the month and the
141.3 participant or participants must meet the following work requirements:

141.4 (1) if the participant is a single caregiver and has a child under six years of age, the
141.5 participant must be employed at least 87 hours per month;

141.6 (2) if the participant is a single caregiver and does not have a child under six years of
141.7 age, the participant must be employed at least 130 hours per month; or

141.8 (3) if the household is a two-parent family, at least one of the parents must be
141.9 employed an average of at least 130 hours per month.

141.10 Whenever a participant exits the diversionary work program or is terminated from
141.11 MFIP and meets the other criteria in this section, work participation cash benefits are
141.12 available for up to 24 consecutive months.

141.13 (c) Expenditures on the program are maintenance of effort state funds under
141.14 a separate state program for participants under paragraph (b), clauses (1) and (2).
141.15 Expenditures for participants under paragraph (b), clause (3), are nonmaintenance of effort
141.16 funds. Months in which a participant receives work participation cash benefits under this
141.17 section do not count toward the participant's MFIP 60-month time limit.

141.18 **EFFECTIVE DATE.** This section is effective December 1, 2010.

141.19 **ARTICLE 19**

141.20 **MISCELLANEOUS**

141.21 Section 1. **[62Q.545] COVERAGE OF PRIVATE DUTY NURSING SERVICES.**

141.22 (a) Private duty nursing services, as provided under section 256B.0625, subdivision
141.23 7, with the exception of section 256B.0654, subdivision 4, shall be covered under a health
141.24 plan for persons who are concurrently covered by both the health plan and enrolled in
141.25 medical assistance under chapter 256B.

141.26 (b) For purposes of this section, a period of private duty nursing services may
141.27 be subject to the co-payment, coinsurance, deductible, or other enrollee cost-sharing
141.28 requirements that apply under the health plan. Cost-sharing requirements for private
141.29 duty nursing services must not place a greater financial burden on the insured or enrollee
141.30 than those requirements applied by the health plan to other similar services or benefits.
141.31 Nothing in this section is intended to prevent a health plan company from requiring
141.32 prior authorization by the health plan company for such services as required by section
141.33 256B.0625, subdivision 7, or use of contracted providers under the applicable provisions
141.34 of the health plan.

142.1 **EFFECTIVE DATE.** This section is effective July 1, 2010, and applies to health
142.2 plans offered, sold, issued, or renewed on or after that date.

142.3 **Sec. 2. [137.32] MINNESOTA COUPLES ON THE BRINK PROJECT.**

142.4 Subdivision 1. **Establishment.** Within the limits of available appropriations, the
142.5 Board of Regents of the University of Minnesota is requested to develop and implement
142.6 a Minnesota couples on the brink project, as provided for in this section. The regents
142.7 may administer the project with federal grants, state appropriations, and in-kind services
142.8 received for this purpose.

142.9 Subd. 2. **Purpose.** The purpose of the project is to develop, evaluate, and
142.10 disseminate best practices for promoting successful reconciliation between married
142.11 persons who are considering or have commenced a marriage dissolution proceeding and
142.12 who choose to pursue reconciliation.

142.13 Subd. 3. **Implementation.** The regents shall:

142.14 (1) enter into contracts or manage a grant process for implementation of the project;

142.15 and

142.16 (2) develop and implement an evaluation component for the project.

142.17 **Sec. 3.** Minnesota Statutes 2008, section 152.126, as amended by Laws 2009, chapter
142.18 79, article 11, sections 9, 10, and 11, is amended to read:

142.19 **152.126 ~~SCHEDULE H AND H~~ CONTROLLED SUBSTANCES**
142.20 **PRESCRIPTION ELECTRONIC REPORTING SYSTEM.**

142.21 **Subdivision 1. Definitions.** For purposes of this section, the terms defined in this
142.22 subdivision have the meanings given.

142.23 (a) "Board" means the Minnesota State Board of Pharmacy established under
142.24 chapter 151.

142.25 (b) "Controlled substances" means those substances listed in section 152.02,
142.26 subdivisions 3 to 5, and those substances defined by the board pursuant to section 152.02,
142.27 subdivisions 7, 8, and 12.

142.28 (c) "Dispense" or "dispensing" has the meaning given in section 151.01, subdivision
142.29 30. Dispensing does not include the direct administering of a controlled substance to a
142.30 patient by a licensed health care professional.

142.31 (d) "Dispenser" means a person authorized by law to dispense a controlled substance,
142.32 pursuant to a valid prescription. For the purposes of this section, a dispenser does not
142.33 include a licensed hospital pharmacy that distributes controlled substances for inpatient
142.34 hospital care or a veterinarian who is dispensing prescriptions under section 156.18.

143.1 (e) "Prescriber" means a licensed health care professional who is authorized to
143.2 prescribe a controlled substance under section 152.12, subdivision 1.

143.3 (f) "Prescription" has the meaning given in section 151.01, subdivision 16.

143.4 Subd. 1a. **Treatment of intractable pain.** This section is not intended to limit or
143.5 interfere with the legitimate prescribing of controlled substances for pain. No prescriber
143.6 shall be subject to disciplinary action by a health-related licensing board for prescribing a
143.7 controlled substance according to the provisions of section 152.125.

143.8 Subd. 2. **Prescription electronic reporting system.** (a) The board shall establish
143.9 by January 1, 2010, an electronic system for reporting the information required under
143.10 subdivision 4 for all controlled substances dispensed within the state.

143.11 (b) The board may contract with a vendor for the purpose of obtaining technical
143.12 assistance in the design, implementation, operation, and maintenance of the electronic
143.13 reporting system.

143.14 Subd. 3. **Prescription Electronic Reporting Advisory Committee.** (a) The
143.15 board shall convene an advisory committee. The committee must include at least one
143.16 representative of:

143.17 (1) the Department of Health;

143.18 (2) the Department of Human Services;

143.19 (3) each health-related licensing board that licenses prescribers;

143.20 (4) a professional medical association, which may include an association of pain
143.21 management and chemical dependency specialists;

143.22 (5) a professional pharmacy association;

143.23 (6) a professional nursing association;

143.24 (7) a professional dental association;

143.25 (8) a consumer privacy or security advocate; and

143.26 (9) a consumer or patient rights organization.

143.27 (b) The advisory committee shall advise the board on the development and operation
143.28 of the electronic reporting system, including, but not limited to:

143.29 (1) technical standards for electronic prescription drug reporting;

143.30 (2) proper analysis and interpretation of prescription monitoring data; and

143.31 (3) an evaluation process for the program.

143.32 ~~(c) The Board of Pharmacy, after consultation with the advisory committee, shall~~
143.33 ~~present recommendations and draft legislation on the issues addressed by the advisory~~
143.34 ~~committee under paragraph (b), to the legislature by December 15, 2007.~~

144.1 Subd. 4. **Reporting requirements; notice.** (a) Each dispenser must submit the
144.2 following data to the board or its designated vendor, subject to the notice required under
144.3 paragraph (d):

- 144.4 (1) name of the prescriber;
- 144.5 (2) national provider identifier of the prescriber;
- 144.6 (3) name of the dispenser;
- 144.7 (4) national provider identifier of the dispenser;
- 144.8 (5) prescription number;
- 144.9 (6) name of the patient for whom the prescription was written;
- 144.10 (7) address of the patient for whom the prescription was written;
- 144.11 (8) date of birth of the patient for whom the prescription was written;
- 144.12 (9) date the prescription was written;
- 144.13 (10) date the prescription was filled;
- 144.14 (11) name and strength of the controlled substance;
- 144.15 (12) quantity of controlled substance prescribed;
- 144.16 (13) quantity of controlled substance dispensed; and
- 144.17 (14) number of days supply.

144.18 (b) The dispenser must submit the required information by a procedure and in a
144.19 format established by the board. The board may allow dispensers to omit data listed in this
144.20 subdivision or may require the submission of data not listed in this subdivision provided
144.21 the omission or submission is necessary for the purpose of complying with the electronic
144.22 reporting or data transmission standards of the American Society for Automation in
144.23 Pharmacy, the National Council on Prescription Drug Programs, or other relevant national
144.24 standard-setting body.

144.25 (c) A dispenser is not required to submit this data for those controlled substance
144.26 prescriptions dispensed for:

- 144.27 (1) individuals residing in licensed skilled nursing or intermediate care facilities;
- 144.28 (2) individuals receiving assisted living services under chapter 144G or through a
144.29 medical assistance home and community-based waiver;
- 144.30 (3) individuals receiving medication intravenously;
- 144.31 (4) individuals receiving hospice and other palliative or end-of-life care; and
- 144.32 (5) individuals receiving services from a home care provider regulated under chapter
144.33 144A.

144.34 (d) A dispenser must not submit data under this subdivision unless a conspicuous
144.35 notice of the reporting requirements of this section is given to the patient for whom the
144.36 prescription was written.

145.1 Subd. 5. **Use of data by board.** (a) The board shall develop and maintain a database
145.2 of the data reported under subdivision 4. The board shall maintain data that could identify
145.3 an individual prescriber or dispenser in encrypted form. The database may be used by
145.4 permissible users identified under subdivision 6 for the identification of:

145.5 (1) individuals receiving prescriptions for controlled substances from prescribers
145.6 who subsequently obtain controlled substances from dispensers in quantities or with a
145.7 frequency inconsistent with generally recognized standards of use for those controlled
145.8 substances, including standards accepted by national and international pain management
145.9 associations; and

145.10 (2) individuals presenting forged or otherwise false or altered prescriptions for
145.11 controlled substances to dispensers.

145.12 (b) No permissible user identified under subdivision 6 may access the database
145.13 for the sole purpose of identifying prescribers of controlled substances for unusual or
145.14 excessive prescribing patterns without a valid search warrant or court order.

145.15 (c) No personnel of a state or federal occupational licensing board or agency may
145.16 access the database for the purpose of obtaining information to be used to initiate or
145.17 substantiate a disciplinary action against a prescriber.

145.18 (d) Data reported under subdivision 4 shall be retained by the board in the database
145.19 for a 12-month period, and shall be removed from the database no later than 12 months
145.20 from the date the last day of the month during which the data was received.

145.21 Subd. 6. **Access to reporting system data.** (a) Except as indicated in this
145.22 subdivision, the data submitted to the board under subdivision 4 is private data on
145.23 individuals as defined in section 13.02, subdivision 12, and not subject to public disclosure.

145.24 (b) Except as specified in subdivision 5, the following persons shall be considered
145.25 permissible users and may access the data submitted under subdivision 4 in the same or
145.26 similar manner, and for the same or similar purposes, as those persons who are authorized
145.27 to access similar private data on individuals under federal and state law:

145.28 (1) a prescriber or an agent or employee of the prescriber to whom the prescriber has
145.29 delegated the task of accessing the data, to the extent the information relates specifically to
145.30 a current patient, to whom the prescriber is prescribing or considering prescribing any
145.31 controlled substance and with the provision that the prescriber remains responsible for the
145.32 use or misuse of data accessed by a delegated agent or employee;

145.33 (2) a dispenser or an agent or employee of the dispenser to whom the dispenser has
145.34 delegated the task of accessing the data, to the extent the information relates specifically
145.35 to a current patient to whom that dispenser is dispensing or considering dispensing any

146.1 controlled substance and with the provision that the dispenser remains responsible for the
146.2 use or misuse of data accessed by a delegated agent or employee;

146.3 (3) an individual who is the recipient of a controlled substance prescription for
146.4 which data was submitted under subdivision 4, or a guardian of the individual, parent or
146.5 guardian of a minor, or health care agent of the individual acting under a health care
146.6 directive under chapter 145C;

146.7 (4) personnel of the board specifically assigned to conduct a bona fide investigation
146.8 of a specific licensee;

146.9 (5) personnel of the board engaged in the collection of controlled substance
146.10 prescription information as part of the assigned duties and responsibilities under this
146.11 section;

146.12 (6) authorized personnel of a vendor under contract with the board who are engaged
146.13 in the design, implementation, operation, and maintenance of the electronic reporting
146.14 system as part of the assigned duties and responsibilities of their employment, provided
146.15 that access to data is limited to the minimum amount necessary to carry out such duties
146.16 and responsibilities;

146.17 (7) federal, state, and local law enforcement authorities acting pursuant to a valid
146.18 search warrant; and

146.19 (8) personnel of the medical assistance program assigned to use the data collected
146.20 under this section to identify recipients whose usage of controlled substances may warrant
146.21 restriction to a single primary care physician, a single outpatient pharmacy, or a single
146.22 hospital.

146.23 For purposes of clause (3), access by an individual includes persons in the definition
146.24 of an individual under section 13.02.

146.25 (c) Any permissible user identified in paragraph (b), who directly accesses
146.26 the data electronically, shall implement and maintain a comprehensive information
146.27 security program that contains administrative, technical, and physical safeguards that
146.28 are appropriate to the user's size and complexity, and the sensitivity of the personal
146.29 information obtained. The permissible user shall identify reasonably foreseeable internal
146.30 and external risks to the security, confidentiality, and integrity of personal information
146.31 that could result in the unauthorized disclosure, misuse, or other compromise of the
146.32 information and assess the sufficiency of any safeguards in place to control the risks.

146.33 (d) The board shall not release data submitted under this section unless it is provided
146.34 with evidence, satisfactory to the board, that the person requesting the information is
146.35 entitled to receive the data.

147.1 (e) The board shall not release the name of a prescriber without the written consent
147.2 of the prescriber or a valid search warrant or court order. The board shall provide a
147.3 mechanism for a prescriber to submit to the board a signed consent authorizing the release
147.4 of the prescriber's name when data containing the prescriber's name is requested.

147.5 (f) The board shall maintain a log of all persons who access the data and shall ensure
147.6 that any permissible user complies with paragraph (c) prior to attaining direct access to
147.7 the data.

147.8 (g) Section 13.05, subdivision 6, shall apply to any contract the board enters into
147.9 pursuant to subdivision 2. A vendor shall not use data collected under this section for
147.10 any purpose not specified in this section.

147.11 Subd. 7. **Disciplinary action.** (a) A dispenser who knowingly fails to submit data to
147.12 the board as required under this section is subject to disciplinary action by the appropriate
147.13 health-related licensing board.

147.14 (b) A prescriber or dispenser authorized to access the data who knowingly discloses
147.15 the data in violation of state or federal laws relating to the privacy of health care data
147.16 shall be subject to disciplinary action by the appropriate health-related licensing board,
147.17 and appropriate civil penalties.

147.18 Subd. 8. **Evaluation and reporting.** (a) The board shall evaluate the prescription
147.19 electronic reporting system to determine if the system is negatively impacting appropriate
147.20 prescribing practices of controlled substances. The board may contract with a vendor to
147.21 design and conduct the evaluation.

147.22 (b) The board shall submit the evaluation of the system to the legislature by ~~January~~
147.23 July 15, 2011.

147.24 Subd. 9. **Immunity from liability; no requirement to obtain information.** (a) A
147.25 pharmacist, prescriber, or other dispenser making a report to the program in good faith
147.26 under this section is immune from any civil, criminal, or administrative liability, which
147.27 might otherwise be incurred or imposed as a result of the report, or on the basis that the
147.28 pharmacist or prescriber did or did not seek or obtain or use information from the program.

147.29 (b) Nothing in this section shall require a pharmacist, prescriber, or other dispenser
147.30 to obtain information about a patient from the program, and the pharmacist, prescriber,
147.31 or other dispenser, if acting in good faith, is immune from any civil, criminal, or
147.32 administrative liability that might otherwise be incurred or imposed for requesting,
147.33 receiving, or using information from the program.

147.34 Subd. 10. **Funding.** (a) The board may seek grants and private funds from nonprofit
147.35 charitable foundations, the federal government, and other sources to fund the enhancement
147.36 and ongoing operations of the prescription electronic reporting system established under

148.1 this section. Any funds received shall be appropriated to the board for this purpose. The
148.2 board may not expend funds to enhance the program in a way that conflicts with this
148.3 section without seeking approval from the legislature.

148.4 (b) The administrative services unit for the health-related licensing boards shall
148.5 apportion between the Board of Medical Practice, the Board of Nursing, the Board of
148.6 Dentistry, the Board of Podiatric Medicine, the Board of Optometry, and the Board
148.7 of Pharmacy an amount to be paid through fees by each respective board. The amount
148.8 apportioned to each board shall equal each board's share of the annual appropriation to
148.9 the Board of Pharmacy from the state government special revenue fund for operating the
148.10 prescription electronic reporting system under this section. Each board's apportioned
148.11 share shall be based on the number of prescribers or dispensers that each board identified
148.12 in this paragraph licenses as a percentage of the total number of prescribers and dispensers
148.13 licensed collectively by these boards. Each respective board may adjust the fees that the
148.14 boards are required to collect to compensate for the amount apportioned to each board by
148.15 the administrative services unit.

148.16 Sec. 4. **[246.125] CHEMICAL AND MENTAL HEALTH SERVICES**
148.17 **TRANSFORMATION ADVISORY TASK FORCE.**

148.18 Subdivision 1. **Establishment.** The Chemical and Mental Health Services
148.19 Transformation Advisory Task Force is established to make recommendations to the
148.20 commissioner of human services and the legislature on the continuum of services needed
148.21 to provide individuals with complex conditions including mental illness, chemical
148.22 dependency, traumatic brain injury, and developmental disabilities access to quality care
148.23 and the appropriate level of care across the state to promote wellness, reduce cost, and
148.24 improve efficiency.

148.25 Subd. 2. **Duties.** The Chemical and Mental Health Services Transformation
148.26 Advisory Task Force shall make recommendations to the commissioner and the legislature
148.27 no later than December 15, 2010, on the following:

148.28 (1) transformation needed to improve service delivery and provide a continuum of
148.29 care, such as transition of current facilities, closure of current facilities, or the development
148.30 of new models of care, including the redesign of the Anoka-Metro Regional Treatment
148.31 Center;

148.32 (2) gaps and barriers to accessing quality care, system inefficiencies, and cost
148.33 pressures;

148.34 (3) services that are best provided by the state and those that are best provided
148.35 in the community;

149.1 (4) an implementation plan to achieve integrated service delivery across the public,
149.2 private, and nonprofit sectors;

149.3 (5) an implementation plan to ensure that individuals with complex chemical and
149.4 mental health needs receive the appropriate level of care to achieve recovery and wellness;
149.5 and

149.6 (6) financing mechanisms that include all possible revenue sources to maximize
149.7 federal funding and promote cost efficiencies and sustainability.

149.8 Subd. 3. **Membership.** The advisory task force shall be composed of the following,
149.9 who will serve at the pleasure of their appointing authority:

149.10 (1) the commissioner of human services or the commissioner's designee, and two
149.11 additional representatives from the department;

149.12 (2) two legislators appointed by the speaker of the house, one from the minority
149.13 and one from the majority;

149.14 (3) two legislators appointed by the senate rules committee, one from the minority
149.15 and one from the majority;

149.16 (4) one representative appointed by AFSCME Council 5;

149.17 (5) one representative appointed by the ombudsman for mental health and
149.18 developmental disabilities;

149.19 (6) one representative appointed by the Minnesota Association of Professional
149.20 Employees;

149.21 (7) one representative appointed by the Minnesota Hospital Association;

149.22 (8) one representative appointed by the Minnesota Nurses Association;

149.23 (9) one representative appointed by NAMI-MN;

149.24 (10) one representative appointed by the Mental Health Association of Minnesota;

149.25 (11) one representative appointed by the Minnesota Association Of Community
149.26 Mental Health Programs;

149.27 (12) one representative appointed by the Minnesota Dental Association;

149.28 (13) three clients or client family members representing different populations
149.29 receiving services from state-operated services, who are appointed by the commissioner;

149.30 (14) one representative appointed by the chair of the state-operated services
149.31 governing board;

149.32 (15) one representative appointed by the Minnesota Disability Law Center;

149.33 (16) one representative appointed by the Consumer Survivor Network;

149.34 (17) one representative appointed by the Association of Residential Resources
149.35 in Minnesota;

150.1 (18) one representative appointed by the Minnesota Council of Child Caring
150.2 Agencies;

150.3 (19) one representative appointed by the Association of Minnesota Counties; and

150.4 (20) one representative appointed by the Minnesota Pharmacists Association.

150.5 The commissioner may appoint additional members to reflect stakeholders who
150.6 are not represented above.

150.7 Subd. 4. **Administration.** The commissioner shall convene the first meeting of the
150.8 advisory task force and shall provide administrative support and staff.

150.9 Subd. 5. **Recommendations.** The advisory task force must report its
150.10 recommendations to the commissioner and to the legislature no later than December
150.11 15, 2010.

150.12 Subd. 6. **Member requirement.** The commissioner shall provide per diem and
150.13 travel expenses pursuant to section 256.01, subdivision 6, for task force members who
150.14 are consumers or family members and whose participation on the task force is not as a
150.15 paid representative of any agency, organization, or association. Notwithstanding section
150.16 15.059, other task force members are not eligible for per diem or travel reimbursement.

150.17 **Sec. 5. [246.128] NOTIFICATION TO LEGISLATURE REQUIRED.**

150.18 The commissioner shall notify the chairs and ranking minority members of
150.19 the relevant legislative committees regarding the redesign, closure, or relocation of
150.20 state-operated services programs. The notification must include the advice of the Chemical
150.21 and Mental Health Services Transformation Advisory Task Force under section 246.125.

150.22 **Sec. 6. [246.129] LEGISLATIVE APPROVAL REQUIRED.**

150.23 If the closure of a state-operated facility is proposed, and the department and
150.24 respective bargaining units fail to arrive at a mutually agreed upon solution to transfer
150.25 affected state employees to other state jobs, the closure of the facility requires legislative
150.26 approval. This does not apply to state-operated enterprise services.

150.27 **Sec. 7.** Minnesota Statutes 2008, section 246.18, is amended by adding a subdivision
150.28 to read:

150.29 Subd. 8. **State-operated services account.** The state-operated services account is
150.30 established in the special revenue fund. Revenue generated by new state-operated services
150.31 listed under this section established after July 1, 2010, that are not enterprise activities must
150.32 be deposited into the state-operated services account, unless otherwise specified in law:

150.33 (1) intensive residential treatment services;

- 151.1 (2) foster care services; and
- 151.2 (3) psychiatric extensive recovery treatment services.

151.3 Sec. 8. Minnesota Statutes 2008, section 254B.01, subdivision 2, is amended to read:

151.4 Subd. 2. **American Indian.** For purposes of services provided under section
151.5 254B.09, subdivision ~~7~~8, "American Indian" means a person who is a member of an
151.6 Indian tribe, and the commissioner shall use the definitions of "Indian" and "Indian tribe"
151.7 and "Indian organization" provided in Public Law 93-638. For purposes of services
151.8 provided under section 254B.09, subdivision ~~4~~6, "American Indian" means a resident of
151.9 federally recognized tribal lands who is recognized as an Indian person by the federally
151.10 recognized tribal governing body.

151.11 Sec. 9. Minnesota Statutes 2008, section 254B.02, subdivision 1, is amended to read:

151.12 Subdivision 1. **Chemical dependency treatment allocation.** The chemical
151.13 dependency ~~funds appropriated for allocation~~ treatment appropriation shall be placed in
151.14 a special revenue account. The commissioner shall annually transfer funds from the
151.15 chemical dependency fund to pay for operation of the drug and alcohol abuse normative
151.16 evaluation system and to pay for all costs incurred by adding two positions for licensing
151.17 of chemical dependency treatment and rehabilitation programs located in hospitals for
151.18 which funds are not otherwise appropriated. ~~Six percent of the remaining money must~~
151.19 ~~be reserved for tribal allocation under section 254B.09, subdivisions 4 and 5. The~~
151.20 ~~commissioner shall annually divide the money available in the chemical dependency~~
151.21 ~~fund that is not held in reserve by counties from a previous allocation, or allocated to the~~
151.22 ~~American Indian chemical dependency tribal account. Six percent of the remaining money~~
151.23 ~~must be reserved for the nonreservation American Indian chemical dependency allocation~~
151.24 ~~for treatment of American Indians by eligible vendors under section 254B.05, subdivision~~
151.25 ~~4. The remainder of the money must be allocated among the counties according to the~~
151.26 ~~following formula, using state demographer data and other data sources determined by~~
151.27 ~~the commissioner:~~

151.28 ~~(a) For purposes of this formula, American Indians and children under age 14 are~~
151.29 ~~subtracted from the population of each county to determine the restricted population.~~

151.30 ~~(b) The amount of chemical dependency fund expenditures for entitled persons for~~
151.31 ~~services not covered by prepaid plans governed by section 256B.69 in the previous year is~~
151.32 ~~divided by the amount of chemical dependency fund expenditures for entitled persons for~~
151.33 ~~all services to determine the proportion of exempt service expenditures for each county.~~

152.1 ~~(e) The prepaid plan months of eligibility is multiplied by the proportion of exempt~~
152.2 ~~service expenditures to determine the adjusted prepaid plan months of eligibility for~~
152.3 ~~each county.~~

152.4 ~~(d) The adjusted prepaid plan months of eligibility is added to the number of~~
152.5 ~~restricted population fee for service months of eligibility for the Minnesota family~~
152.6 ~~investment program, general assistance, and medical assistance and divided by the county~~
152.7 ~~restricted population to determine county per capita months of covered service eligibility.~~

152.8 ~~(e) The number of adjusted prepaid plan months of eligibility for the state is added~~
152.9 ~~to the number of fee for service months of eligibility for the Minnesota family investment~~
152.10 ~~program, general assistance, and medical assistance for the state restricted population and~~
152.11 ~~divided by the state restricted population to determine state per capita months of covered~~
152.12 ~~service eligibility.~~

152.13 ~~(f) The county per capita months of covered service eligibility is divided by the~~
152.14 ~~state per capita months of covered service eligibility to determine the county welfare~~
152.15 ~~caseload factor.~~

152.16 ~~(g) The median married couple income for the most recent three-year period~~
152.17 ~~available for the state is divided by the median married couple income for the same period~~
152.18 ~~for each county to determine the income factor for each county.~~

152.19 ~~(h) The county restricted population is multiplied by the sum of the county welfare~~
152.20 ~~caseload factor and the county income factor to determine the adjusted population.~~

152.21 ~~(i) \$15,000 shall be allocated to each county.~~

152.22 ~~(j) The remaining funds shall be allocated proportional to the county adjusted~~
152.23 ~~population in the special revenue account must be used according to the requirements~~
152.24 ~~in this chapter.~~

152.25 Sec. 10. Minnesota Statutes 2008, section 254B.02, subdivision 5, is amended to read:

152.26 Subd. 5. **Administrative adjustment.** The commissioner may make payments to
152.27 local agencies from money allocated under this section to support administrative activities
152.28 under sections 254B.03 and 254B.04. The administrative payment must not exceed
152.29 the lesser of: (1) five percent of the first \$50,000, four percent of the next \$50,000, and
152.30 three percent of the remaining payments for services from the allocation special revenue
152.31 account according to subdivision 1; or (2) the local agency administrative payment for
152.32 the fiscal year ending June 30, 2009, adjusted in proportion to the statewide change in
152.33 the appropriation for this chapter.

152.34 Sec. 11. Minnesota Statutes 2008, section 254B.03, subdivision 4, is amended to read:

153.1 Subd. 4. **Division of costs.** Except for services provided by a county under
153.2 section 254B.09, subdivision 1, or services provided under section 256B.69 or 256D.03,
153.3 subdivision 4, paragraph (b), the county shall, out of local money, pay the state for
153.4 ~~15~~ 16.14 percent of the cost of chemical dependency services, including those services
153.5 provided to persons eligible for medical assistance under chapter 256B and general
153.6 assistance medical care under chapter 256D. Counties may use the indigent hospitalization
153.7 levy for treatment and hospital payments made under this section. ~~Fifteen~~ 16.14 percent
153.8 of any state collections from private or third-party pay, less 15 percent ~~of~~ for the cost
153.9 of payment and collections, must be distributed to the county that paid for a portion of
153.10 the treatment under this section. ~~If all funds allocated according to section 254B.02 are~~
153.11 ~~exhausted by a county and the county has met or exceeded the base level of expenditures~~
153.12 ~~under section 254B.02, subdivision 3, the county shall pay the state for 15 percent of the~~
153.13 ~~costs paid by the state under this section. The commissioner may refuse to pay state funds~~
153.14 ~~for services to persons not eligible under section 254B.04, subdivision 1, if the county~~
153.15 ~~financially responsible for the persons has exhausted its allocation.~~

153.16 Sec. 12. Minnesota Statutes 2008, section 254B.05, subdivision 4, is amended to read:

153.17 Subd. 4. **Regional treatment centers.** Regional treatment center chemical
153.18 dependency treatment units are eligible vendors. The commissioner may expand the
153.19 capacity of chemical dependency treatment units beyond the capacity funded by direct
153.20 legislative appropriation to serve individuals who are referred for treatment by counties
153.21 and whose treatment will be paid for ~~with a county's allocation under section 254B.02~~ by
153.22 funding under this chapter or other funding sources. Notwithstanding the provisions of
153.23 sections 254B.03 to 254B.041, payment for any person committed at county request to
153.24 a regional treatment center under chapter 253B for chemical dependency treatment and
153.25 determined to be ineligible under the chemical dependency consolidated treatment fund,
153.26 shall become the responsibility of the county.

153.27 Sec. 13. Minnesota Statutes 2008, section 254B.06, subdivision 2, is amended to read:

153.28 Subd. 2. **Allocation of collections.** The commissioner shall allocate all federal
153.29 financial participation collections to ~~the reserve fund under section 254B.02, subdivision 3~~
153.30 a special revenue account. The commissioner shall ~~retain 85~~ allocate 83.86 percent of
153.31 patient payments and third-party payments to the special revenue account and ~~allocate~~
153.32 ~~the collections to the treatment allocation for the county that is financially responsible~~
153.33 ~~for the person. Fifteen 16.14 percent of patient and third-party payments must be paid~~
153.34 ~~to the county financially responsible for the patient. Collections for patient payment and~~

154.1 ~~third-party payment for services provided under section 254B.09 shall be allocated to the~~
154.2 ~~allocation of the tribal unit which placed the person. Collections of federal financial~~
154.3 ~~participation for services provided under section 254B.09 shall be allocated to the tribal~~
154.4 ~~reserve account under section 254B.09, subdivision 5.~~

154.5 Sec. 14. Minnesota Statutes 2008, section 254B.09, subdivision 8, is amended to read:

154.6 Subd. 8. **Payments to improve services to American Indians.** The commissioner
154.7 may set rates for chemical dependency services to American Indians according to the
154.8 American Indian Health Improvement Act, Public Law 94-437, for eligible vendors.
154.9 These rates shall supersede rates set in county purchase of service agreements when
154.10 payments are made on behalf of clients eligible according to Public Law 94-437.

154.11 Sec. 15. **[254B.13] PILOT PROJECTS; CHEMICAL HEALTH CARE.**

154.12 Subdivision 1. **Authorization for pilot projects.** The commissioner may approve
154.13 and implement pilot projects developed under the planning process required under Laws
154.14 2009, chapter 79, article 7, section 26, to provide alternatives to and enhance coordination
154.15 of the delivery of chemical health services required under section 254B.03.

154.16 Subd. 2. **Program design and implementation.** (a) The commissioner and counties
154.17 participating in the pilot projects shall continue to work in partnership to refine and
154.18 implement the pilot projects initiated under Laws 2009, chapter 79, article 7, section 26.

154.19 (b) The commissioner and counties participating in the pilot projects shall
154.20 complete the planning phase by June 30, 2010, and, if approved by the commissioner for
154.21 implementation, enter into agreements governing the operation of the pilot projects with
154.22 implementation scheduled no earlier than July 1, 2010.

154.23 Subd. 3. **Program evaluation.** The commissioner shall evaluate pilot projects under
154.24 this section and report the results of the evaluation to the chairs and ranking minority
154.25 members of the legislative committees with jurisdiction over chemical health issues by
154.26 January 15, 2013. Evaluation of the pilot projects must be based on outcome evaluation
154.27 criteria negotiated with the pilot projects prior to implementation.

154.28 Subd. 4. **Notice of project discontinuation.** Each county's participation in the
154.29 pilot project may be discontinued for any reason by the county or the commissioner of
154.30 human services after 30 days' written notice to the other party. Any unspent funds held
154.31 for the exiting county's pro rata share in the special revenue fund under the authority in
154.32 subdivision 5, paragraph (d), shall be transferred to the consolidated chemical dependency
154.33 treatment fund following discontinuation of the pilot project.

155.1 Subd. 5. Duties of commissioner. (a) Notwithstanding any other provisions in
155.2 this chapter, the commissioner may authorize pilot projects to use chemical dependency
155.3 treatment funds to pay for nontreatment pilot services:

155.4 (1) in addition to those authorized under section 254B.03, subdivision 2, paragraph
155.5 (a); and

155.6 (2) by vendors in addition to those authorized under section 254B.05 when not
155.7 providing chemical dependency treatment services.

155.8 (b) For purposes of this section, "nontreatment pilot services" include navigator
155.9 services, peer support, family engagement and support, housing support, rent subsidies,
155.10 supported employment, and independent living skills.

155.11 (c) State expenditures for chemical dependency services and nontreatment pilot
155.12 services provided by or through the pilot projects must not be greater than the chemical
155.13 dependency treatment fund expected share of forecasted expenditures in the absence of
155.14 the pilot projects. The commissioner may restructure the schedule of payments between
155.15 the state and participating counties under the local agency share and division of cost
155.16 provisions under section 254B.03, subdivisions 3 and 4, as necessary to facilitate the
155.17 operation of the pilot projects.

155.18 (d) To the extent that state fiscal year expenditures within a pilot project are less
155.19 than the expected share of forecasted expenditures in the absence of the pilot projects,
155.20 the commissioner shall deposit the unexpended funds in a separate account within the
155.21 consolidated chemical dependency treatment fund, and make these funds available for
155.22 expenditure by the pilot projects the following year. To the extent that treatment and
155.23 nontreatment pilot services expenditures within the pilot project exceed the amount
155.24 expected in the absence of the pilot projects, the pilot project county or counties are
155.25 responsible for the portion of nontreatment pilot services expenditures in excess of the
155.26 otherwise expected share of forecasted expenditures.

155.27 (e) The commissioner may waive administrative rule requirements that are
155.28 incompatible with the implementation of the pilot project, except that any chemical
155.29 dependency treatment funded under this section must continue to be provided by a
155.30 licensed treatment provider.

155.31 (f) The commissioner shall not approve or enter into any agreement related to pilot
155.32 projects authorized under this section that puts current or future federal funding at risk.

155.33 Subd. 6. Duties of county board. The county board, or other county entity that is
155.34 approved to administer a pilot project, shall:

155.35 (1) administer the pilot project in a manner consistent with the objectives described
155.36 in subdivision 2 and the planning process in subdivision 5;

- 156.1 (2) ensure that no one is denied chemical dependency treatment services for which
- 156.2 they would otherwise be eligible under section 254A.03, subdivision 3; and
- 156.3 (3) provide the commissioner with timely and pertinent information as negotiated
- 156.4 in agreements governing operation of the pilot projects.

156.5 Sec. 16. Minnesota Statutes 2009 Supplement, section 517.08, subdivision 1b, is
 156.6 amended to read:

156.7 Subd. 1b. **Term of license; fee; premarital education.** (a) The local registrar
 156.8 shall examine upon oath the parties applying for a license relative to the legality of the
 156.9 contemplated marriage. If one party is unable to appear in person, the party appearing
 156.10 may complete the absent applicant's information. The local registrar shall provide a copy
 156.11 of the marriage application to the party who is unable to appear, who must verify the
 156.12 accuracy of the party's information in a notarized statement. The marriage license must
 156.13 not be released until the verification statement has been received by the local registrar. If
 156.14 at the expiration of a five-day period, on being satisfied that there is no legal impediment
 156.15 to it, including the restriction contained in section 259.13, the local registrar shall issue
 156.16 the license, containing the full names of the parties before and after marriage, and county
 156.17 and state of residence, with the county seal attached, and make a record of the date of
 156.18 issuance. The license shall be valid for a period of six months. Except as provided in
 156.19 paragraph (c), the local registrar shall collect from the applicant a fee of ~~\$\$\$~~ \$115 for
 156.20 administering the oath, issuing, recording, and filing all papers required, and preparing
 156.21 and transmitting to the state registrar of vital statistics the reports of marriage required
 156.22 by this section. If the license should not be used within the period of six months due to
 156.23 illness or other extenuating circumstances, it may be surrendered to the local registrar for
 156.24 cancellation, and in that case a new license shall issue upon request of the parties of the
 156.25 original license without fee. A local registrar who knowingly issues or signs a marriage
 156.26 license in any manner other than as provided in this section shall pay to the parties
 156.27 aggrieved an amount not to exceed \$1,000.

156.28 (b) In case of emergency or extraordinary circumstances, a judge of the district court
 156.29 of the county in which the application is made may authorize the license to be issued at
 156.30 any time before expiration of the five-day period required under paragraph (a). A waiver
 156.31 of the five-day waiting period must be in the following form:

156.32 STATE OF MINNESOTA, COUNTY OF (insert county name)
 156.33 APPLICATION FOR WAIVER OF MARRIAGE LICENSE WAITING PERIOD:
 156.34 (legal names of the applicants)

156.35 Represent and state as follows:

157.1 That on (date of application) the applicants applied to the local
157.2 registrar of the above-named county for a license to marry.

157.3 That it is necessary that the license be issued before the expiration of five days
157.4 from the date of the application by reason of the following: (insert reason for requesting
157.5 waiver of waiting period)

157.6
157.7
157.8

157.9 WHEREAS, the applicants request that the judge waive the required five-day
157.10 waiting period and the local registrar be authorized and directed to issue the marriage
157.11 license immediately.

157.12 Date:
157.13
157.14

157.15 (Signatures of applicants)

157.16 Acknowledged before me on this day of
157.17

157.18 NOTARY PUBLIC

157.19 COURT ORDER AND AUTHORIZATION:

157.20 STATE OF MINNESOTA, COUNTY OF (insert county name)

157.21 After reviewing the above application, I am satisfied that an emergency or
157.22 extraordinary circumstance exists that justifies the issuance of the marriage license before
157.23 the expiration of five days from the date of the application. IT IS HEREBY ORDERED
157.24 that the local registrar is authorized and directed to issue the license forthwith.

157.25
157.26 (judge of district court)
157.27 (date).

157.28 (c) The marriage license fee for parties who have completed at least 12 hours of
157.29 premarital education is \$40. In order to qualify for the reduced license fee, the parties
157.30 must submit at the time of applying for the marriage license a signed, dated, and notarized
157.31 statement from the person who provided the premarital education on their letterhead
157.32 confirming that it was received. The premarital education must be provided by a licensed
157.33 or ordained minister or the minister's designee, a person authorized to solemnize marriages
157.34 under section 517.18, or a person authorized to practice marriage and family therapy under
157.35 section 148B.33. The education must include the use of a premarital inventory and the
157.36 teaching of communication and conflict management skills.

158.1 (d) The statement from the person who provided the premarital education under
158.2 paragraph (b) must be in the following form:

158.3 "I, (name of educator), confirm that (names of
158.4 both parties) received at least 12 hours of premarital education that included the use of a
158.5 premarital inventory and the teaching of communication and conflict management skills.
158.6 I am a licensed or ordained minister, a person authorized to solemnize marriages under
158.7 Minnesota Statutes, section 517.18, or a person licensed to practice marriage and family
158.8 therapy under Minnesota Statutes, section 148B.33."

158.9 The names of the parties in the educator's statement must be identical to the legal
158.10 names of the parties as they appear in the marriage license application. Notwithstanding
158.11 section 138.17, the educator's statement must be retained for seven years, after which
158.12 time it may be destroyed.

158.13 (e) If section 259.13 applies to the request for a marriage license, the local registrar
158.14 shall grant the marriage license without the requested name change. Alternatively, the local
158.15 registrar may delay the granting of the marriage license until the party with the conviction:

158.16 (1) certifies under oath that 30 days have passed since service of the notice for a
158.17 name change upon the prosecuting authority and, if applicable, the attorney general and no
158.18 objection has been filed under section 259.13; or

158.19 (2) provides a certified copy of the court order granting it. The parties seeking the
158.20 marriage license shall have the right to choose to have the license granted without the
158.21 name change or to delay its granting pending further action on the name change request.

158.22 Sec. 17. Minnesota Statutes 2008, section 517.08, subdivision 1c, as amended by Laws
158.23 2010, chapter 200, article 1, section 17, is amended to read:

158.24 Subd. 1c. **Disposition of license fee.** (a) Of the marriage license fee collected
158.25 pursuant to subdivision 1b, paragraph (a), \$25 must be retained by the county. The
158.26 local registrar must pay ~~\$85~~ \$90 to the commissioner of management and budget to be
158.27 deposited as follows:

158.28 (1) \$55 in the general fund;

158.29 (2) \$3 in the state government special revenue fund to be appropriated to the
158.30 commissioner of public safety for parenting time centers under section 119A.37;

158.31 (3) \$2 in the special revenue fund to be appropriated to the commissioner of health
158.32 for developing and implementing the MN ENABL program under section 145.9255; ~~and~~

158.33 (4) \$25 in the special revenue fund is appropriated to the commissioner of
158.34 employment and economic development for the displaced homemaker program under
158.35 section 116L.96; and

159.1 (5) \$5 in the special revenue fund, which is appropriated to the Board of Regents
159.2 of the University of Minnesota for the Minnesota couples on the brink project under
159.3 section 137.32.

159.4 (b) Of the \$40 fee under subdivision 1b, paragraph (b), \$25 must be retained by the
159.5 county. The local registrar must pay \$15 to the commissioner of management and budget
159.6 to be deposited as follows:

159.7 (1) \$5 as provided in paragraph (a), clauses (2) and (3); and

159.8 (2) \$10 in the special revenue fund is appropriated to the commissioner of
159.9 employment and economic development for the displaced homemaker program under
159.10 section 116L.96.

159.11 Sec. 18. Laws 2009, chapter 79, article 3, section 18, is amended to read:

159.12 Sec. 18. **REQUIRING THE DEVELOPMENT OF COMMUNITY-BASED**
159.13 **MENTAL HEALTH SERVICES FOR PATIENTS COMMITTED TO THE**
159.14 **ANOKA-METRO REGIONAL TREATMENT CENTER.**

159.15 ~~In consultation with community partners, the commissioner of human services~~
159.16 The Chemical and Mental Health Services Transformation Advisory Task Force shall
159.17 develop recommend an array of community-based services in the metro area to transform
159.18 the current services now provided to patients at the Anoka-Metro Regional Treatment
159.19 Center. The community-based services may be ~~provided in facilities with 16 or fewer~~
159.20 ~~beds, and must provide the appropriate level of care for the patients being admitted to~~
159.21 the facilities established in partnership with private and public hospital organizations,
159.22 community mental health centers and other mental health community services providers,
159.23 and community partnerships, and must be staffed by state employees. The planning
159.24 for this transition must be completed by October 1, ~~2009~~ 2010, with ~~an initial~~ a report
159.25 detailing the transition plan, services that will be provided, including incorporating peer
159.26 specialists where appropriate, the location of the services, and the number of patients
159.27 that will be served, to the committee chairs of health and human services by November
159.28 30, ~~2009~~, and a semiannual report on progress until the transition is completed. The
159.29 ~~commissioner of human services shall solicit interest from stakeholders and potential~~
159.30 ~~community partners~~ 2010. The individuals ~~working in~~ employed by the community-based
159.31 services ~~facilities~~ under this section are state employees supervised by the commissioner
159.32 of human services. No layoffs shall occur as a result of restructuring under this section.
159.33 Savings generated as a result of transitioning patients from the Anoka-Metro Regional
159.34 Treatment Center to community-based services may be used to fund supportive housing
159.35 staffed by state employees.

160.1 Sec. 19. **REPORT ON HUMAN SERVICES FISCAL NOTES.**

160.2 The commissioner of management and budget shall issue a report to the legislature
160.3 no later than November 15, 2010, making recommendations for improving the preparation
160.4 and delivery of fiscal notes under Minnesota Statutes, section 3.98, relating to human
160.5 services. The report shall consider: (1) the establishment of an independent fiscal
160.6 note office in the human services department and (2) transferring the responsibility for
160.7 preparing human services fiscal notes to the legislature. The report must include detailed
160.8 information regarding the financial costs, staff resources, training, access to information,
160.9 and data protection issues relative to the preparation of human services fiscal notes. The
160.10 report shall describe methods and procedures used by other states to insure independence
160.11 and accuracy of fiscal estimates on legislative proposals for changes in human services.

160.12 Sec. 20. **PRESCRIPTION DRUG WASTE REDUCTION.**

160.13 The Minnesota Board of Pharmacy, in cooperation with the commissioners of
160.14 human services, pollution control, health, veterans affairs, and corrections, shall study
160.15 prescription drug waste reduction techniques and technologies applicable to long-term
160.16 care facilities, veterans nursing homes, and correctional facilities. In conducting the
160.17 study, the commissioners shall consult with the Minnesota Pharmacists Association, the
160.18 University of Minnesota College of Pharmacy, University of Minnesota's Minnesota
160.19 Technical Assistance Project, consumers, long-term care providers, and other interested
160.20 parties. The board shall evaluate the extent to which new prescription drug waste reduction
160.21 techniques and technologies can reduce the amount of prescription drugs that enter the
160.22 waste stream and reduce state prescription drug costs. The techniques and technologies
160.23 studied must include, but are not limited to, daily, weekly, and automated dose dispensing.
160.24 The study must provide an estimate of the cost of adopting these and other techniques
160.25 and technologies, and an estimate of waste reduction and state prescription drug savings
160.26 that would result from adoption. The study must also evaluate methods of encouraging
160.27 the adoption of effective drug waste reduction techniques and technologies. The board
160.28 shall present recommendations on the adoption of new prescription drug waste reduction
160.29 techniques and technologies to the legislature by December 15, 2011.

160.30 Sec. 21. **VETERINARY PRACTICE AND CONTROLLED SUBSTANCE**
160.31 **ABUSE STUDY.**

160.32 The Board of Pharmacy, in consultation with the Prescription Electronic Reporting
160.33 Advisory Committee and the Board of Veterinary Medical Practice, shall study the issue
160.34 of the diversion of controlled substances from veterinary practice and report to the chairs

161.1 and ranking minority members of the senate health and human services policy and finance
161.2 division and the house of representatives health care and human services policy and
161.3 finance division by December 15, 2011, on recommendations to include veterinarians in
161.4 the prescription electronic reporting system in Minnesota Statutes, section 152.126.

161.5 Sec. 22. **DATA COLLECTION ON HEALTH DISPARITIES.**

161.6 Subdivision 1. **Inventory.** The commissioners of health and human services shall
161.7 conduct an inventory on the health-related data collected by each respective department
161.8 including, but not limited to, health care programs and activities, vital statistics, disease
161.9 surveillance registries and screenings, and health outcome measurements.

161.10 The inventory must review the categories of data that are collected, describe the
161.11 methods of collecting, organizing, and reporting data relating to race, ethnicity, country of
161.12 origin, primary language, tribal enrollment status, and socioeconomic status, and specify
161.13 whether the data being collected in these categories is currently required.

161.14 Subd. 2. **Review.** (a) Upon completion of the inventory in subdivision 1, the
161.15 commissioners of health and human services shall consult with representatives of culturally
161.16 based community groups, community health boards, tribal governments, hospitals, and
161.17 health plan companies to review the compiled inventory and make recommendations on:

161.18 (1) whether the data currently being collected is sufficient to identify and describe
161.19 health disparities for particular communities or if the collection of additional types and
161.20 categories of data is necessary in order to better identify health disparities and to facilitate
161.21 efforts to reduce these disparities;

161.22 (2) if additional types and categories of data collection is determined necessary, what
161.23 additional types and categories should be collected and in what areas;

161.24 (3) whether there is a need to aggregate data to make data in the categories identified
161.25 in subdivision 1 more accessible to community groups, researchers, and to the legislature;
161.26 and

161.27 (4) other ways to improve data collection efforts in order to ensure the collection
161.28 of high-quality, reliable data in clauses (1) to (3) that will ensure accurate research and
161.29 the ability to create measurable program outcomes in order to facilitate public policy
161.30 decisions regarding the elimination of health disparities.

161.31 (b) In making recommendations, the work group shall consider national and state
161.32 standardized data classification systems, as well as federal or state requirements for
161.33 collection of certain data based on predetermined classification systems that may impact
161.34 some data collection efforts.

162.1 Subd. 3. **Report.** By January 15, 2011, the commissioners of health and human
162.2 services shall submit to the chairs and ranking minority members of the legislative
162.3 committees and divisions with jurisdiction over health and human services the inventory
162.4 compiled in subdivision 1 and the recommendations developed in subdivision 2.

162.5 Sec. 23. **REPEALER.**

162.6 (a) Minnesota Statutes 2008, sections 254B.02, subdivisions 2, 3, and 4; and
162.7 254B.09, subdivisions 4, 5, and 7, are repealed.

162.8 (b) Laws 2009, chapter 79, article 7, section 26, subdivision 3, is repealed.

162.9 Sec. 24. **EFFECTIVE DATE.**

162.10 Sections 8 to 14 and 22 are effective for claims paid on or after July 1, 2010.

162.11 **ARTICLE 20**

162.12 **DEPARTMENT OF HEALTH**

162.13 Section 1. Minnesota Statutes 2008, section 13.3806, subdivision 13, is amended to
162.14 read:

162.15 Subd. 13. **Traumatic injury.** Data on individuals with a brain or spinal injury or
162.16 who sustain major trauma that are collected by the commissioner of health are classified
162.17 under ~~section~~ sections 144.6071 and 144.665.

162.18 Sec. 2. Minnesota Statutes 2008, section 62D.08, is amended by adding a subdivision
162.19 to read:

162.20 **Subd. 7. Consistent administrative expenses and investment income reporting.**

162.21 (a) Every health maintenance organization must directly allocate administrative expenses
162.22 to specific lines of business or products when such information is available. Remaining
162.23 expenses that cannot be directly allocated must be allocated based on other methods, as
162.24 recommended by the Advisory Group on Administrative Expenses. Health maintenance
162.25 organizations must submit this information, including administrative expenses for dental
162.26 services, using the reporting template provided by the commissioner of health.

162.27 (b) Every health maintenance organization must allocate investment income based
162.28 on cumulative net income over time by business line or product and must submit this
162.29 information, including investment income for dental services, using the reporting template
162.30 provided by the commissioner of health.

162.31 **EFFECTIVE DATE.** This section is effective January 1, 2013.

163.1 Sec. 3. **[62D.31] ADVISORY GROUP ON ADMINISTRATIVE EXPENSES.**

163.2 Subdivision 1. **Establishment.** The Advisory Group on Administrative Expenses
163.3 is established to make recommendations on the development of consistent guidelines
163.4 and reporting requirements, including development of a reporting template, for health
163.5 maintenance organizations and county-based purchasing plans that participate in publicly
163.6 funded programs.

163.7 Subd. 2. **Membership.** The membership of the advisory group shall be comprised
163.8 of the following, who serve at the pleasure of their appointing authority:

163.9 (1) the commissioner of health or the commissioner's designee;

163.10 (2) the commissioner of human services or the commissioner's designee;

163.11 (3) the commissioner of commerce or the commissioner's designee; and

163.12 (4) representatives of health maintenance organizations and county-based purchasers
163.13 appointed by the commissioner of health.

163.14 Subd. 3. **Administration.** The commissioner of health shall convene the first
163.15 meeting of the advisory group by December 1, 2010, and shall provide administrative
163.16 support and staff. The commissioner of health may contract with a consultant to provide
163.17 professional assistance and expertise to the advisory group.

163.18 Subd. 4. **Recommendations.** The Advisory Group on Administrative Expenses
163.19 must report its recommendations, including any proposed legislation necessary to
163.20 implement the recommendations, to the commissioner of health and to the chairs and
163.21 ranking minority members of the legislative committees and divisions with jurisdiction
163.22 over health policy and finance by February 15, 2012.

163.23 Subd. 5. **Expiration.** This section expires after submission of the report required
163.24 under subdivision 4 or June 30, 2012, whichever is sooner.

163.25 Sec. 4. Minnesota Statutes 2008, section 62Q.19, subdivision 1, is amended to read:

163.26 Subdivision 1. **Designation.** (a) The commissioner shall designate essential
163.27 community providers. The criteria for essential community provider designation shall be
163.28 the following:

163.29 (1) a demonstrated ability to integrate applicable supportive and stabilizing services
163.30 with medical care for uninsured persons and high-risk and special needs populations,
163.31 underserved, and other special needs populations; and

163.32 (2) a commitment to serve low-income and underserved populations by meeting the
163.33 following requirements:

163.34 (i) has nonprofit status in accordance with chapter 317A;

164.1 (ii) has tax exempt status in accordance with the Internal Revenue Service Code,
164.2 section 501(c)(3);

164.3 (iii) charges for services on a sliding fee schedule based on current poverty income
164.4 guidelines; and

164.5 (iv) does not restrict access or services because of a client's financial limitation;

164.6 (3) status as a local government unit as defined in section 62D.02, subdivision 11, a
164.7 hospital district created or reorganized under sections 447.31 to 447.37, an Indian tribal
164.8 government, an Indian health service unit, or a community health board as defined in
164.9 chapter 145A;

164.10 (4) a former state hospital that specializes in the treatment of cerebral palsy, spina
164.11 bifida, epilepsy, closed head injuries, specialized orthopedic problems, and other disabling
164.12 conditions; ~~or~~

164.13 (5) a sole community hospital. For these rural hospitals, the essential community
164.14 provider designation applies to all health services provided, including both inpatient and
164.15 outpatient services. For purposes of this section, "sole community hospital" means a
164.16 rural hospital that:

164.17 (i) is eligible to be classified as a sole community hospital according to Code
164.18 of Federal Regulations, title 42, section 412.92, or is located in a community with a
164.19 population of less than 5,000 and located more than 25 miles from a like hospital currently
164.20 providing acute short-term services;

164.21 (ii) has experienced net operating income losses in two of the previous three
164.22 most recent consecutive hospital fiscal years for which audited financial information is
164.23 available; and

164.24 (iii) consists of 40 or fewer licensed beds; or

164.25 (6) a birth center licensed under section 144.615.

164.26 (b) Prior to designation, the commissioner shall publish the names of all applicants
164.27 in the State Register. The public shall have 30 days from the date of publication to submit
164.28 written comments to the commissioner on the application. No designation shall be made
164.29 by the commissioner until the 30-day period has expired.

164.30 (c) The commissioner may designate an eligible provider as an essential community
164.31 provider for all the services offered by that provider or for specific services designated by
164.32 the commissioner.

164.33 (d) For the purpose of this subdivision, supportive and stabilizing services include at
164.34 a minimum, transportation, child care, cultural, and linguistic services where appropriate.

165.1 Sec. 5. Minnesota Statutes 2008, section 144.05, is amended by adding a subdivision
165.2 to read:

165.3 Subd. 5. **Firearms data.** Notwithstanding any law to the contrary, the commissioner
165.4 of health is prohibited from collecting data on individuals regarding lawful firearm
165.5 ownership in the state or data related to an individual's right to carry a weapon under
165.6 section 624.714.

165.7 Sec. 6. Minnesota Statutes 2008, section 144.226, subdivision 3, is amended to read:

165.8 Subd. 3. **Birth record surcharge.** (a) In addition to any fee prescribed under
165.9 subdivision 1, there shall be a nonrefundable surcharge of \$3 for each certified birth or
165.10 stillbirth record and for a certification that the vital record cannot be found. The local or
165.11 state registrar shall forward this amount to the commissioner of management and budget
165.12 for deposit into the account for the children's trust fund for the prevention of child abuse
165.13 established under section 256E.22. This surcharge shall not be charged under those
165.14 circumstances in which no fee for a certified birth or stillbirth record is permitted under
165.15 subdivision 1, paragraph (a). Upon certification by the commissioner of management and
165.16 budget that the assets in that fund exceed \$20,000,000, this surcharge shall be discontinued.

165.17 (b) In addition to any fee prescribed under subdivision 1, there shall be a
165.18 nonrefundable surcharge of \$10 for each certified birth record. The local or state registrar
165.19 shall forward this amount to the commissioner of management and budget for deposit in
165.20 the general fund. This surcharge shall not be charged under those circumstances in which
165.21 no fee for a certified birth record is permitted under subdivision 1, paragraph (a).

165.22 **EFFECTIVE DATE.** This section is effective July 1, 2010.

165.23 Sec. 7. Minnesota Statutes 2008, section 144.293, subdivision 4, is amended to read:

165.24 Subd. 4. **Duration of consent.** Except as provided in this section, a consent is
165.25 valid for one year or for a ~~lesser~~ period specified in the consent or for a different period
165.26 provided by law.

165.27 Sec. 8. Minnesota Statutes 2008, section 144.603, is amended to read:

165.28 **144.603 STATEWIDE TRAUMA SYSTEM CRITERIA.**

165.29 Subdivision 1. **Criteria established.** The commissioner shall adopt criteria to
165.30 ensure that severely injured people are promptly transported and treated at trauma
165.31 hospitals appropriate to the severity of injury. Minimum criteria shall address emergency
165.32 medical service trauma triage and transportation guidelines as approved under section

166.1 144E.101, subdivision 14, designation of hospitals as trauma hospitals, interhospital
166.2 transfers, a trauma registry, and a trauma system governance structure.

166.3 Subd. 2. **Basis; verification.** The commissioner shall base the establishment,
166.4 implementation, and modifications to the criteria under subdivision 1 on the
166.5 department-published Minnesota comprehensive statewide trauma system plan. The
166.6 commissioner shall seek the advice of the Trauma Advisory Council in implementing
166.7 and updating the criteria, using accepted and prevailing trauma transport, treatment,
166.8 and referral standards of the American College of Surgeons, the American College of
166.9 Emergency Physicians, the Minnesota Emergency Medical Services Regulatory Board,
166.10 the national Trauma ~~Resources Network~~ Center Association of America, and other widely
166.11 recognized trauma experts. The commissioner shall adapt and modify the standards as
166.12 appropriate to accommodate Minnesota's unique geography and the state's hospital and
166.13 health professional distribution and shall verify that the criteria are met by each hospital
166.14 voluntarily participating in the statewide trauma system.

166.15 Subd. 3. **Rule exemption and report to legislature.** In developing and adopting
166.16 the criteria under this section, the commissioner of health is exempt from chapter 14,
166.17 including section 14.386. ~~By September 1, 2009, the commissioner must report to the~~
166.18 ~~legislature on implementation of the voluntary trauma system, including recommendations~~
166.19 ~~on the need for including the trauma system criteria in rule.~~

166.20 Sec. 9. Minnesota Statutes 2008, section 144.605, subdivision 2, is amended to read:

166.21 Subd. 2. **Designation; reverification.** The commissioner shall designate ~~four~~ six
166.22 levels of trauma hospitals. A hospital that voluntarily meets the criteria for a particular
166.23 level of trauma hospital shall apply to the commissioner for designation and, upon the
166.24 commissioner's verifying the hospital meets the criteria, be designated a trauma hospital
166.25 at the appropriate level for a three-year period. Prior to the expiration of the three-year
166.26 designation, a hospital seeking to remain part of the voluntary system must apply for
166.27 and successfully complete a reverification process, be awaiting the site visit for the
166.28 reverification, or be awaiting the results of the site visit. The commissioner may extend a
166.29 hospital's existing designation for up to 18 months on a provisional basis if the hospital has
166.30 applied for reverification in a timely manner but has not yet completed the reverification
166.31 process within the expiration of the three-year designation and the extension is in the
166.32 best interest of trauma system patient safety. To be granted a provisional extension, the
166.33 hospital must be:

- 166.34 (1) scheduled and awaiting the site visit for reverification;
166.35 (2) awaiting the results of the site visit; or

167.1 (3) responding to and correcting identified deficiencies identified in the site visit.

167.2 Sec. 10. Minnesota Statutes 2008, section 144.605, subdivision 3, is amended to read:

167.3 Subd. 3. **ACS verification.** The commissioner shall grant the appropriate level I, II,
167.4 or III trauma hospital or level I or II pediatric trauma hospital designation to a hospital that
167.5 successfully completes and passes the American College of Surgeons (ACS) verification
167.6 standards at the hospital's cost, submits verification documentation to the Trauma Advisory
167.7 Council, and formally notifies the Trauma Advisory Council of ACS verification.

167.8 Sec. 11. Minnesota Statutes 2008, section 144.605, is amended by adding a subdivision
167.9 to read:

167.10 Subd. 9. **Designation process protection.** Data on patients in information and
167.11 reports related to the designation and redesignation of trauma hospitals pursuant to
167.12 subdivisions 3 to 5 are private data on individuals, as defined in section 13.02, subdivision
167.13 12.

167.14 Sec. 12. **[144.6071] TRAUMA REGISTRY.**

167.15 Subdivision 1. **Registry.** The commissioner of health shall establish and maintain
167.16 a central registry of persons who sustain major trauma as defined in section 144.602,
167.17 subdivision 3. The registry shall collect information to facilitate the development of
167.18 clinical and system quality improvement, injury prevention, treatment, and rehabilitation
167.19 programs.

167.20 Subd. 2. **Registry participation required.** A trauma hospital must participate in
167.21 the statewide trauma registry. The consent of the injured person is not required.

167.22 Subd. 3. **Registry information.** Trauma hospitals must electronically submit the
167.23 following information to the registry:

167.24 (1) demographic information of the injured person;

167.25 (2) information about the date, location, and cause of the injury;

167.26 (3) information about the condition of the injured person;

167.27 (4) information about the treatment, comorbidities, and diagnosis of the injured
167.28 person;

167.29 (5) information about the outcome and disposition of the injured person; and

167.30 (6) other trauma-related information required by the commissioner, if necessary to
167.31 facilitate the development of clinical and system quality improvement, treatment, and
167.32 rehabilitation programs.

168.1 Subd. 4. **Rules.** The commissioner may adopt rules to collect other information
168.2 required to facilitate the development of clinical and system quality improvement, injury
168.3 prevention, treatment, and rehabilitation programs. The commissioner may adopt rules at
168.4 any time to implement this section and is not subject to the requirements of section 14.125.

168.5 Subd. 5. **Reporting without liability.** Any person or facility furnishing information
168.6 required in this section shall not be subject to any action for damages or other relief,
168.7 provided that the person or facility is acting in good faith.

168.8 Subd. 6. **Data classification.** Data on individuals collected by the commissioner
168.9 of health under this section are private data on individuals, as defined in section 13.02,
168.10 subdivision 12. Data not on individuals are nonpublic data as defined in section 13.02,
168.11 subdivision 9. The commissioner shall provide summary registry data to public and
168.12 private entities to conduct studies using data collected by the registry. The commissioner
168.13 may charge a fee under section 13.03, subdivision 3, for all out-of-pocket expenses
168.14 associated with the provision of data or data analysis.

168.15 Subd. 7. **Report requirements.** The commissioner shall use the registry to annually
168.16 publish a report that includes comparative demographic and risk-adjusted epidemiological
168.17 data on designated trauma hospitals. Any analyses or reports that identify providers
168.18 may only be published after the provider has been provided the opportunity by the
168.19 commissioner to review the underlying data and submit comments. The provider shall
168.20 have 21 days to review the data for accuracy.

168.21 Sec. 13. Minnesota Statutes 2008, section 144.608, subdivision 1, is amended to read:

168.22 Subdivision 1. **Trauma Advisory Council established.** (a) A Trauma Advisory
168.23 Council is established to advise, consult with, and make recommendations to the
168.24 commissioner on the development, maintenance, and improvement of a statewide trauma
168.25 system.

168.26 (b) The council shall consist of the following members:

168.27 (1) a trauma surgeon certified by the American ~~College of Surgeons~~ Board of
168.28 Surgery or the American Osteopathic Board of Surgery who practices in a level I or
168.29 II trauma hospital;

168.30 (2) a general surgeon certified by the American ~~College of Surgeons~~ Board
168.31 of Surgery or the American Osteopathic Board of Surgery whose practice includes
168.32 trauma and who practices in a designated rural area as defined under section 144.1501,
168.33 subdivision 1, paragraph (b);

168.34 (3) a neurosurgeon certified by the American Board of Neurological Surgery who
168.35 practices in a level I or II trauma hospital;

- 169.1 (4) a trauma program nurse manager or coordinator practicing in a level I or II
169.2 trauma hospital;
- 169.3 (5) an emergency physician certified by the ~~American College~~ Board of Emergency
169.4 ~~Physicians~~ Medicine or the American Osteopathic Board of Emergency Medicine whose
169.5 practice includes emergency room care in a level I, II, III, or IV trauma hospital;
- 169.6 (6) ~~an emergency room nurse manager~~ a trauma program manager or coordinator
169.7 who practices in a level III or IV trauma hospital;
- 169.8 (7) a ~~family practice~~ physician certified by the American Board of Family Medicine
169.9 or the American Osteopathic Board of Family Practice whose practice includes emergency
169.10 ~~room~~ department care in a level III or IV trauma hospital located in a designated rural area
169.11 as defined under section 144.1501, subdivision 1, paragraph (b);
- 169.12 (8) a nurse practitioner, as defined under section 144.1501, subdivision 1, paragraph
169.13 (h), or a physician assistant, as defined under section 144.1501, subdivision 1, paragraph
169.14 (j), whose practice includes emergency room care in a level IV trauma hospital located in
169.15 a designated rural area as defined under section 144.1501, subdivision 1, paragraph (b);
- 169.16 (9) a pediatrician certified by the ~~American Academy~~ Board of Pediatrics or the
169.17 American Osteopathic Board of Pediatrics whose practice includes emergency ~~room~~
169.18 department care in a level I, II, III, or IV trauma hospital;
- 169.19 (10) an orthopedic surgeon certified by the American Board of Orthopaedic Surgery
169.20 or the American Osteopathic Board of Orthopedic Surgery whose practice includes trauma
169.21 and who practices in a level I, II, or III trauma hospital;
- 169.22 (11) the state emergency medical services medical director appointed by the
169.23 Emergency Medical Services Regulatory Board;
- 169.24 (12) a hospital administrator of a level III or IV trauma hospital located in a
169.25 designated rural area as defined under section 144.1501, subdivision 1, paragraph (b);
- 169.26 (13) a rehabilitation specialist whose practice includes rehabilitation of patients
169.27 with major trauma injuries or traumatic brain injuries and spinal cord injuries as defined
169.28 under section 144.661;
- 169.29 (14) an attendant or ambulance director who is an EMT, EMT-I, or EMT-P within
169.30 the meaning of section 144E.001 and who actively practices with a licensed ambulance
169.31 service in a primary service area located in a designated rural area as defined under section
169.32 144.1501, subdivision 1, paragraph (b); and
- 169.33 (15) the commissioner of public safety or the commissioner's designee.
- 169.34 ~~(c) Council members whose appointment is dependent on practice in a level III or IV~~
169.35 ~~trauma hospital may be appointed to an initial term based upon their statements that the~~
169.36 ~~hospital intends to become a level III or IV facility by July 1, 2009.~~

170.1 Sec. 14. [144.615] BIRTH CENTERS.

170.2 Subdivision 1. Definitions. (a) For purposes of this section, the following definitions
170.3 have the meanings given them.

170.4 (b) "Birth center" means a facility licensed for the primary purpose of performing
170.5 low-risk deliveries that is not a hospital or licensed as part of a hospital and where births are
170.6 planned to occur away from the mother's usual residence following a low-risk pregnancy.

170.7 (c) "CABC" means the Commission for the Accreditation of Birth Centers.

170.8 (d) "Low-risk pregnancy" means a normal, uncomplicated prenatal course as
170.9 determined by documentation of adequate prenatal care and the anticipation of a normal
170.10 uncomplicated labor and birth, as defined by reasonable and generally accepted criteria
170.11 adopted by professional groups for maternal, fetal, and neonatal health care.

170.12 Subd. 2. License required. (a) Beginning January 1, 2011, no birth center shall be
170.13 established, operated, or maintained in the state without first obtaining a license from the
170.14 commissioner of health according to this section.

170.15 (b) A license issued under this section is not transferable or assignable and is subject
170.16 to suspension or revocation at any time for failure to comply with this section.

170.17 (c) A birth center licensed under this section shall not assert, represent, offer,
170.18 provide, or imply that the center is or may render care or services other than the services it
170.19 is permitted to render within the scope of the license or the accreditation issued.

170.20 (d) The license must be conspicuously posted in an area where patients are admitted.

170.21 Subd. 3. Temporary license. For new birth centers planning to begin operations
170.22 after January 1, 2011, the commissioner may issue a temporary license to the birth center
170.23 that is valid for a period of six months from the date of issuance. The birth center must
170.24 submit to the commissioner an application and applicable fee for licensure as required
170.25 under subdivision 4. The application must include the information required in subdivision
170.26 4, clauses (1) to (3) and (5) to (7), and documentation that the birth center has submitted
170.27 an application for accreditation to the CABC. Upon receipt of accreditation from the
170.28 CABC, the birth center must submit to the commissioner the information required in
170.29 subdivision 4, clause (4), and the applicable fee under subdivision 8. The commissioner
170.30 shall issue a new license.

170.31 Subd. 4. Application. An application for a license to operate a birth center and the
170.32 applicable fee under subdivision 8 must be submitted to the commissioner on a form
170.33 provided by the commissioner and must contain:

170.34 (1) the name of the applicant;

170.35 (2) the site location of the birth center;

170.36 (3) the name of the person in charge of the center;

171.1 (4) documentation that the accreditation described under subdivision 6 has been
171.2 issued, including the effective date and the expiration date of the accreditation, and the
171.3 date of the last site visit by the CABC;

171.4 (5) the number of patients the birth center is capable of serving at a given time;

171.5 (6) the names and license numbers, if applicable, of the health care professionals
171.6 on staff at the birth center; and

171.7 (7) any other information the commissioner deems necessary.

171.8 Subd. 5. **Suspension, revocation, and refusal to renew.** The commissioner may
171.9 refuse to grant or renew, or may suspend or revoke, a license on any of the grounds
171.10 described under section 144.55, subdivision 6, paragraph (a), clause (2), (3), or (4), or
171.11 upon the loss of accreditation by the CABC. The applicant or licensee is entitled to notice
171.12 and a hearing as described under section 144.55, subdivision 7, and a new license may be
171.13 issued after proper inspection of the birth center has been conducted.

171.14 Subd. 6. **Standards for licensure.** (a) To be eligible for licensure under this
171.15 section, a birth center must be accredited by the CABC or must obtain accreditation
171.16 within six months of the date of the application for licensure. If the birth center loses its
171.17 accreditation, the birth center must immediately notify the commissioner.

171.18 (b) The center must have procedures in place specifying criteria by which risk status
171.19 will be established and applied to each woman at admission and during labor.

171.20 (c) Upon request, the birth center shall provide the commissioner of health with any
171.21 material submitted by the birth center to the CABC as part of the accreditation process,
171.22 including the accreditation application, the self-evaluation report, the accreditation
171.23 decision letter from the CABC, and any reports from the CABC following a site visit.

171.24 Subd. 7. **Limitations of services.** (a) The following limitations apply to the services
171.25 performed at a birth center:

171.26 (1) surgical procedures must be limited to those normally accomplished during an
171.27 uncomplicated birth, including episiotomy and repair;

171.28 (2) no abortions may be administered; and

171.29 (3) no general or regional anesthesia may be administered.

171.30 (b) Notwithstanding paragraph (a), local anesthesia may be administered at a birth
171.31 center if the administration of the anesthetic is performed within the scope of practice of a
171.32 health care professional.

171.33 Subd. 8. **Fees.** (a) The biennial license fee for a birth center is \$365.

171.34 (b) The temporary license fee is \$365.

171.35 (c) Fees shall be collected and deposited according to section 144.122.

172.1 Subd. 9. **Renewal.** (a) Except as provided in paragraph (b), a license issued under
172.2 this section expires two years from the date of issue.

172.3 (b) A temporary license issued under subdivision 3 expires six months from the date
172.4 of issue, and may be renewed for one additional six-month period.

172.5 (c) An application for renewal shall be submitted at least 60 days prior to expiration
172.6 of the license on forms prescribed by the commissioner of health.

172.7 Subd. 10. **Records.** All health records maintained on each client by a birth center
172.8 are subject to sections 144.292 to 144.298.

172.9 Subd. 11. **Report.** (a) The commissioner of health, in consultation with the
172.10 commissioner of human services and representatives of the licensed birth centers,
172.11 the American College of Obstetricians and Gynecologists, the American Academy
172.12 of Pediatrics, the Minnesota Hospital Association, and the Minnesota Ambulance
172.13 Association, shall evaluate the quality of care and outcomes for services provided in
172.14 licensed birth centers, including, but not limited to, the utilization of services provided at a
172.15 birth center, the outcomes of care provided to both mothers and newborns, and the numbers
172.16 of transfers to other health care facilities that are required and the reasons for the transfers.
172.17 The commissioner shall work with the birth centers to establish a process to gather and
172.18 analyze the data within protocols that protect the confidentiality of patient identification.

172.19 (b) The commissioner of health shall report the findings of the evaluation to the
172.20 legislature by January 15, 2014.

172.21 Sec. 15. Minnesota Statutes 2008, section 144.651, subdivision 2, is amended to read:

172.22 Subd. 2. **Definitions.** For the purposes of this section, "patient" means a person
172.23 who is admitted to an acute care inpatient facility for a continuous period longer than
172.24 24 hours, for the purpose of diagnosis or treatment bearing on the physical or mental
172.25 health of that person. For purposes of subdivisions 4 to 9, 12, 13, 15, 16, and 18 to 20,
172.26 "patient" also means a person who receives health care services at an outpatient surgical
172.27 center or at a birth center licensed under section 144.615. "Patient" also means a minor
172.28 who is admitted to a residential program as defined in section 253C.01. For purposes of
172.29 subdivisions 1, 3 to 16, 18, 20 and 30, "patient" also means any person who is receiving
172.30 mental health treatment on an outpatient basis or in a community support program or other
172.31 community-based program. "Resident" means a person who is admitted to a nonacute care
172.32 facility including extended care facilities, nursing homes, and boarding care homes for
172.33 care required because of prolonged mental or physical illness or disability, recovery from
172.34 injury or disease, or advancing age. For purposes of all subdivisions except subdivisions
172.35 28 and 29, "resident" also means a person who is admitted to a facility licensed as a board

173.1 and lodging facility under Minnesota Rules, parts 4625.0100 to 4625.2355, or a supervised
173.2 living facility under Minnesota Rules, parts 4665.0100 to 4665.9900, and which operates
173.3 a rehabilitation program licensed under Minnesota Rules, parts 9530.4100 to 9530.4450.

173.4 Sec. 16. Minnesota Statutes 2008, section 144.9504, is amended by adding a
173.5 subdivision to read:

173.6 Subd. 12. **Blood lead level guidelines.** (a) By January 1, 2011, the commissioner
173.7 must revise clinical and case management guidelines to include recommendations
173.8 for protective health actions and follow-up services when a child's blood lead level
173.9 exceeds five micrograms of lead per deciliter of blood. The revised guidelines must be
173.10 implemented to the extent possible using available resources.

173.11 (b) In revising the clinical and case management guidelines for blood lead levels
173.12 greater than five micrograms of lead per deciliter of blood under this subdivision,
173.13 the commissioner of health must consult with a statewide organization representing
173.14 physicians, the public health department of Minneapolis and other public health
173.15 departments, one representative of the residential construction industry, and a nonprofit
173.16 organization with expertise in lead abatement.

173.17 Sec. 17. Minnesota Statutes 2008, section 144A.51, subdivision 5, is amended to read:

173.18 Subd. 5. **Health facility.** "Health facility" means a facility or that part of a facility
173.19 which is required to be licensed pursuant to sections 144.50 to 144.58, 144.615, and a
173.20 facility or that part of a facility which is required to be licensed under any law of this state
173.21 which provides for the licensure of nursing homes.

173.22 Sec. 18. Minnesota Statutes 2008, section 144E.37, is amended to read:

173.23 **144E.37 COMPREHENSIVE ADVANCED LIFE SUPPORT.**

173.24 The ~~board~~ commissioner of health shall establish a comprehensive advanced
173.25 life-support educational program to train rural medical personnel, including physicians,
173.26 physician assistants, nurses, and allied health care providers, in a team approach to
173.27 anticipate, recognize, and treat life-threatening emergencies before serious injury or
173.28 cardiac arrest occurs.

173.29 **EFFECTIVE DATE.** This section is effective July 1, 2010.

173.30 Sec. 19. **HEALTH PLAN AND COUNTY ADMINISTRATIVE COST**
173.31 **REDUCTION; REPORTING REQUIREMENTS.**

174.1 (a) Minnesota health plans and county-based purchasing plans may complete an
174.2 inventory of existing data collection and reporting requirements for health plans and
174.3 county-based purchasing plans and submit to the commissioners of health and human
174.4 services a list of data, documentation, and reports that:

174.5 (1) are collected from the same health plan or county-based purchasing plan more
174.6 than once;

174.7 (2) are collected directly from the health plan or county-based purchasing plan but
174.8 are available to the state agencies from other sources;

174.9 (3) are not currently being used by state agencies; or

174.10 (4) collect similar information more than once in different formats, at different
174.11 times, or by more than one state agency.

174.12 (b) The report to the commissioners may also identify the percentage of health
174.13 plan and county-based purchasing plan administrative time and expense attributed to
174.14 fulfilling reporting requirements and include recommendations regarding ways to reduce
174.15 duplicative reporting requirements.

174.16 (c) Upon receipt, the commissioners shall submit the inventory and recommendations
174.17 to the chairs of the appropriate legislative committees, along with their comments
174.18 and recommendations as to whether any action should be taken by the legislature to
174.19 establish a consolidated and streamlined reporting system under which data, reports, and
174.20 documentation are collected only once and only when needed for the state agencies to
174.21 fulfill their duties under law and applicable regulations.

174.22 **Sec. 20. VENDOR ACCREDITATION SIMPLIFICATION.**

174.23 The Minnesota Hospital Association must coordinate with the Minnesota
174.24 Credentialing Collaborative to make recommendations by January 1, 2012, on the
174.25 development of standard accreditation methods for vendor services provided within
174.26 hospitals and clinics. The recommendations must be consistent with requirements of
174.27 hospital credentialing organizations and applicable federal requirements.

174.28 **Sec. 21. APPLICATION PROCESS FOR HEALTH INFORMATION**
174.29 **EXCHANGE.**

174.30 To the extent that the commissioner of health applies for additional federal funding
174.31 to support the commissioner's responsibilities of developing and maintaining state level
174.32 health information exchange under section 3013 of the HITECH Act, the commissioner of
174.33 health shall ensure that applications are made through an open process that provides health
174.34 information exchange service providers equal opportunity to receive funding.

176.1 general assistance medical care. Training sites that receive no public program revenue
176.2 are ineligible for funds available under this subdivision. For purposes of determining
176.3 training-site level grants to be distributed under paragraph (a), total statewide average
176.4 costs per trainee for medical residents is based on audited clinical training costs per trainee
176.5 in primary care clinical medical education programs for medical residents. Total statewide
176.6 average costs per trainee for dental residents is based on audited clinical training costs
176.7 per trainee in clinical medical education programs for dental students. Total statewide
176.8 average costs per trainee for pharmacy residents is based on audited clinical training costs
176.9 per trainee in clinical medical education programs for pharmacy students.

176.10 (b) \$5,350,000 of the available medical education funds shall be distributed as
176.11 follows:

176.12 (1) \$1,475,000 to the University of Minnesota Medical Center-Fairview;

176.13 (2) \$2,075,000 to the University of Minnesota School of Dentistry; and

176.14 (3) \$1,800,000 to the Academic Health Center. \$150,000 of the funds distributed to
176.15 the Academic Health Center under this paragraph shall be used for a program to assist
176.16 internationally trained physicians who are legal residents and who commit to serving
176.17 underserved Minnesota communities in a health professional shortage area to successfully
176.18 compete for family medicine residency programs at the University of Minnesota.

176.19 (c) Funds distributed shall not be used to displace current funding appropriations
176.20 from federal or state sources.

176.21 (d) Funds shall be distributed to the sponsoring institutions indicating the amount
176.22 to be distributed to each of the sponsor's clinical medical education programs based on
176.23 the criteria in this subdivision and in accordance with the commissioner's approval letter.
176.24 Each clinical medical education program must distribute funds allocated under paragraph
176.25 (a) to the training sites as specified in the commissioner's approval letter. Sponsoring
176.26 institutions, which are accredited through an organization recognized by the Department
176.27 of Education or the Centers for Medicare and Medicaid Services, may contract directly
176.28 with training sites to provide clinical training. To ensure the quality of clinical training,
176.29 those accredited sponsoring institutions must:

176.30 (1) develop contracts specifying the terms, expectations, and outcomes of the clinical
176.31 training conducted at sites; and

176.32 (2) take necessary action if the contract requirements are not met. Action may
176.33 include the withholding of payments under this section or the removal of students from
176.34 the site.

176.35 (e) Any funds not distributed in accordance with the commissioner's approval letter
176.36 must be returned to the medical education and research fund within 30 days of receiving

177.1 notice from the commissioner. The commissioner shall distribute returned funds to the
177.2 appropriate training sites in accordance with the commissioner's approval letter.

177.3 (f) A maximum of \$150,000 of the funds dedicated to the commissioner under
177.4 section 297F.10, subdivision 1, clause (2), may be used by the commissioner for
177.5 administrative expenses associated with implementing this section.

177.6 Sec. 2. Minnesota Statutes 2009 Supplement, section 157.16, subdivision 3, is
177.7 amended to read:

177.8 Subd. 3. **Establishment fees; definitions.** (a) The following fees are required
177.9 for food and beverage service establishments, youth camps, hotels, motels, lodging
177.10 establishments, public pools, and resorts licensed under this chapter. Food and beverage
177.11 service establishments must pay the highest applicable fee under paragraph (d), clause
177.12 (1), (2), (3), or (4), and establishments serving alcohol must pay the highest applicable
177.13 fee under paragraph (d), clause (6) or (7). The license fee for new operators previously
177.14 licensed under this chapter for the same calendar year is one-half of the appropriate annual
177.15 license fee, plus any penalty that may be required. The license fee for operators opening
177.16 on or after October 1 is one-half of the appropriate annual license fee, plus any penalty
177.17 that may be required.

177.18 (b) All food and beverage service establishments, except special event food stands,
177.19 and all hotels, motels, lodging establishments, public pools, and resorts shall pay an
177.20 annual base fee of \$150.

177.21 (c) A special event food stand shall pay a flat fee of \$50 annually. "Special event
177.22 food stand" means a fee category where food is prepared or served in conjunction with
177.23 celebrations, county fairs, or special events from a special event food stand as defined
177.24 in section 157.15.

177.25 (d) In addition to the base fee in paragraph (b), each food and beverage service
177.26 establishment, other than a special event food stand, and each hotel, motel, lodging
177.27 establishment, public pool, and resort shall pay an additional annual fee for each fee
177.28 category, additional food service, or required additional inspection specified in this
177.29 paragraph:

177.30 (1) Limited food menu selection, \$60. "Limited food menu selection" means a fee
177.31 category that provides one or more of the following:

- 177.32 (i) prepackaged food that receives heat treatment and is served in the package;
177.33 (ii) frozen pizza that is heated and served;
177.34 (iii) a continental breakfast such as rolls, coffee, juice, milk, and cold cereal;
177.35 (iv) soft drinks, coffee, or nonalcoholic beverages; or

178.1 (v) cleaning for eating, drinking, or cooking utensils, when the only food served
178.2 is prepared off site.

178.3 (2) Small establishment, including boarding establishments, \$120. "Small
178.4 establishment" means a fee category that has no salad bar and meets one or more of
178.5 the following:

178.6 (i) possesses food service equipment that consists of no more than a deep fat fryer, a
178.7 grill, two hot holding containers, and one or more microwave ovens;

178.8 (ii) serves dipped ice cream or soft serve frozen desserts;

178.9 (iii) serves breakfast in an owner-occupied bed and breakfast establishment;

178.10 (iv) is a boarding establishment; or

178.11 (v) meets the equipment criteria in clause (3), item (i) or (ii), and has a maximum
178.12 patron seating capacity of not more than 50.

178.13 (3) Medium establishment, \$310. "Medium establishment" means a fee category
178.14 that meets one or more of the following:

178.15 (i) possesses food service equipment that includes a range, oven, steam table, salad
178.16 bar, or salad preparation area;

178.17 (ii) possesses food service equipment that includes more than one deep fat fryer,
178.18 one grill, or two hot holding containers; or

178.19 (iii) is an establishment where food is prepared at one location and served at one or
178.20 more separate locations.

178.21 Establishments meeting criteria in clause (2), item (v), are not included in this fee
178.22 category.

178.23 (4) Large establishment, \$540. "Large establishment" means either:

178.24 (i) a fee category that (A) meets the criteria in clause (3), items (i) or (ii), for a
178.25 medium establishment, (B) seats more than 175 people, and (C) offers the full menu
178.26 selection an average of five or more days a week during the weeks of operation; or

178.27 (ii) a fee category that (A) meets the criteria in clause (3), item (iii), for a medium
178.28 establishment, and (B) prepares and serves 500 or more meals per day.

178.29 (5) Other food and beverage service, including food carts, mobile food units,
178.30 seasonal temporary food stands, and seasonal permanent food stands, \$60.

178.31 (6) Beer or wine table service, \$60. "Beer or wine table service" means a fee
178.32 category where the only alcoholic beverage service is beer or wine, served to customers
178.33 seated at tables.

178.34 (7) Alcoholic beverage service, other than beer or wine table service, \$165.

179.1 "Alcohol beverage service, other than beer or wine table service" means a fee
 179.2 category where alcoholic mixed drinks are served or where beer or wine are served from
 179.3 a bar.

179.4 (8) Lodging per sleeping accommodation unit, \$10, including hotels, motels,
 179.5 lodging establishments, and resorts, up to a maximum of \$1,000. "Lodging per sleeping
 179.6 accommodation unit" means a fee category including the number of guest rooms, cottages,
 179.7 or other rental units of a hotel, motel, lodging establishment, or resort; or the number of
 179.8 beds in a dormitory.

179.9 (9) First public pool, \$325; each additional public pool, \$175. "Public pool" means a
 179.10 fee category that has the meaning given in section 144.1222, subdivision 4.

179.11 (10) First spa, \$175; each additional spa, \$100. "Spa pool" means a fee category that
 179.12 has the meaning given in Minnesota Rules, part 4717.0250, subpart 9.

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

179.17 (12) Additional food service, \$150. "Additional food service" means a location at
 179.18 a food service establishment, other than the primary food preparation and service area,
 179.19 used to prepare or serve food to the public.

179.20 (13) Additional inspection fee, \$360. "Additional inspection fee" means a fee to
 179.21 conduct the second inspection each year for elementary and secondary education facility
 179.22 school lunch programs when required by the Richard B. Russell National School Lunch
 179.23 Act.

179.24 (e) A fee for review of construction plans must accompany the initial license
 179.25 application for restaurants, hotels, motels, lodging establishments, resorts, seasonal food
 179.26 stands, and mobile food units. The fee for this construction plan review is as follows:

179.27	Service Area	Type	Fee
179.28	Food	limited food menu	\$275
179.29		small establishment	\$400
179.30		medium establishment	\$450
179.31		large food establishment	\$500
179.32		additional food service	\$150
179.33	Transient food service	food cart	\$250
179.34		seasonal permanent food stand	\$250
179.35		seasonal temporary food stand	\$250
179.36		mobile food unit	\$350
179.37	Alcohol	beer or wine table service	\$150
179.38		alcohol service from bar	\$250

180.1	Lodging	less than 25 rooms	\$375
180.2		25 to less than 100 rooms	\$400
180.3		100 rooms or more	\$500
180.4		less than five cabins	\$350
180.5		five to less than ten cabins	\$400
180.6		ten cabins or more	\$450

180.7 (f) When existing food and beverage service establishments, hotels, motels, lodging
 180.8 establishments, resorts, seasonal food stands, and mobile food units are extensively
 180.9 remodeled, a fee must be submitted with the remodeling plans. The fee for this
 180.10 construction plan review is as follows:

180.11	Service Area	Type	Fee
180.12	Food	limited food menu	\$250
180.13		small establishment	\$300
180.14		medium establishment	\$350
180.15		large food establishment	\$400
180.16		additional food service	\$150
180.17	Transient food service	food cart	\$250
180.18		seasonal permanent food stand	\$250
180.19		seasonal temporary food stand	\$250
180.20		mobile food unit	\$250
180.21	Alcohol	beer or wine table service	\$150
180.22		alcohol service from bar	\$250
180.23	Lodging	less than 25 rooms	\$250
180.24		25 to less than 100 rooms	\$300
180.25		100 rooms or more	\$450
180.26		less than five cabins	\$250
180.27		five to less than ten cabins	\$350
180.28		ten cabins or more	\$400

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

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

- 180.32 (1) camps with up to 99 campers, \$325;
- 180.33 (2) camps with 100 to 199 campers, \$550; and
- 180.34 (3) camps with 200 or more campers, \$750.

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

180.37 Sec. 3. Minnesota Statutes 2009 Supplement, section 327.15, subdivision 3, is
 180.38 amended to read:

181.1 Subd. 3. **Fees, manufactured home parks and recreational camping areas.** (a)

181.2 The following fees are required for manufactured home parks and recreational camping
181.3 areas licensed under this chapter. Recreational camping areas and manufactured home
181.4 parks shall pay the highest applicable base fee under paragraph ~~(e)~~ (b). The license fee
181.5 for new operators of a manufactured home park or recreational camping area previously
181.6 licensed under this chapter for the same calendar year is one-half of the appropriate annual
181.7 license fee, plus any penalty that may be required. The license fee for operators opening
181.8 on or after October 1 is one-half of the appropriate annual license fee, plus any penalty
181.9 that may be required.

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

181.12 (1) a manufactured home park, \$150; and

181.13 (2) a recreational camping area with:

181.14 (i) 24 or less sites, \$50;

181.15 (ii) 25 to 99 sites, \$212; and

181.16 (iii) 100 or more sites, \$300.

181.17 In addition to the base fee, manufactured home parks and recreational camping areas shall
181.18 pay \$4 for each licensed site. This paragraph does not apply to special event recreational
181.19 camping areas ~~or to~~. Operators of a manufactured home park or a recreational camping
181.20 area also licensed under section 157.16 for the same location shall pay only one base fee,
181.21 whichever is the highest of the base fees found in this section or section 157.16.

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

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

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

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

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

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

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

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

- 182.3 (1) for expansion of less than 25 sites, \$250;
182.4 (2) for expansion of 25 to 99 sites, \$300; and
182.5 (3) for expansion of 100 or more sites, \$450.

182.6 Sec. 4. **FOOD SUPPORT FOR CHILDREN WITH SEVERE ALLERGIES.**

182.7 The commissioner of human services must seek a federal waiver from the federal
182.8 Department of Agriculture, Food and Nutrition Service, for the supplemental nutrition
182.9 assistance program, to increase the income eligibility requirements to 375 percent of the
182.10 federal poverty guidelines, in order to cover nutritional food products required to treat
182.11 or manage severe food allergies, including allergies to wheat and gluten, for infants and
182.12 children who have been diagnosed with life-threatening severe food allergies.

182.13 **ARTICLE 22**

182.14 **HEALTH CARE REFORM**

182.15 Section 1. **[62E.20] RELATIONSHIP TO TEMPORARY FEDERAL HIGH-RISK**
182.16 **POOL.**

182.17 Subdivision 1. **Definitions.** (a) For purposes of this section, the terms defined in
182.18 this subdivision have the meanings given.

182.19 (b) "Association" means the Minnesota Comprehensive Health Association.

182.20 (c) "Federal law" means Title I, subtitle B, section 1101, of the federal Patient
182.21 Protection and Affordable Care Act, Public Law 111-148, including any federal
182.22 regulations adopted under it.

182.23 (d) "Federal qualified high-risk pool" means an arrangement established by the
182.24 federal secretary of health and human services that meets the requirements of the federal
182.25 law.

182.26 Subd. 2. **Timing of this section.** This section applies beginning the date the
182.27 temporary federal qualified high-risk health pool created under the federal law begins
182.28 to provide coverage in this state.

182.29 Subd. 3. **Maintenance of effort.** The assessments made by the comprehensive
182.30 health association on its member insurers must comply with the maintenance of effort
182.31 requirement contained in paragraph (b), clause (3), of the federal law, to the extent that the
182.32 requirement applies to assessments made by the association.

182.33 Subd. 4. **Coordination with state health care programs.** The commissioner
182.34 of commerce and the Minnesota Comprehensive Health Association shall ensure that

183.1 applicants for coverage through the federal qualified high-risk pool, or through the
183.2 Minnesota Comprehensive Health Association, are referred to the medical assistance or
183.3 MinnesotaCare programs if they are determined to be potentially eligible for coverage
183.4 through those programs. The commissioner of human services shall ensure that applicants
183.5 for coverage under medical assistance or MinnesotaCare who are determined not to be
183.6 eligible for those programs are provided information about coverage through the federal
183.7 qualified high-risk pool and the Minnesota Comprehensive Health Association.

183.8 Subd. 5. **Federal funding.** Minnesota shall coordinate its efforts with the United
183.9 States Department of Health and Human Services (HHS) to obtain the federal funds to
183.10 implement in Minnesota the federal qualified high-risk pool.

183.11 Sec. 2. **[256B.0756] COORDINATED CARE THROUGH A HEALTH HOME.**

183.12 Subdivision 1. **Provision of coverage.** (a) The commissioner shall provide
183.13 medical assistance coverage of health home services for eligible individuals with chronic
183.14 conditions who select a designated provider, a team of health care professionals, or a
183.15 health team as the individual's health home.

183.16 (b) The commissioner shall implement this section in compliance with the
183.17 requirements of the state option to provide health homes for enrollees with chronic
183.18 conditions, as provided under the Patient Protection and Affordable Care Act, Public
183.19 Law 111-148, sections 2703 and 3502. Terms used in this section have the meaning
183.20 provided in that act.

183.21 Subd. 2. **Eligible individual.** An individual is eligible for health home services
183.22 under this section if the individual is eligible for medical assistance under this chapter
183.23 and has at least:

- 183.24 (1) two chronic conditions;
183.25 (2) one chronic condition and is at risk of having a second chronic condition; or
183.26 (3) one serious and persistent mental health condition.

183.27 Subd. 3. **Health home services.** (a) Health home services means comprehensive and
183.28 timely high-quality services that are provided by a health home. These services include:

- 183.29 (1) comprehensive care management;
183.30 (2) care coordination and health promotion;
183.31 (3) comprehensive transitional care, including appropriate follow-up, from inpatient
183.32 to other settings;
183.33 (4) patient and family support, including authorized representatives;
183.34 (5) referral to community and social support services, if relevant; and
183.35 (6) use of health information technology to link services, as feasible and appropriate.

184.1 (b) The commissioner shall maximize the number and type of services
184.2 included in this subdivision to the extent permissible under federal law, including
184.3 physician, outpatient, mental health treatment, and rehabilitation services necessary for
184.4 comprehensive transitional care following hospitalization.

184.5 Subd. 4. **Health teams.** The commissioner shall establish health teams to support
184.6 the patient-centered health home and provide the services described in subdivision 3 to
184.7 individuals eligible under subdivision 2. The commissioner shall apply for grants or
184.8 contracts as provided under section 3502 of the Patient Protection and Affordable Care
184.9 Act to establish health teams and provide capitated payments to primary care providers.
184.10 For purposes of this section, "health teams" means community-based, interdisciplinary,
184.11 inter-professional teams of health care providers that support primary care practices.
184.12 These providers may include medical specialists, nurses, advanced practice registered
184.13 nurses, pharmacists, nutritionists, social workers, behavioral and mental health providers,
184.14 doctors of chiropractic, licensed complementary and alternative medicine practitioners,
184.15 and physician assistants.

184.16 Subd. 5. **Payments.** The commissioner shall make payments to each health home
184.17 and each health team for the provision of health home services to each eligible individual
184.18 with chronic conditions that selects the health home as a provider.

184.19 Subd. 6. **Coordination.** The commissioner, to the extent feasible, shall ensure that
184.20 the requirements and payment methods for health homes and health teams developed
184.21 under this section are consistent with the requirements and payment methods for health
184.22 care homes established under sections 256B.0751 and 256B.0753. The commissioner may
184.23 modify requirements and payment methods under sections 256B.0751 and 256B.0753 in
184.24 order to be consistent with federal health home requirements and payment methods.

184.25 Subd. 7. **State plan amendment.** The commissioner shall submit a state plan
184.26 amendment to implement this section to the federal Centers for Medicare and Medicaid
184.27 Services by January 1, 2011.

184.28 **EFFECTIVE DATE.** This section is effective January 1, 2011, or upon federal
184.29 approval, whichever is later.

184.30 Sec. 3. **FEDERAL HEALTH CARE REFORM DEMONSTRATION PROJECTS**
184.31 **AND GRANTS.**

184.32 (a) The commissioner of human services shall seek to participate in the following
184.33 demonstration projects, or apply for the following grants, as described in the federal
184.34 Patient Protection and Affordable Care Act, Public Law 111-148:

185.1 (1) the demonstration project to evaluate integrated care around a hospitalization,
185.2 Public Law 111-148, section 2704;

185.3 (2) the Medicaid global payment system demonstration project, Public Law 111-148,
185.4 section 2705, including a demonstration project for the specific population of childless
185.5 adults under 75 percent of federal poverty guidelines that were to be served by the general
185.6 assistance medical care program;

185.7 (3) the pediatric accountable care organization demonstration project, Public Law
185.8 111-148, section 2706;

185.9 (4) the Medicaid emergency psychiatric demonstration project, Public Law 111-148,
185.10 section 2707; and

185.11 (5) grants to provide incentives for prevention of chronic diseases in Medicaid,
185.12 Public Law 111-148, section 4108.

185.13 (b) The commissioner of human services shall report to the chairs and ranking
185.14 minority members of the house of representatives and senate committees or divisions with
185.15 jurisdiction over health care policy and finance on the status of the demonstration project
185.16 and grant applications. If the state is accepted as a demonstration project participant, or is
185.17 awarded a grant, the commissioner shall notify the chairs and ranking minority members
185.18 of those committees or divisions of any legislative changes necessary to implement the
185.19 demonstration projects or grants.

185.20 (c) The commissioner of health shall apply for federal grants available under the
185.21 federal Patient Protection and Affordable Care Act, Public Law 111-148, for purposes
185.22 of funding wellness and prevention, and health improvement programs. To the extent
185.23 possible under federal law, the commissioner of health must utilize the state health
185.24 improvement program, established under Minnesota Statutes, section 145.986, to
185.25 implement grant programs related to wellness and prevention, and health improvement,
185.26 for which the state receives funding under the federal Patient Protection and Affordable
185.27 Care Act, Public Law 111-148.

185.28 **Sec. 4. HEALTH CARE REFORM TASK FORCE.**

185.29 Subdivision 1. **Task force.** (a) The governor shall convene a Health Care
185.30 Reform Task Force to advise and assist the governor and the legislature regarding state
185.31 implementation of federal health care reform legislation. For purposes of this section,
185.32 "federal health care reform legislation" means the Patient Protection and Affordable Care
185.33 Act, Public Law 111-148, and the health care reform provisions in the Health Care and
185.34 Education Reconciliation Act of 2010, Public Law 111-152. The task force shall consist of:

186.1 (1) two legislators from the house of representatives appointed by the speaker and
186.2 two legislators from the senate appointed by the Subcommittee on Committees of the
186.3 Committee on Rules and Administration;

186.4 (2) two representatives appointed by the governor to represent the governor and
186.5 state agencies;

186.6 (3) three persons appointed by the governor who have demonstrated leadership in
186.7 health care organizations, health plan companies, or health care trade or professional
186.8 associations;

186.9 (4) three persons appointed by the governor who have demonstrated leadership in
186.10 employer and group purchaser activities related to health system improvement of whom
186.11 two must be from a labor organization and one from the business community; and

186.12 (5) five persons appointed by the governor who have demonstrated expertise in the
186.13 areas of health care financing, access, and quality.

186.14 The governor is exempt from the requirements of the open appointments process
186.15 for purposes of appointing task force members. Members shall be appointed for one-year
186.16 terms and may be reappointed.

186.17 (b) The Department of Health, Department of Human Services, and Department of
186.18 Commerce shall provide staff support to the task force. The task force may accept outside
186.19 resources to help support its efforts.

186.20 (c) Task force members must be appointed by July 1, 2010. The task force must hold
186.21 its first meeting by July 15, 2010.

186.22 Subd. 2. Duties. (a) By December 15, 2010, the task force shall develop and
186.23 present to the legislature and the governor a preliminary report and recommendations on
186.24 state implementation of federal health care reform legislation. The report must include
186.25 recommendations for state law and program changes necessary to comply with the federal
186.26 health care reform legislation, and also recommendations for implementing provisions of
186.27 the federal legislation that are optional for states. In developing recommendations, the task
186.28 force shall consider the extent to which an approach maximizes federal funding to the state.

186.29 (b) The task force, in consultation with the governor and the legislature, shall also
186.30 establish timelines and criteria for future reports on state implementation of the federal
186.31 health care reform legislation.

186.32 **Sec. 5. AMERICAN HEALTH BENEFIT EXCHANGE; PLANNING**
186.33 **PROVISIONS.**

187.1 Subdivision 1. **Federal planning grants.** The commissioners of commerce, health,
 187.2 and human services shall jointly or separately apply to the federal secretary of health and
 187.3 human services for one or more planning grants, including renewal grants, authorized
 187.4 under section 1311 of the Patient Protection and Affordable Care Act, Public Law
 187.5 111-148, including any future amendments of that provision, relating to state creation
 187.6 of American Health Benefit Exchanges.

187.7 Subd. 2. **Consideration of early creation and operation of exchange.** (a) The
 187.8 commissioners referenced in subdivision 1 shall analyze the advantages and disadvantages
 187.9 to the state of planning to have a state health insurance exchange, similar to an American
 187.10 Health Benefit Exchange referenced in subdivision 1, begin prior to the federal deadline
 187.11 of January 1, 2014.

187.12 (b) The commissioners shall provide a written report to the legislature on the results
 187.13 of the analysis required under paragraph (a) no later than December 15, 2010. The written
 187.14 report must comply with Minnesota Statutes, sections 3.195 and 3.197.

187.15 **ARTICLE 23**

187.16 **HUMAN SERVICES FORECAST ADJUSTMENTS**

187.17 Section 1. **SUMMARY OF APPROPRIATIONS.**

187.18 The amounts shown in this section summarize direct appropriations, by fund, made
 187.19 in this article.

	<u>2010</u>		<u>2011</u>		<u>Total</u>
187.21 <u>General</u>	\$ (109,876,000)	\$	(28,344,000)	\$	(138,220,000)
187.22 <u>Health Care Access</u>	\$ 99,654,000	\$	276,500,000	\$	376,154,000
187.23 <u>Federal TANF</u>	\$ (9,830,000)	\$	15,133,000	\$	5,303,000
187.24 <u>Total</u>	\$ (20,052,000)	\$	263,289,000	\$	243,237,000

187.25 Sec. 2. **DEPARTMENT OF HUMAN SERVICES APPROPRIATION.**

187.26 The sums shown in the columns marked "Appropriations" are added to or, if shown
 187.27 in parentheses, subtracted from the appropriations in Laws 2009, chapter 79, article 13,
 187.28 as amended by Laws 2009, chapter 173, article 2, to the agencies and for the purposes
 187.29 specified in this article. The appropriations are from the general fund, or another named
 187.30 fund, and are available for the fiscal years indicated for each purpose. The figures "2010"
 187.31 and "2011" used in this article mean that the addition to or subtraction from appropriations
 187.32 listed under them is available for the fiscal year ending June 30, 2010, or June 30, 2011,
 187.33 respectively. "The first year" is fiscal year 2010. "The second year" is fiscal year 2011.
 187.34 "The biennium" is fiscal years 2010 and 2011. Supplemental appropriations and reductions

188.1 for the fiscal year ending June 30, 2010, are effective the day following final enactment
 188.2 unless a different effective date is explicit.

188.3 **APPROPRIATIONS**
 188.4 **Available for the Year**
 188.5 **Ending June 30**
 188.6 **2010** **2011**

188.7 **Sec. 3. DEPARTMENT OF HUMAN**
 188.8 **SERVICES**

188.9 **Subdivision 1. Total Appropriation** **\$ (20,052,000)** **\$ 263,289,000**

188.10 Appropriations by Fund

	<u>2010</u>	<u>2011</u>
188.11 <u>General</u>	<u>(109,876,000)</u>	<u>(28,344,000)</u>
188.12 <u>Health Care Access</u>	<u>99,654,000</u>	<u>276,500,000</u>
188.13 <u>Federal TANF</u>	<u>(9,830,000)</u>	<u>15,133,000</u>

188.15 The amounts that may be spent for each
 188.16 purpose are specified in the following
 188.17 subdivisions.

188.18 **Subd. 2. Revenue and Pass-through**

188.19 Appropriations by Fund

188.20 <u>Federal TANF</u>	<u>390,000</u>	<u>(251,000)</u>
----------------------------	----------------	------------------

188.21 **Subd. 3. Children and Economic Assistance**
 188.22 **Grants**

188.23 Appropriations by Fund

188.24 <u>General</u>	<u>4,489,000</u>	<u>(4,140,000)</u>
188.25 <u>Federal TANF</u>	<u>(10,220,000)</u>	<u>15,384,000</u>

188.26 The amounts that may be spent from this
 188.27 appropriation are as follows:

188.28 **(a) MFIP Grants**

188.29 <u>General</u>	<u>7,916,000</u>	<u>(14,481,000)</u>
188.30 <u>Federal TANF</u>	<u>(10,220,000)</u>	<u>15,384,000</u>

188.31 **(b) MFIP Child Care Assistance Grants** **(7,832,000)** **2,579,000**

188.32 **(c) General Assistance Grants** **875,000** **1,339,000**

188.33 **(d) Minnesota Supplemental Aid Grants** **2,454,000** **3,843,000**

188.34 **(e) Group Residential Housing Grants** **1,076,000** **2,580,000**

189.1 **Subd. 4. Basic Health Care Grants**

189.2 Appropriations by Fund

189.3	<u>General</u>	<u>(62,770,000)</u>	<u>29,192,000</u>
189.4	<u>Health Care Access</u>	<u>99,654,000</u>	<u>276,500,000</u>

189.5 The amounts that may be spent from the
 189.6 appropriation for each purpose are as follows:

189.7 **(a) MinnesotaCare Grants**

189.8	<u>Health Care Access</u>	<u>99,654,000</u>	<u>276,500,000</u>
-------	---------------------------	-------------------	--------------------

189.9 **(b) Medical Assistance Basic Health Care -**
 189.10 **Families and Children**

<u>1,165,000</u>	<u>24,146,000</u>
------------------	-------------------

189.11 **(c) Medical Assistance Basic Health Care -**
 189.12 **Elderly and Disabled**

<u>(63,935,000)</u>	<u>5,046,000</u>
---------------------	------------------

189.13 **Subd. 5. Continuing Care Grants**

<u>(51,595,000)</u>	<u>(53,396,000)</u>
---------------------	---------------------

189.14 The amounts that may be spent from the
 189.15 appropriation for each purpose are as follows:

189.16 **(a) Medical Assistance Long-Term Care**
 189.17 **Facilities**

<u>(3,774,000)</u>	<u>(8,275,000)</u>
--------------------	--------------------

189.18 **(b) Medical Assistance Long-Term Care**
 189.19 **Waivers**

<u>(27,710,000)</u>	<u>(22,452,000)</u>
---------------------	---------------------

189.20 **(c) Chemical Dependency Entitlement Grants**

<u>(20,111,000)</u>	<u>(22,669,000)</u>
---------------------	---------------------

189.21 **Sec. 4. EFFECTIVE DATE.**

189.22 This article is effective the day following final enactment.

189.23 **ARTICLE 24**

189.24 **HUMAN SERVICES CONTINGENT APPROPRIATIONS**

189.25 **Section 1. SUMMARY OF HUMAN SERVICES APPROPRIATIONS.**

189.26 The amounts shown in this section summarize direct appropriations, by fund, made
 189.27 in this bill.

	<u>2010</u>		<u>2011</u>		<u>Total</u>
189.29	<u>General</u>	<u>\$</u>	<u>-0-</u>	<u>\$</u>	<u>13,383,000</u>
189.30	<u>Health Care Access</u>		<u>-0-</u>		<u>686,000</u>
189.31	<u>Total</u>	<u>\$</u>	<u>-0-</u>	<u>\$</u>	<u>14,069,000</u>

189.32 **Sec. 2. HEALTH AND HUMAN SERVICES CONTINGENT APPROPRIATIONS.**

190.1 The sums shown in the columns marked "Appropriations" are added to the
 190.2 appropriations in Laws 2009, chapter 79, article 13, as amended by Laws 2009, chapter
 190.3 173, article 2, to the agency and for the purposes specified in this bill. The appropriations
 190.4 are from the general fund, or another named fund, and are available for the fiscal years
 190.5 indicated for each purpose. The figures "2010" and "2011" used in this bill mean that the
 190.6 addition to or subtraction from the appropriation listed under them is available for the
 190.7 fiscal year ending June 30, 2010, or June 30, 2011, respectively.

		<u>APPROPRIATIONS</u>	
		<u>Available for the Year</u>	
		<u>Ending June 30</u>	
		<u>2010</u>	<u>2011</u>
190.12	<u>Sec. 3. COMMISSIONER OF HUMAN</u>		
190.13	<u>SERVICES</u>		
190.14	<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>-0-</u> <u>\$</u> <u>14,069,000</u>
190.15	<u>Appropriations by Fund</u>		
190.16		<u>2010</u>	<u>2011</u>
190.17	<u>General</u>	<u>-0-</u>	<u>13,383,000</u>
190.18	<u>Health Care Access</u>	<u>-0-</u>	<u>686,000</u>
190.19	<u>The appropriations for each purpose are</u>		
190.20	<u>shown in the following subdivisions.</u>		
190.21	<u>Subd. 2. Basic Health Care Grants</u>		
190.22	<u>(a) MinnesotaCare Grants</u>	<u>-0-</u>	<u>686,000</u>
190.23	<u>This appropriation is from the health care</u>		
190.24	<u>access fund.</u>		
190.25	<u>(b) Medical Assistance Basic Health Care</u>		
190.26	<u>Grants - Families and Children</u>	<u>-0-</u>	<u>6,297,000</u>
190.27	<u>(c) Medical Assistance Basic Health Care</u>		
190.28	<u>Grants - Elderly and Disabled</u>	<u>-0-</u>	<u>3,697,000</u>
190.29	<u>Subd. 3. Continuing Care Grants</u>		
190.30	<u>(a) Medical Assistance - Long-Term Care</u>		
190.31	<u>Facilities Grants</u>	<u>-0-</u>	<u>2,486,000</u>
190.32	<u>(b) Medical Assistance Grants - Long-Term</u>		
190.33	<u>Care Waivers and Home Care Grants</u>	<u>-0-</u>	<u>547,000</u>
190.34	<u>(c) Chemical Dependency Entitlement Grants</u>	<u>-0-</u>	<u>356,000</u>

191.1 **EFFECTIVE DATE.** This section is effective upon enactment of an extension of
191.2 the enhanced federal medical assistance percentage (FMAP) under Public Law 111-5,
191.3 section 5001, to at least June 30, 2011.

191.4 Sec. 4. Minnesota Statutes 2008, section 256B.0625, subdivision 22, is amended to
191.5 read:

191.6 Subd. 22. **Hospice care.** Medical assistance covers hospice care services under
191.7 Public Law 99-272, section 9505, to the extent authorized by rule, except that a recipient
191.8 age 21 or under who elects to receive hospice services does not waive coverage for
191.9 services that are related to the treatment of the condition for which a diagnosis of terminal
191.10 illness has been made.

191.11 **EFFECTIVE DATE.** This section is effective retroactive from March 23, 2010.

191.12 Sec. 5. Minnesota Statutes 2009 Supplement, section 256B.0911, subdivision 1a,
191.13 is amended to read:

191.14 Subd. 1a. **Definitions.** For purposes of this section, the following definitions apply:

191.15 (a) "Long-term care consultation services" means:

191.16 (1) assistance in identifying services needed to maintain an individual in the most
191.17 inclusive environment;

191.18 (2) providing recommendations on cost-effective community services that are
191.19 available to the individual;

191.20 (3) development of an individual's person-centered community support plan;

191.21 (4) providing information regarding eligibility for Minnesota health care programs;

191.22 (5) face-to-face long-term care consultation assessments, which may be completed
191.23 in a hospital, nursing facility, intermediate care facility for persons with developmental
191.24 disabilities (ICF/DDs), regional treatment centers, or the person's current or planned
191.25 residence;

191.26 (6) federally mandated screening to determine the need for a institutional level of
191.27 care under section 256B.0911, ~~subdivision 4, paragraph (a)~~ subdivision 4a;

191.28 (7) determination of home and community-based waiver service eligibility including
191.29 level of care determination for individuals who need an institutional level of care as
191.30 defined under section 144.0724, subdivision 11, or 256B.092, service eligibility including
191.31 state plan home care services identified in section 256B.0625, subdivisions 6, 7, and
191.32 19, paragraphs (a) and (c), based on assessment and support plan development with
191.33 appropriate referrals;

192.1 (8) providing recommendations for nursing facility placement when there are no
192.2 cost-effective community services available; and

192.3 (9) assistance to transition people back to community settings after facility
192.4 admission.

192.5 (b) "Long-term care options counseling" means the services provided by the linkage
192.6 lines as mandated by sections 256.01 and 256.975, subdivision 7, and also includes
192.7 telephone assistance and follow up once a long-term care consultation assessment has
192.8 been completed.

192.9 (c) "Minnesota health care programs" means the medical assistance program under
192.10 chapter 256B and the alternative care program under section 256B.0913.

192.11 (d) "Lead agencies" means counties or a collaboration of counties, tribes, and health
192.12 plans administering long-term care consultation assessment and support planning services.

192.13 Sec. 6. Minnesota Statutes 2008, section 256B.19, subdivision 1c, is amended to read:

192.14 Subd. 1c. **Additional portion of nonfederal share.** (a) Hennepin County shall
192.15 be responsible for a monthly transfer payment of \$1,500,000, due before noon on the
192.16 15th of each month and the University of Minnesota shall be responsible for a monthly
192.17 transfer payment of \$500,000 due before noon on the 15th of each month, beginning July
192.18 15, 1995. These sums shall be part of the designated governmental unit's portion of the
192.19 nonfederal share of medical assistance costs.

192.20 (b) Beginning July 1, 2001, Hennepin County's payment under paragraph (a) shall
192.21 be \$2,066,000 each month.

192.22 (c) Beginning July 1, 2001, the commissioner shall increase annual capitation
192.23 payments to the metropolitan health plan under section 256B.69 for the prepaid medical
192.24 assistance program by approximately ~~\$3,400,000, plus any available federal matching~~
192.25 ~~funds, \$6,800,000~~ to recognize higher than average medical education costs.

192.26 (d) Effective August 1, 2005, Hennepin County's payment under paragraphs (a)
192.27 and (b) shall be reduced to \$566,000, and the University of Minnesota's payment under
192.28 paragraph (a) shall be reduced to zero. Effective October 1, 2008, to December 31, 2010,
192.29 Hennepin County's payment under paragraphs (a) and (b) shall be \$434,688. Effective
192.30 January 1, 2011, Hennepin County's payment under paragraphs (a) and (b) shall be
192.31 \$566,000.

192.32 (e) Notwithstanding paragraph (d), upon federal enactment of an extension to June
192.33 30, 2011, of the enhanced federal medical assistance percentage (FMAP) originally
192.34 provided under Public Law 111-5, for the six-month period from January 1, 2011, to June
192.35 30, 2011, Hennepin County's payment under paragraphs (a) and (b) shall be \$434,688.

193.1 Sec. 7. Minnesota Statutes 2008, section 256L.15, subdivision 1, is amended to read:

193.2 Subdivision 1. **Premium determination.** (a) Families with children and individuals
193.3 shall pay a premium determined according to subdivision 2.

193.4 (b) Pregnant women and children under age two are exempt from the provisions
193.5 of section 256L.06, subdivision 3, paragraph (b), clause (3), requiring disenrollment
193.6 for failure to pay premiums. For pregnant women, this exemption continues until the
193.7 first day of the month following the 60th day postpartum. Women who remain enrolled
193.8 during pregnancy or the postpartum period, despite nonpayment of premiums, shall be
193.9 disenrolled on the first of the month following the 60th day postpartum for the penalty
193.10 period that otherwise applies under section 256L.06, unless they begin paying premiums.

193.11 (c) Members of the military and their families who meet the eligibility criteria
193.12 for MinnesotaCare upon eligibility approval made within 24 months following the end
193.13 of the member's tour of active duty shall have their premiums paid by the commissioner.
193.14 The effective date of coverage for an individual or family who meets the criteria of this
193.15 paragraph shall be the first day of the month following the month in which eligibility is
193.16 approved. This exemption applies for 12 months. This paragraph expires June 30, 2010.
193.17 If the expiration of this provision is in violation of section 5001 of Public Law 111-5, this
193.18 provision will expire on the date when it is no longer subject to section 5001 of Public Law
193.19 111-5. The commissioner of human services shall notify the revisor of statutes of that date.

193.20 Sec. 8. Laws 2005, First Special Session chapter 4, article 8, section 66, as amended by
193.21 Laws 2009, chapter 173, article 3, section 24, the effective date, is amended to read:

193.22 **EFFECTIVE DATE.** Paragraph (a) is effective August 1, 2009, ~~and~~ upon federal
193.23 approval and on the date when it is no longer subject to the maintenance of effort
193.24 requirements of section 5001 of Public Law 111-5. The commissioner of human services
193.25 shall notify the revisor of statutes of that date. Paragraph (e) is effective September 1,
193.26 2006.

193.27 Sec. 9. Laws 2009, chapter 79, article 5, section 17, the effective date, is amended to
193.28 read:

193.29 **EFFECTIVE DATE.** This section is effective January 1, 2011, or upon federal
193.30 approval, ~~whichever is later~~ and on the date when it is no longer subject to the maintenance
193.31 of effort requirements of section 5001 of Public Law 111-5. The commissioner of human
193.32 services shall notify the revisor of statutes of that date.

194.1 Sec. 10. Laws 2009, chapter 79, article 5, section 18, the effective date, is amended to
194.2 read:

194.3 **EFFECTIVE DATE.** This section is effective ~~January 1, 2011~~ upon federal
194.4 approval and on the date when it is no longer subject to the maintenance of effort
194.5 requirements of section 5001 of Public Law 111-5. The commissioner of human services
194.6 shall notify the revisor of statutes when federal approval is obtained.

194.7 Sec. 11. Laws 2009, chapter 79, article 5, section 22, the effective date, is amended to
194.8 read:

194.9 **EFFECTIVE DATE.** This section is effective for periods of ineligibility established
194.10 on or after January 1, 2011, unless it is in violation of section 5001 of Public Law 111-5.
194.11 If it is in violation of that section, then it shall be effective on the date when it is no longer
194.12 subject to maintenance of effort requirements of section 5001 of Public Law 111-5. The
194.13 commissioner of human services shall notify the revisor of statutes of that date.

194.14 Sec. 12. Laws 2009, chapter 79, article 8, section 4, the effective date, is amended to
194.15 read:

194.16 **EFFECTIVE DATE.** The section is effective ~~January~~ July 1, 2011.

194.17 Sec. 13. Laws 2009, chapter 173, article 1, section 17, the effective date, is amended to
194.18 read:

194.19 **EFFECTIVE DATE.** This section is effective for pooled trust accounts established
194.20 on or after January 1, 2011, unless it is in violation of section 5001 of Public Law 111-5.
194.21 If it is in violation of that section, then it shall be effective on the date when it is no longer
194.22 subject to maintenance of effort requirements of section 5001 of Public Law 111-5. The
194.23 commissioner of human services shall notify the revisor of statutes of that date.

194.24 **ARTICLE 25**

194.25 **HEALTH AND HUMAN SERVICES APPROPRIATIONS**

194.26 Section 1. **SUMMARY OF APPROPRIATIONS.**

194.27 The amounts shown in this section summarize direct appropriations by fund made
194.28 in this article.

194.29		<u>2010</u>	<u>2011</u>	<u>Total</u>
194.30	<u>General</u>	\$ <u>(6,784,000)</u>	\$ <u>210,746,000</u>	\$ <u>203,962,000</u>

196.1 budget, and after notification of the chairs
196.2 of the relevant senate budget division and
196.3 house of representatives finance division,
196.4 may adjust the amount of TANF transfers
196.5 between the MFIP transition year child care
196.6 assistance program and MFIP grant programs
196.7 within the fiscal year and within the current
196.8 biennium and the biennium ending June 30,
196.9 2013, to ensure that state and federal match
196.10 and maintenance of effort requirements are
196.11 met. These transfers and amounts shall be
196.12 reported to the chairs of the senate and house
196.13 of representatives Finance Committees, the
196.14 senate Health and Human Services Budget
196.15 Division, and the house of representatives
196.16 Health Care and Human Services Finance
196.17 Division and Early Childhood Finance and
196.18 Policy Division by December 1 of each
196.19 fiscal year. Notwithstanding any contrary
196.20 provision in this article, this paragraph
196.21 expires June 30, 2013.

196.22 **SNAP Enhanced Administrative Funding.**
196.23 The funds available for administration
196.24 of the Supplemental Nutrition Assistance
196.25 Program under the Department of Defense
196.26 Appropriations Act of 2010, Public
196.27 Law 111-118, are appropriated to the
196.28 commissioner to pay the actual costs
196.29 of providing for increased eligibility
196.30 determinations, caseload-related costs,
196.31 timely application processing, and quality
196.32 control. Of these funds, 20 percent shall
196.33 be allocated to the commissioner and 80
196.34 percent shall be allocated to counties.
196.35 The commissioner shall allocate the
196.36 county portion based on recent caseload.

197.1 Reimbursement shall be based on actual
197.2 costs reported by counties through existing
197.3 processes. Tribal reimbursement must be
197.4 made from the state portion, based on a
197.5 caseload factor equivalent to that of a county.

197.6 **TANF Summer Food Programs -**
197.7 **TANF Emergency Fund Non-Recurrent**
197.8 **Short-Term Benefits.** In addition to the
197.9 TANF emergency fund (TEF) non-recurrent
197.10 short-term benefits provided in this
197.11 subdivision, the commissioner may
197.12 supplement funds available under Minnesota
197.13 Statutes, section 256E.34 to provide for
197.14 summer food programs to the extent such
197.15 funds are available and eligible to leverage
197.16 TANF emergency funds non-recurrent
197.17 benefits. The commissioner may contract
197.18 directly with providers or third-party funders
197.19 to maximize these TANF emergency fund
197.20 grants. Up to \$800,000 of TEF non-recurrent
197.21 short-term benefit earnings may be used in
197.22 this program. This paragraph is effective the
197.23 day following final enactment.

197.24 **TANF Transfer to Federal Child**
197.25 **Care and Development Fund.** Of the
197.26 TANF appropriation in fiscal year 2011,
197.27 \$12,500,000 is to the commissioner for
197.28 the purposes of MFIP and transition year
197.29 child care under Minnesota Statutes, section
197.30 119B.05. The commissioner shall authorize
197.31 the transfer of sufficient TANF funds to the
197.32 federal child care and development fund to
197.33 meet this appropriation and shall ensure that
197.34 all transferred funds are expended according
197.35 to federal child care and development fund
197.36 regulations.

198.1 **Special Revenue Fund Transfers.** (a) The
 198.2 commissioner shall transfer the following
 198.3 amounts from special revenue fund balances
 198.4 to the general fund by June 30 of each
 198.5 respective fiscal year: \$613,000 in fiscal year
 198.6 2010, and \$493,000 in fiscal year 2011. This
 198.7 provision is effective the day following final
 198.8 enactment.

198.9 (b) The actual transfers made under
 198.10 paragraph (a) must be separately identified
 198.11 and reported as part of the quarterly reporting
 198.12 of transfers to the chairs of the relevant senate
 198.13 budget division and house of representatives
 198.14 finance division.

198.15 **Subd. 2. Agency Management**

198.16 **(a) Financial Operations** -0- 103,000

198.17 **Base Adjustment.** The general fund base is
 198.18 decreased by \$10,000 in fiscal year 2012 and
 198.19 \$10,000 in fiscal year 2013.

198.20 **(b) Legal and Regulatory Operations** -0- 114,000

198.21 **Base Adjustment.** The general fund base is
 198.22 decreased by \$18,000 in fiscal year 2012 and
 198.23 \$18,000 in fiscal year 2013.

198.24 **(c) Management Operations** -0- (114,000)

198.25 **Base Adjustment.** The general fund base is
 198.26 increased by \$18,000 in fiscal year 2012 and
 198.27 \$18,000 in fiscal year 2013.

198.28 **(d) Information Technology Operations** -0- (2,500,000)

198.29 **Base Adjustment.** The general fund base is
 198.30 decreased by \$1,666,000 in fiscal year 2012
 198.31 and \$1,666,000 in fiscal year 2013.

198.32 **Subd. 3. Revenue and Pass-Through Revenue**
 198.33 **Expenditures** 8,000,000 20,000,000

199.1 These appropriations are from the federal
199.2 TANF fund.

199.3 **TANF Funding for the Working Family**

199.4 **Tax Credit.** In addition to the amounts
199.5 specified in Minnesota Statutes, section
199.6 290.0671, subdivision 6, \$15,500,000
199.7 of TANF funds in fiscal year 2010 are
199.8 appropriated to the commissioner to
199.9 reimburse the general fund for the cost of
199.10 the working family tax credit for eligible
199.11 families. With respect to the amounts
199.12 appropriated for fiscal year 2010, the
199.13 commissioner shall reimburse the general
199.14 fund by June 30, 2010. This paragraph is
199.15 effective the day following final enactment.

199.16 **Child Care Development Fund**

199.17 **Unexpended Balance.** In addition to
199.18 the amount provided in this section, the
199.19 commissioner shall carry over and expend
199.20 in fiscal year 2011 \$7,500,000 of the TANF
199.21 funds transferred in fiscal year 2010 that
199.22 reflect the child care and development fund
199.23 unexpended balance for the basic sliding
199.24 fee child care assistance program under
199.25 Minnesota Statutes, section 119B.03. The
199.26 commissioner shall ensure that all funds are
199.27 expended according to the federal child care
199.28 and development fund regulations relating to
199.29 the TANF transfers.

199.30 **Base Adjustment.** The general fund base is
199.31 increased by \$7,500,000 in fiscal year 2012
199.32 and \$7,500,000 in fiscal year 2013.

199.33 **Subd. 4. Economic Support Grants**

199.34 **(a) Support Services Grants**

-0-

-0-

200.1	<u>Base Adjustment.</u> The federal TANF fund		
200.2	<u>base is decreased by \$5,004,000 in fiscal year</u>		
200.3	<u>2012 and \$5,004,000 in fiscal year 2013.</u>		
200.4	<u>(b) MFIP/DWP Grants</u>	<u>-0-</u>	<u>(1,583,000)</u>
200.5	<u>(c) Basic Sliding Fee Child Care Assistance</u>		
200.6	<u>Grants</u>	<u>-0-</u>	<u>(7,500,000)</u>
200.7	<u>(d) Children's Services Grants</u>	<u>(900,000)</u>	<u>-0-</u>
200.8	<u>Adoption Assistance.</u> Of the appropriation		
200.9	<u>reduction in fiscal year 2010, \$900,000 is</u>		
200.10	<u>from the adoption assistance program. This</u>		
200.11	<u>reduction is onetime.</u>		
200.12	<u>(e) Child and Community Services Grants</u>	<u>-0-</u>	<u>(16,750,000)</u>
200.13	<u>Base adjustment.</u> The general fund is		
200.14	<u>increased by \$13,509,000 in fiscal year 2012</u>		
200.15	<u>and \$13,509,000 in fiscal year 2013.</u>		
200.16	<u>(f) Group Residential Housing Grants</u>	<u>-0-</u>	<u>84,000</u>
200.17	<u>Reduction of Supplemental Service Rate.</u>		
200.18	<u>Effective July 1, 2011, to June 30, 2013,</u>		
200.19	<u>the commissioner shall decrease the group</u>		
200.20	<u>residential housing supplementary service</u>		
200.21	<u>rate under Minnesota Statutes, section</u>		
200.22	<u>256I.05, subdivision 1a, by five percent</u>		
200.23	<u>for services rendered on or after that date,</u>		
200.24	<u>except that reimbursement rates for a group</u>		
200.25	<u>residential housing facility reimbursed as a</u>		
200.26	<u>nursing facility shall not be reduced. The</u>		
200.27	<u>reduction in this paragraph is in addition to</u>		
200.28	<u>the reduction under Laws 2009, chapter 79,</u>		
200.29	<u>article 8, section 79, paragraph (b), clause</u>		
200.30	<u>(11).</u>		
200.31	<u>Base Adjustment.</u> The general fund base is		
200.32	<u>decreased by \$784,000 in fiscal year 2012</u>		
200.33	<u>and \$784,000 in fiscal year 2013.</u>		

201.1	<u>(g) Children's Mental Health Grants</u>	<u>(200,000)</u>	<u>(200,000)</u>
201.2	<u>(h) Other Children's and Economic Assistance</u>		
201.3	<u>Grants</u>	<u>400,000</u>	<u>213,000</u>
201.4	<u>Minnesota Food Assistance Program. Of</u>		
201.5	<u>the 2011 appropriation, \$150,000 is for the</u>		
201.6	<u>Minnesota Food Assistance Program. This</u>		
201.7	<u>appropriation is onetime.</u>		
201.8	<u>Of this appropriation, \$400,000 in fiscal</u>		
201.9	<u>year 2010 and \$63,000 in fiscal year 2011</u>		
201.10	<u>is for food shelf programs under Minnesota</u>		
201.11	<u>Statutes, section 256E.34. This appropriation</u>		
201.12	<u>is available until spent.</u>		
201.13	<u>Base Adjustment. The general fund base is</u>		
201.14	<u>decreased by \$20,000 in fiscal year 2012 and</u>		
201.15	<u>decreased by \$510,000 in fiscal year 2013.</u>		
201.16	<u>Subd. 5. Children and Economic Assistance</u>		
201.17	<u>Management</u>		
201.18	<u>(a) Children and Economic Assistance</u>		
201.19	<u>Administration</u>	<u>-0-</u>	<u>-0-</u>
201.20	<u>Base Adjustment. The federal TANF fund</u>		
201.21	<u>base is decreased by \$700,000 in fiscal year</u>		
201.22	<u>2012 and \$700,000 in fiscal year 2013.</u>		
201.23	<u>(b) Children and Economic Assistance</u>		
201.24	<u>Operations</u>	<u>-0-</u>	<u>195,000</u>
201.25	<u>Base Adjustment. The general fund base is</u>		
201.26	<u>decreased by \$12,000 in fiscal year 2012 and</u>		
201.27	<u>\$12,000 in fiscal year 2013.</u>		
201.28	<u>Subd. 6. Health Care Grants</u>		
201.29	<u>(a) MinnesotaCare Grants</u>	<u>998,000</u>	<u>4,269,000</u>
201.30	<u>This appropriation is from the health care</u>		
201.31	<u>access fund.</u>		
201.32	<u>Health Care Access Fund Transfer to</u>		
201.33	<u>General Fund. The commissioner of</u>		

203.1 256B.76 subdivision 4. This is a onetime
 203.2 appropriation.

203.3 **Nonadministrative Rate Reduction.** For
 203.4 services rendered on or after July 1, 2010,
 203.5 to December 31, 2013, the commissioner
 203.6 shall reduce contract rates paid to managed
 203.7 care plans under Minnesota Statutes,
 203.8 sections 256B.69 and 256L.12, and to
 203.9 county-based purchasing plans under
 203.10 Minnesota Statutes, section 256B.692, by
 203.11 three percent of the contract rate attributable
 203.12 to nonadministrative services in effect on
 203.13 June 30, 2010. Notwithstanding any contrary
 203.14 provision in this article, this rider expires on
 203.15 December 31, 2013.

203.16	<u>(c) Medical Assistance Basic Health Care</u>		
203.17	<u>Grants - Elderly and Disabled</u>	<u>-0-</u>	<u>(6,309,000)</u>

203.18 **MnDHO Transition.** Of the general fund
 203.19 appropriation for fiscal year 2011, \$250,000
 203.20 is to the commissioner to be made available
 203.21 to county agencies to assist in the transition
 203.22 of the approximately 1,290 current MnDHO
 203.23 members to the fee-for-service Medicaid
 203.24 program or another managed care option by
 203.25 January 1, 2011.

203.26 County agencies shall work with the
 203.27 commissioner, health plans, and MnDHO
 203.28 members and their legal representatives to
 203.29 develop and implement transition plans that
 203.30 include:

203.31 (1) identification of service needs of MnDHO
 203.32 members based on the current assessment or
 203.33 through the completion of a new assessment;

203.34 (2) identification of services currently
 203.35 provided to MnDHO members and which

204.1 of those services will continue to be
 204.2 reimbursable through fee-for-service
 204.3 or another managed care option under
 204.4 the Medicaid state plan or a home and
 204.5 community-based waiver program;

204.6 (3) identification of service providers who do
 204.7 not have a contract with the county or who
 204.8 are currently reimbursed at a different rate
 204.9 than the county contracted rate; and

204.10 (4) development of an individual service
 204.11 plan that is within allowable waiver funding
 204.12 limits.

204.13 **(d) General Assistance Medical Care Grants** -0- (75,389,000)

204.14 **(e) Other Health Care Grants** -0- (7,000,000)

204.15 **Cobra Carryforward. Unexpended funds**
 204.16 appropriated in fiscal year 2010 for COBRA
 204.17 grants under Laws 2009, chapter 79, article
 204.18 5, section 78, do not cancel and are available
 204.19 to the commissioner for fiscal year 2011
 204.20 COBRA grant expenditures. Up to \$111,000
 204.21 of the fiscal year 2011 appropriation for
 204.22 COBRA grants provided in Laws 2009,
 204.23 chapter 79, article 13, section 3, subdivision
 204.24 6, may be used by the commissioner for costs
 204.25 related to administration of the COBRA
 204.26 grants.

204.27 **Subd. 7. Health Care Management**

204.28 **(a) Health Care Administration** -0- 442,000

204.29 **Fiscal Note Report.** Of this appropriation,
 204.30 \$50,000 in fiscal year 2011 is for a transfer to
 204.31 the commissioner of Minnesota Management
 204.32 and Budget for the completion of the human
 204.33 services fiscal note report in article 5.

205.1 **PACE Implementation Funding.** For fiscal
205.2 year 2011, \$145,000 is appropriated from
205.3 the general fund to the commissioner of
205.4 human services to complete the actuarial and
205.5 administrative work necessary to begin the
205.6 operation of PACE under Minnesota Statutes,
205.7 section 256B.69, subdivision 23, paragraph
205.8 (e). Base level funding for this activity shall
205.9 be \$130,000 in fiscal year 2012 and \$0 in
205.10 fiscal year 2013.

205.11 **Minnesota Senior Health Options**
205.12 **Reimbursement.** Effective July 1, 2011,
205.13 federal administrative reimbursement
205.14 resulting from the Minnesota senior
205.15 health options project is appropriated
205.16 to the commissioner for this activity.
205.17 Notwithstanding any contrary provision, this
205.18 provision expires June 30, 2013.

205.19 **Utilization Review.** Effective July 1,
205.20 2011, federal administrative reimbursement
205.21 resulting from prior authorization and
205.22 inpatient admission certification by a
205.23 professional review organization shall be
205.24 dedicated to, and is appropriated to, the
205.25 commissioner for these activities. A portion
205.26 of these funds must be used for activities
205.27 to decrease unnecessary pharmaceutical
205.28 costs in medical assistance. Notwithstanding
205.29 any contrary provision of this article, this
205.30 paragraph expires June 30, 2013.

205.31 **Certified Public Expenditures.** (1) The
205.32 entities named in Minnesota Statutes, section
205.33 256B.199, paragraph (b), clause (1), shall
205.34 comply with the requirements of that statute
205.35 by promptly reporting on a quarterly basis

206.1 certified public expenditures that may qualify
206.2 for federal matching funds. Reporting under
206.3 this paragraph shall be voluntary from July 1,
206.4 2010, to December 31, 2010. Upon federal
206.5 enactment of an extension to June 30, 2011,
206.6 of the enhanced federal medical assistance
206.7 percentage (FMAP) originally provided
206.8 under Public Law 111-5, reporting under
206.9 this paragraph shall also be voluntary from
206.10 January 1, 2011, to June 30, 2011.

206.11 (2) To the extent that certified public
206.12 expenditures reported in compliance
206.13 with paragraph (1) earn federal matching
206.14 payments that exceed \$8,079,000 in fiscal
206.15 year 2012 and \$18,316,000 in fiscal year
206.16 2013, the excess amount shall be deposited
206.17 in the health care access fund. For each fiscal
206.18 year after fiscal year 2013, the commissioner
206.19 shall forecast in November the amount
206.20 of federal payments anticipated to match
206.21 certified public expenditures reported in
206.22 compliance with paragraph (a). Any federal
206.23 match earned in a fiscal year in excess of
206.24 the amount forecasted in November shall be
206.25 deposited to the health care access fund.

206.26 (3) Notwithstanding any contrary provision
206.27 of this article, this rider shall not expire.

206.28 **Poverty Guidelines.** Notwithstanding
206.29 Minnesota Statutes, sections 256B.56,
206.30 subdivision 1c; 256D.03, subdivision 3;
206.31 or 256L.04, subdivision 7b, the poverty
206.32 guidelines for medical assistance, general
206.33 assistance medical care, and MinnesotaCare
206.34 from July 1, 2010, through June 30, 2011,
206.35 shall not be lower than the poverty guidelines

207.1 issued by the Secretary of Health and Human
 207.2 Services on January 23, 2009. This section
 207.3 shall have no effect on the revision of poverty
 207.4 guidelines for the Minnesota health care
 207.5 programs that would be in effect starting on
 207.6 July 1, 2011. This paragraph is effective the
 207.7 day following final enactment.

207.8 **Base Adjustment.** The general fund base is
 207.9 decreased by \$227,000 in fiscal year 2012
 207.10 and \$357,000 in fiscal year 2013.

207.11 **(b) Health Care Operations**

207.12	<u>Appropriations by Fund</u>		
207.13	<u>General</u>	<u>-0-</u>	<u>186,000</u>
207.14	<u>Health Care Access</u>	<u>-0-</u>	<u>218,000</u>

207.15 The general fund appropriation is a onetime
 207.16 appropriation in fiscal year 2011.

207.17 **Base Adjustment.** The health care access
 207.18 fund base for health care operations is
 207.19 decreased by \$812,000 in fiscal year 2012
 207.20 and \$944,000 in fiscal year 2013.

207.21 **Subd. 8. Continuing Care Grants**

207.22	<u>(a) Aging and Adult Services Grants</u>	<u>-0-</u>	<u>(1,113,000)</u>
--------	---	------------	--------------------

207.23 **Base Adjustment.** The general fund
 207.24 base for aging and adult services grants is
 207.25 increased by \$974,000 in fiscal year 2012
 207.26 and \$1,113,000 in fiscal year 2013.

207.27 **Community Service Development**

207.28 **Reduction.** The appropriation in Laws
 207.29 2009, chapter 79, article 13, section 3,
 207.30 subdivision 8, paragraph (a), for community
 207.31 service development grants, as amended by
 207.32 Laws 2009, chapter 173, article 2, section
 207.33 1, subdivision 8, paragraph (a), is reduced
 207.34 by \$154,000 in fiscal year 2011. The

208.1 appropriation base is reduced by \$139,000
 208.2 for fiscal year 2012 and \$0 for fiscal year
 208.3 2013. Notwithstanding any law or rule to
 208.4 the contrary, this provision expires June 30,
 208.5 2012.

208.6 **(b) Medical Assistance Long-Term Care**
 208.7 **Facilities Grants** -0- 3,864,000

208.8 **ICF/MR Occupancy Rate Adjustment**
 208.9 **Suspension.** Effective for fiscal years 2012
 208.10 and 2013, approval of new applications for
 208.11 occupancy rate adjustments for unoccupied
 208.12 short-term beds under Minnesota Statutes,
 208.13 section 256B.5013, subdivision 7, is
 208.14 suspended.

208.15 **Kandiyohi County; ICF/MR Payment**
 208.16 **Rate.** \$36,000 is appropriated from the
 208.17 general fund in fiscal year 2011 and \$4,000
 208.18 in fiscal year 2012 to increase payment rates
 208.19 for an ICF/MR licensed for six beds and
 208.20 located in Kandiyohi County to serve persons
 208.21 with high behavioral needs. The payment
 208.22 rate increase shall be effective for services
 208.23 provided from July 1, 2010, through June 30,
 208.24 2011. These appropriations are onetime.

208.25 **(c) Medical Assistance Long-Term Care**
 208.26 **Waivers and Home Care Grants** -0- (4,035,000)

208.27 **Manage Growth in Traumatic Brain**
 208.28 **Injury and Community Alternatives for**
 208.29 **Disabled Individuals Waivers.** During
 208.30 the fiscal year beginning July 1, 2010, the
 208.31 commissioner shall allocate money for home
 208.32 and community-based waiver programs
 208.33 under Minnesota Statutes, section 256B.49,
 208.34 to ensure a reduction in state spending that is
 208.35 equivalent to limiting the caseload growth

209.1 of the traumatic brain injury waiver to six
 209.2 allocations per month and the community
 209.3 alternatives for disabled individuals waiver
 209.4 to 60 allocations per month. The limits do not
 209.5 apply: (1) when there is an approved plan for
 209.6 nursing facility bed closures for individuals
 209.7 under age 65 who require relocation due to
 209.8 the bed closure; (2) to fiscal year 2009 waiver
 209.9 allocations delayed due to unallotment; or (3)
 209.10 to transfers authorized by the commissioner
 209.11 from the personal care assistance program
 209.12 of individuals having a home care rating of
 209.13 CS, MT, or HL. Priorities for the allocation
 209.14 of funds must be for individuals anticipated
 209.15 to be discharged from institutional settings or
 209.16 who are at imminent risk of a placement in
 209.17 an institutional setting.

209.18 **Manage Growth in the Developmental**
 209.19 **Disability (DD) Waiver.** The commissioner
 209.20 shall manage the growth in the developmental
 209.21 disability waiver by limiting the allocations
 209.22 included in the November 2010 forecast to
 209.23 six additional diversion allocations each
 209.24 month for the calendar year that begins on
 209.25 January 1, 2011. Additional allocations must
 209.26 be made available for transfers authorized
 209.27 by the commissioner from the personal care
 209.28 assistance program of individuals having a
 209.29 home care rating of CS, MT, or HL. This
 209.30 provision is effective through December 31,
 209.31 2011.

209.32 **(d) Adult Mental Health Grants** (3,500,000) (300,000)

209.33 **Compulsive Gambling Special Revenue**
 209.34 **Account.** \$149,000 for fiscal year 2010
 209.35 and \$27,000 for fiscal year 2011 from

210.1 the compulsive gambling special revenue
 210.2 account established under Minnesota
 210.3 Statutes, section 245.982, shall be transferred
 210.4 and deposited into the general fund by
 210.5 June 30 of each respective fiscal year. This
 210.6 paragraph is effective the day following final
 210.7 enactment.

210.8 **Compulsive Gambling Lottery Prize**
 210.9 **Fund.** The lottery prize fund appropriation
 210.10 for compulsive gambling is reduced by
 210.11 \$80,000 in fiscal year 2010 and \$79,000 in
 210.12 fiscal year 2011. This is a onetime reduction.

210.13 **Culturally Specific Treatment.** The
 210.14 appropriation for culturally specific treatment
 210.15 is reduced by \$300,000 in fiscal year 2011.
 210.16 This is a onetime reduction.

210.17 (1) Of the fiscal year 2010 general fund
 210.18 appropriation for grants to counties for
 210.19 housing with support services for adults
 210.20 with serious and persistent mental illness,
 210.21 \$3,300,000 is canceled and returned to the
 210.22 general fund.

210.23 (2) Of the fiscal year 2010 general
 210.24 fund appropriation for additional crisis
 210.25 intervention team training for law
 210.26 enforcement, \$200,000 is canceled and
 210.27 returned to the general fund.

210.28 **Base Adjustment.** The general fund base
 210.29 is increased by \$300,000 in fiscal year 2012
 210.30 and \$300,000 in fiscal year 2013.

210.31 **(e) Chemical Dependency Entitlement Grants** -0- (2,433,000)

210.32 **(f) Chemical Dependency Nonentitlement**
 210.33 **Grants** (389,000) -0-

211.1 **Base adjustment.** The general fund base is
 211.2 reduced by \$393,000 in fiscal year 2012 and
 211.3 fiscal year 2013.

211.4 **Chemical Health.** Of the fiscal year 2010
 211.5 general fund appropriation to Mother's First
 211.6 and the Native American Program, \$389,000
 211.7 is canceled and returned to the general fund.

211.8 **(g) Other Continuing Care Grants** -0- 350,000

211.9 This is a onetime appropriation in fiscal year
 211.10 2011.

211.11 **Region 10 Quality Assurance Commission.**
 211.12 \$100,000 is appropriated from the general
 211.13 fund in fiscal year 2011 to the commissioner
 211.14 of human services for the purposes
 211.15 of the Region 10 Quality Assurance
 211.16 Commission under Minnesota Statutes,
 211.17 section 256B.0951. This appropriation is
 211.18 onetime.

211.19 **Subd. 9. Continuing Care Management** -0- 296,000

211.20 **PACE Implementation Funding.** For fiscal
 211.21 year 2011, \$111,000 is appropriated from
 211.22 the general fund to the commissioner of
 211.23 human services to complete the actuarial
 211.24 and administrative work necessary to begin
 211.25 the operation of PACE under Minnesota
 211.26 Statutes, section 256B.69, subdivision 23,
 211.27 paragraph (e). Base level funding for this
 211.28 activity shall be \$101,000 in fiscal year 2012
 211.29 and \$0 in fiscal year 2013. For fiscal year
 211.30 2013 and beyond, the commissioner must
 211.31 work with stakeholders to develop financing
 211.32 mechanisms to complete the actuarial
 211.33 and administrative costs of PACE. The
 211.34 commissioner shall inform the chairs and

212.1 ranking minority members of the legislative
212.2 committee with jurisdiction over health care
212.3 funding by January 15, 2011, on progress to
212.4 develop financing mechanisms.

212.5 **Base Adjustment.** The general fund base for
212.6 continuing care management is increased by
212.7 \$7,000 in fiscal year 2012 and decreased by
212.8 \$94,000 in fiscal year 2013.

212.9 **Subd. 10. State-Operated Services**

212.10 **Obsolete Laundry Depreciation Account.**

212.11 \$669,000, or the balance, whichever is
212.12 greater, must be transferred from the
212.13 state-operated services laundry depreciation
212.14 account in the special revenue fund and
212.15 deposited into the general fund by June 30,
212.16 2010. This paragraph is effective the day
212.17 following final enactment.

212.18 **Operating Budget Reductions.** No
212.19 operating budget reductions enacted in Laws
212.20 2010, chapter 200, or in this act shall be
212.21 allocated to state-operated services.

212.22 **Prohibition on Transferring Funds.** The

212.23 commissioner shall not transfer mental
212.24 health grants to state-operated services
212.25 without specific legislative approval.
212.26 Notwithstanding any contrary provision in
212.27 this article, this paragraph shall not expire.

212.28 **(a) Adult Mental Health Services** -0- 6,888,000

212.29 **Base Adjustment.** The general fund base is
212.30 decreased by \$12,286,000 in fiscal year 2012
212.31 and \$12,394,000 in fiscal year 2013.

212.32 **Appropriation Requirements.** (a)
212.33 The general fund appropriation to the

- 213.1 commissioner includes funding for the
213.2 following:
- 213.3 (1) to a community collaborative to begin
213.4 providing crisis center services in the
213.5 Mankato area that are comparable to
213.6 the crisis services provided prior to the
213.7 closure of the Mankato Crisis Center. The
213.8 commissioner shall recruit former employees
213.9 of the Mankato Crisis Center who were
213.10 recently laid off to staff the new crisis
213.11 services. The commissioner shall obtain
213.12 legislative approval prior to discontinuing
213.13 this funding;
- 213.14 (2) to maintain the building in Eveleth
213.15 that currently houses community transition
213.16 services and to establish a psychiatric
213.17 intensive therapeutic foster home as an
213.18 enterprise activity. The commissioner shall
213.19 request a waiver amendment to allow CADI
213.20 funding for psychiatric intensive therapeutic
213.21 foster care services provided in the same
213.22 location and building as the community
213.23 transition services. If the federal government
213.24 does not approve the waiver amendment, the
213.25 commissioner shall continue to pay the lease
213.26 for the building out of the state-operated
213.27 services budget until the commissioner of
213.28 administration subleases the space or until
213.29 the lease expires, and shall establish the
213.30 psychiatric intensive therapeutic foster home
213.31 at a different site. The commissioner shall
213.32 make diligent efforts to sublease the space;
- 213.33 (3) to convert the community behavioral
213.34 health hospitals in Wadena and Willmar to
213.35 facilities that provide more suitable services

214.1 based on the needs of the community,
214.2 which may include, but are not limited to,
214.3 psychiatric extensive recovery treatment
214.4 services. The commissioner may also
214.5 establish other community-based services in
214.6 the Willmar and Wadena areas that deliver
214.7 the appropriate level of care in response to
214.8 the express needs of the communities. The
214.9 services established under this provision
214.10 must be staffed by state employees.

214.11 (4) to continue the operation of the dental
214.12 clinics in Brainerd, Cambridge, Faribault,
214.13 Fergus Falls, and Willmar at the same level of
214.14 care and staffing that was in effect on March
214.15 1, 2010. The commissioner shall not proceed
214.16 with the planned closure of the dental
214.17 clinics, and shall not discontinue services or
214.18 downsize any of the state-operated dental
214.19 clinics without specific legislative approval.
214.20 The commissioner shall continue to bill
214.21 for services provided to obtain medical
214.22 assistance critical access dental payments
214.23 and cost-based payment rates as provided
214.24 in Minnesota Statutes, section 256B.76,
214.25 subdivision 2, and shall bill for services
214.26 provided three months retroactively from
214.27 the date of this act. This appropriation is
214.28 onetime;

214.29 (5) to convert the Minnesota
214.30 Neurorehabilitation Hospital in Brainerd
214.31 to a neurocognitive psychiatric extensive
214.32 recovery treatment service; and

214.33 (6) to convert the Minnesota extended
214.34 treatment options (METO) program to
214.35 the following community-based services

215.1 provided by state employees: (i) psychiatric
215.2 extensive recovery treatment services;
215.3 (ii) intensive transitional foster homes
215.4 as enterprise activities; and (iii) other
215.5 community-based support services. The
215.6 provisions under Minnesota Statutes, section
215.7 252.025, subdivision 7, are applicable to
215.8 the METO services established under this
215.9 clause. Notwithstanding Minnesota Statutes,
215.10 section 246.18, subdivision 8, any revenue
215.11 lost to the general fund by the conversion
215.12 of METO to new services must be replaced
215.13 by revenue from the new services to offset
215.14 the lost revenue to the general fund until
215.15 June 30, 2013. Any revenue generated in
215.16 excess of this amount shall be deposited into
215.17 the special revenue fund under Minnesota
215.18 Statutes, section 246.18, subdivision 8.

215.19 (b) The commissioner shall not move beds
215.20 from the Anoka-Metro Regional Treatment
215.21 Center to the psychiatric nursing facility
215.22 at St. Peter without specific legislative
215.23 approval.

215.24 (c) The commissioner shall implement
215.25 changes, including the following, to save a
215.26 minimum of \$6,006,000 beginning in fiscal
215.27 year 2011, and report to the legislature the
215.28 specific initiatives implemented and the
215.29 savings allocated to each one, including:

215.30 (1) maximizing budget savings through
215.31 strategic employee staffing; and

215.32 (2) identifying and implementing cost
215.33 reductions in cooperation with state-operated
215.34 services employees.

216.1 Base level funding is reduced by \$6,006,000
216.2 effective fiscal year 2011.

216.3 (d) The commissioner shall seek certification
216.4 or approval from the federal government for
216.5 the new services under paragraph (a) that are
216.6 eligible for federal financial participation
216.7 and deposit the revenue associated with
216.8 these new services in the account established
216.9 under Minnesota Statutes, section 246.18,
216.10 subdivision 8, unless otherwise specified.

216.11 (e) Notwithstanding any contrary provision
216.12 in this article, this rider shall not expire.

216.13 **(b) Minnesota Sex Offender Services** -0- (145,000)

216.14 **Sex Offender Services.** Base level funding
216.15 for Minnesota sex offender services is
216.16 reduced by \$418,000 in fiscal year 2012 and
216.17 \$419,000 in fiscal year 2013 for the 50-bed
216.18 sex offender treatment program within the
216.19 Moose Lake correctional facility in which
216.20 Department of Human Services staff from
216.21 Minnesota sex offender services provide
216.22 clinical treatment to incarcerated offenders.
216.23 This reduction shall become part of the base
216.24 for the Department of Human Services.

216.25 **Interagency Agreements.** The
216.26 commissioner of human services may
216.27 enter into interagency agreements with the
216.28 commissioner of corrections to continue sex
216.29 offender treatment and chemical dependency
216.30 treatment on a cost-sharing basis, in which
216.31 each department pays 50 percent of the costs
216.32 of these services.

218.1 **Health Care Reform Task Force. \$198,000**
218.2 from the general fund is for expenses related
218.3 to the Health Care Reform Task Force
218.4 established under article 7. This is a onetime
218.5 appropriation.

218.6 **Rural Hospital Capital Improvement**
218.7 **Grants.** Of the general fund reductions in
218.8 fiscal year 2010, \$1,755,000 is for the rural
218.9 hospital capital improvement grant program.

218.10 **Section 125 Plans.** The remaining balance
218.11 from the Laws 2008, chapter 358, article 5,
218.12 section 4, subdivision 3, appropriation for
218.13 Section 125 Plan Employer Incentives is
218.14 canceled.

218.15 **Birth Centers.** Of the appropriation in fiscal
218.16 year 2011 from the state government special
218.17 revenue fund, \$9,000 is to the commissioner
218.18 to license birth centers. Base level funding
218.19 for this activity shall be \$7,000 in fiscal year
218.20 2012 and \$7,000 in fiscal year 2013.

218.21 **Comprehensive Advanced Life Support**
218.22 **Program.** Of the general fund appropriation,
218.23 \$377,000 in fiscal year 2011 is to the
218.24 commissioner for the comprehensive
218.25 advanced life support educational program.
218.26 For fiscal year 2012, base level funding for
218.27 this program shall be \$377,000.

218.28 **Advisory Group on Administrative**
218.29 **Expenses.** Of the health care access fund
218.30 appropriation for fiscal year 2011, \$39,000 is
218.31 to the commissioner for the advisory group
218.32 established under Minnesota Statutes, section
218.33 62D.31. This is a onetime appropriation.

219.1 **Base Level Adjustment.** The general fund
 219.2 base is decreased by \$253,000 in fiscal year
 219.3 2012 and \$253,000 in fiscal year 2013. The
 219.4 state government special revenue fund base
 219.5 is decreased by \$2,000 in fiscal year 2012
 219.6 and \$2,000 in fiscal year 2013.

219.7 **Office of Unlicensed Health Care Practice.**
 219.8 Of the general fund appropriation, \$74,000
 219.9 in fiscal year 2011 is for the Office of
 219.10 Unlicensed Complementary and Alternative
 219.11 Health Care Practice. This is a onetime
 219.12 appropriation.

219.13 <u>Subd. 4. Health Protection</u>	<u>(374,000)</u>	<u>714,000</u>
---	------------------	----------------

219.14 **Lead Base Grant Program.** Of the general
 219.15 fund reduction, \$25,000 in fiscal year 2010
 219.16 and fiscal year 2011 is for the elimination
 219.17 of state funding for the temporary lead-safe
 219.18 housing base grant program.

219.19 **Birth Defects Information System.** Of the
 219.20 general fund appropriation for fiscal year
 219.21 2011, \$919,000 is for the Minnesota Birth
 219.22 Defects Information System established
 219.23 under Minnesota Statutes, section 144.2215.

219.24 **Base Adjustment.** The general fund base
 219.25 is increased by \$440,000 in fiscal year 2012
 219.26 and \$984,000 in fiscal year 2013.

219.27 <u>Subd. 5. Administrative Support Services</u>	<u>-0-</u>	<u>(100,000)</u>
---	------------	------------------

219.28 The general fund base is decreased by
 219.29 \$22,000 in fiscal year 2012 and \$22,000 in
 219.30 fiscal year 2013.

219.31 <u>Sec. 5. DEPARTMENT OF VETERANS</u>		
219.32 <u>AFFAIRS</u>	<u>\$ (50,000)</u>	<u>\$ -0-</u>

221.1	<u>Subd. 3. Board of Nursing Home</u>		
221.2	<u>Administrators</u>	<u>51,000</u>	<u>61,000</u>
221.3	<u>Subd. 4. Board of Pharmacy</u>	<u>-0-</u>	<u>517,000</u>
221.4	<u>Prescription Electronic Reporting. Of</u>		
221.5	<u>the state government special revenue fund</u>		
221.6	<u>appropriation, \$517,000 in fiscal year 2011</u>		
221.7	<u>is to the board to operate the prescription</u>		
221.8	<u>electronic reporting system in Minnesota</u>		
221.9	<u>Statutes, section 152.126. Base level funding</u>		
221.10	<u>for this activity in fiscal year 2012 shall be</u>		
221.11	<u>\$356,000.</u>		
221.12	<u>Subd. 5. Board of Podiatry</u>	<u>15,000</u>	<u>15,000</u>
221.13	<u>Purpose. This appropriation is to pay health</u>		
221.14	<u>insurance coverage costs and to cover the</u>		
221.15	<u>cost of expert witnesses in disciplinary cases.</u>		
221.16	<u>Sec. 7. EMERGENCY MEDICAL SERVICES</u>		
221.17	<u>BOARD</u>	<u>\$ 247,000</u>	<u>\$ (382,000)</u>
221.18	<u>Sec. 8. UNIVERSITY OF MINNESOTA</u>	<u>\$ -0-</u>	<u>\$ 93,000</u>
221.19	<u>This appropriation is from the special</u>		
221.20	<u>revenue fund for the couples on the brink</u>		
221.21	<u>program.</u>		
221.22	<u>Sec. 9. DEPARTMENT OF CORRECTIONS</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
221.23	<u>Sex Offender Services. From the general</u>		
221.24	<u>fund appropriations to the commissioner of</u>		
221.25	<u>corrections, the commissioner shall transfer</u>		
221.26	<u>\$418,000 in fiscal year 2012 and \$419,000</u>		
221.27	<u>in fiscal year 2013 to the commissioner of</u>		
221.28	<u>human services to provide clinical treatment</u>		
221.29	<u>to incarcerated offenders. This transfer shall</u>		
221.30	<u>become part of the base for the Department</u>		
221.31	<u>of Corrections.</u>		

222.1 Sec. 10. DEPARTMENT OF COMMERCE \$ -0- \$ 38,000

222.2 Health Plan Filings. Of this appropriation:

222.3 (1) \$19,000 is for the review and approval
 222.4 of new health plan filings due to Minnesota
 222.5 Statutes, section 62Q.545. This is a onetime
 222.6 appropriation in fiscal year 2011; and

222.7 (2) \$19,000 is for regulation of Minnesota
 222.8 Statutes, section 62A.3075. This is a onetime
 222.9 appropriation.

222.10 Sec. 11. Minnesota Statutes 2008, section 214.40, subdivision 7, is amended to read:

222.11 Subd. 7. **Medical professional liability insurance.** (a) Within the limit of funds
 222.12 appropriated for this program, the administrative services unit must purchase medical
 222.13 professional liability insurance, if available, for a health care provider who is registered in
 222.14 accordance with subdivision 4 and who is not otherwise covered by a medical professional
 222.15 liability insurance policy or self-insured plan either personally or through another facility
 222.16 or employer. The administrative services unit is authorized to prorate payments or
 222.17 otherwise limit the number of participants in the program if the costs of the insurance for
 222.18 eligible providers exceed the funds appropriated for the program.

222.19 (b) Coverage purchased under this subdivision must be limited to the provision of
 222.20 health care services performed by the provider for which the provider does not receive
 222.21 direct monetary compensation.

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

222.23 Sec. 12. Laws 2009, chapter 79, article 13, section 3, subdivision 1, as amended by
 222.24 Laws 2009, chapter 173, article 2, section 1, subdivision 1, is amended to read:

222.25 Subdivision 1. **Total Appropriation** \$ **5,225,451,000** \$ **6,002,864,000**

222.26	Appropriations by Fund	
222.27	2010	2011
222.28	General	4,375,689,000 5,209,765,000
222.29	State Government	
222.30	Special Revenue	565,000 565,000
222.31	Health Care Access	450,662,000 527,411,000
222.32	Federal TANF	286,770,000 263,458,000

223.1	Lottery Prize	1,665,000	1,665,000
223.2	Federal Fund	110,000,000	0

223.3 **Receipts for Systems Projects.**

223.4 Appropriations and federal receipts for
 223.5 information systems projects for MAXIS,
 223.6 PRISM, MMIS, and SSIS must be deposited
 223.7 in the state system account authorized in
 223.8 Minnesota Statutes, section 256.014. Money
 223.9 appropriated for computer projects approved
 223.10 by the Minnesota Office of Enterprise
 223.11 Technology, funded by the legislature, and
 223.12 approved by the commissioner of finance,
 223.13 may be transferred from one project to
 223.14 another and from development to operations
 223.15 as the commissioner of human services
 223.16 considers necessary, except that any transfers
 223.17 to one project that exceed \$1,000,000 or
 223.18 multiple transfers to one project that exceed
 223.19 \$1,000,000 in total require the express
 223.20 approval of the legislature. The preceding
 223.21 requirement for legislative approval does not
 223.22 apply to transfers made to establish a project's
 223.23 initial operating budget each year; instead,
 223.24 the requirements of section 11, subdivision
 223.25 2, of this article apply to those transfers. Any
 223.26 unexpended balance in the appropriation
 223.27 for these projects does not cancel but is
 223.28 available for ongoing development and
 223.29 operations. Any computer project with a
 223.30 total cost exceeding \$1,000,000, including,
 223.31 but not limited to, a replacement for the
 223.32 proposed HealthMatch system, shall not be
 223.33 commenced without the express approval of
 223.34 the legislature.

224.1 **HealthMatch Systems Project.** In fiscal
224.2 year 2010, \$3,054,000 shall be transferred
224.3 from the HealthMatch account in the state
224.4 systems account in the special revenue fund
224.5 to the general fund.

224.6 **Nonfederal Share Transfers.** The
224.7 nonfederal share of activities for which
224.8 federal administrative reimbursement is
224.9 appropriated to the commissioner may be
224.10 transferred to the special revenue fund.

224.11 **TANF Maintenance of Effort.**

224.12 (a) In order to meet the basic maintenance
224.13 of effort (MOE) requirements of the TANF
224.14 block grant specified under Code of Federal
224.15 Regulations, title 45, section 263.1, the
224.16 commissioner may only report nonfederal
224.17 money expended for allowable activities
224.18 listed in the following clauses as TANF/MOE
224.19 expenditures:

224.20 (1) MFIP cash, diversionary work program,
224.21 and food assistance benefits under Minnesota
224.22 Statutes, chapter 256J;

224.23 (2) the child care assistance programs
224.24 under Minnesota Statutes, sections 119B.03
224.25 and 119B.05, and county child care
224.26 administrative costs under Minnesota
224.27 Statutes, section 119B.15;

224.28 (3) state and county MFIP administrative
224.29 costs under Minnesota Statutes, chapters
224.30 256J and 256K;

224.31 (4) state, county, and tribal MFIP
224.32 employment services under Minnesota
224.33 Statutes, chapters 256J and 256K;

225.1 (5) expenditures made on behalf of
225.2 noncitizen MFIP recipients who qualify
225.3 for the medical assistance without federal
225.4 financial participation program under
225.5 Minnesota Statutes, section 256B.06,
225.6 subdivision 4, paragraphs (d), (e), and (j);
225.7 ~~and~~

225.8 (6) qualifying working family credit
225.9 expenditures under Minnesota Statutes,
225.10 section 290.0671; and

225.11 (7) qualifying Minnesota education credit
225.12 expenditures under Minnesota Statutes,
225.13 section 290.0674.

225.14 (b) The commissioner shall ensure that
225.15 sufficient qualified nonfederal expenditures
225.16 are made each year to meet the state's
225.17 TANF/MOE requirements. For the activities
225.18 listed in paragraph (a), clauses (2) to
225.19 (6), the commissioner may only report
225.20 expenditures that are excluded from the
225.21 definition of assistance under Code of
225.22 Federal Regulations, title 45, section 260.31.

225.23 (c) For fiscal years beginning with state
225.24 fiscal year 2003, the commissioner shall
225.25 ensure that the maintenance of effort used
225.26 by the commissioner of finance for the
225.27 February and November forecasts required
225.28 under Minnesota Statutes, section 16A.103,
225.29 contains expenditures under paragraph (a),
225.30 clause (1), equal to at least 16 percent of
225.31 the total required under Code of Federal
225.32 Regulations, title 45, section 263.1.

225.33 (d) For the federal fiscal years beginning on
225.34 or after October 1, 2007, the commissioner
225.35 may not claim an amount of TANF/MOE in

226.1 excess of the 75 percent standard in Code
226.2 of Federal Regulations, title 45, section
226.3 263.1(a)(2), except:

226.4 (1) to the extent necessary to meet the 80
226.5 percent standard under Code of Federal
226.6 Regulations, title 45, section 263.1(a)(1),
226.7 if it is determined by the commissioner
226.8 that the state will not meet the TANF work
226.9 participation target rate for the current year;

226.10 (2) to provide any additional amounts
226.11 under Code of Federal Regulations, title 45,
226.12 section 264.5, that relate to replacement of
226.13 TANF funds due to the operation of TANF
226.14 penalties; and

226.15 (3) to provide any additional amounts that
226.16 may contribute to avoiding or reducing
226.17 TANF work participation penalties through
226.18 the operation of the excess MOE provisions
226.19 of Code of Federal Regulations, title 45,
226.20 section 261.43 (a)(2).

226.21 For the purposes of clauses (1) to (3),
226.22 the commissioner may supplement the
226.23 MOE claim with working family credit
226.24 expenditures to the extent such expenditures
226.25 or other qualified expenditures are otherwise
226.26 available after considering the expenditures
226.27 allowed in this section.

226.28 (e) Minnesota Statutes, section 256.011,
226.29 subdivision 3, which requires that federal
226.30 grants or aids secured or obtained under that
226.31 subdivision be used to reduce any direct
226.32 appropriations provided by law, do not apply
226.33 if the grants or aids are federal TANF funds.

227.1 (f) Notwithstanding any contrary provision
227.2 in this article, this provision expires June 30,
227.3 2013.

227.4 **Working Family Credit Expenditures as**
227.5 **TANF/MOE.** The commissioner may claim
227.6 as TANF/MOE up to \$6,707,000 per year of
227.7 working family credit expenditures for fiscal
227.8 year 2010 through fiscal year 2011.

227.9 **Working Family Credit Expenditures**
227.10 **to be Claimed for TANF/MOE.** The
227.11 commissioner may count the following
227.12 amounts of working family credit expenditure
227.13 as TANF/MOE:

227.14 (1) fiscal year 2010, ~~\$50,973,000~~
227.15 \$50,897,000;

227.16 (2) fiscal year 2011, ~~\$53,793,000~~
227.17 \$54,243,000;

227.18 (3) fiscal year 2012, ~~\$23,516,000~~
227.19 \$23,345,000; and

227.20 (4) fiscal year 2013, ~~\$16,808,000~~
227.21 \$16,585,000.

227.22 Notwithstanding any contrary provision in
227.23 this article, this rider expires June 30, 2013.

227.24 **Food Stamps Employment and Training.**

227.25 (a) The commissioner shall apply for and
227.26 claim the maximum allowable federal
227.27 matching funds under United States Code,
227.28 title 7, section 2025, paragraph (h), for
227.29 state expenditures made on behalf of family
227.30 stabilization services participants voluntarily
227.31 engaged in food stamp employment and
227.32 training activities, where appropriate.

228.1 (b) Notwithstanding Minnesota Statutes,
228.2 sections 256D.051, subdivisions 1a, 6b,
228.3 and 6c, and 256J.626, federal food stamps
228.4 employment and training funds received
228.5 as reimbursement of MFIP consolidated
228.6 fund grant expenditures for diversionary
228.7 work program participants and child
228.8 care assistance program expenditures for
228.9 two-parent families must be deposited in the
228.10 general fund. The amount of funds must be
228.11 limited to \$3,350,000 in fiscal year 2010
228.12 and \$4,440,000 in fiscal years 2011 through
228.13 2013, contingent on approval by the federal
228.14 Food and Nutrition Service.

228.15 (c) Consistent with the receipt of these federal
228.16 funds, the commissioner may adjust the
228.17 level of working family credit expenditures
228.18 claimed as TANF maintenance of effort.
228.19 Notwithstanding any contrary provision in
228.20 this article, this rider expires June 30, 2013.

228.21 **ARRA Food Support Administration.**

228.22 The funds available for food support
228.23 administration under the American Recovery
228.24 and Reinvestment Act (ARRA) of 2009
228.25 are appropriated to the commissioner
228.26 to pay actual costs of implementing the
228.27 food support benefit increases, increased
228.28 eligibility determinations, and outreach. Of
228.29 these funds, 20 percent shall be allocated
228.30 to the commissioner and 80 percent shall
228.31 be allocated to counties. The commissioner
228.32 shall allocate the county portion based on
228.33 caseload. Reimbursement shall be based on
228.34 actual costs reported by counties through
228.35 existing processes. Tribal reimbursement
228.36 must be made from the state portion based

229.1 on a caseload factor equivalent to that of a
229.2 county.

229.3 **ARRA Food Support Benefit Increases.**

229.4 The funds provided for food support benefit
229.5 increases under the Supplemental Nutrition
229.6 Assistance Program provisions of the
229.7 American Recovery and Reinvestment Act
229.8 (ARRA) of 2009 must be used for benefit
229.9 increases beginning July 1, 2009.

229.10 **Emergency Fund for the TANF Program.**

229.11 TANF Emergency Contingency funds
229.12 available under the American Recovery
229.13 and Reinvestment Act of 2009 (Public Law
229.14 111-5) are appropriated to the commissioner.
229.15 The commissioner must request TANF
229.16 Emergency Contingency funds from the
229.17 Secretary of the Department of Health
229.18 and Human Services to the extent the
229.19 commissioner meets or expects to meet the
229.20 requirements of section 403(c) of the Social
229.21 Security Act. The commissioner must seek
229.22 to maximize such grants. The funds received
229.23 must be used as appropriated. Each county
229.24 must maintain the county's current level of
229.25 emergency assistance funding under the
229.26 MFIP consolidated fund and use the funds
229.27 under this paragraph to supplement existing
229.28 emergency assistance funding levels.

229.29 Sec. 13. Laws 2009, chapter 79, article 13, section 3, subdivision 3, as amended by
229.30 Laws 2009, chapter 173, article 2, section 1, subdivision 3, is amended to read:

229.31 **Subd. 3. Revenue and Pass-Through Revenue**
229.32 **Expenditures**

68,337,000

70,505,000

229.33 This appropriation is from the federal TANF
229.34 fund.

230.1 **TANF Transfer to Federal Child Care**
 230.2 **and Development Fund.** The following
 230.3 TANF fund amounts are appropriated to the
 230.4 commissioner for the purposes of MFIP and
 230.5 transition year child care under Minnesota
 230.6 Statutes, section 119B.05:

230.7 (1) fiscal year 2010, ~~\$6,531,000~~ \$862,000;

230.8 (2) fiscal year 2011, ~~\$10,241,000~~ \$978,000;

230.9 (3) fiscal year 2012, ~~\$10,826,000~~ \$0; and

230.10 (4) fiscal year 2013, ~~\$4,046,000~~ \$0.

230.11 The commissioner shall authorize the
 230.12 transfer of sufficient TANF funds to the
 230.13 federal child care and development fund to
 230.14 meet this appropriation and shall ensure that
 230.15 all transferred funds are expended according
 230.16 to federal child care and development fund
 230.17 regulations.

230.18 Sec. 14. Laws 2009, chapter 79, article 13, section 3, subdivision 4, as amended by
 230.19 Laws 2009, chapter 173, article 2, section 1, subdivision 4, is amended to read:

230.20 Subd. 4. **Children and Economic Assistance**
 230.21 **Grants**

230.22 The amounts that may be spent from this
 230.23 appropriation for each purpose are as follows:

230.24 **(a) MFIP/DWP Grants**

	Appropriations by Fund	
230.25		
230.26	General	63,205,000 89,033,000
230.27	Federal TANF	100,818,000 84,538,000

230.28 **(b) Support Services Grants**

	Appropriations by Fund	
230.29		
230.30	General	8,715,000 12,498,000
230.31	Federal TANF	116,557,000 107,457,000

231.1 **MFIP Consolidated Fund.** The MFIP
231.2 consolidated fund TANF appropriation is
231.3 reduced by \$1,854,000 in fiscal year 2010
231.4 and fiscal year 2011.

231.5 Notwithstanding Minnesota Statutes, section
231.6 256J.626, subdivision 8, paragraph (b), the
231.7 commissioner shall reduce proportionately
231.8 the reimbursement to counties for
231.9 administrative expenses.

231.10 **Subsidized Employment Funding Through**
231.11 **ARRA.** The commissioner is authorized to
231.12 apply for TANF emergency fund grants for
231.13 subsidized employment activities. Growth
231.14 in expenditures for subsidized employment
231.15 within the supported work program and the
231.16 MFIP consolidated fund over the amount
231.17 expended in the calendar quarters in the
231.18 TANF emergency fund base year shall be
231.19 used to leverage the TANF emergency fund
231.20 grants for subsidized employment and to
231.21 fund supported work. The commissioner
231.22 shall develop procedures to maximize
231.23 reimbursement of these expenditures over the
231.24 TANF emergency fund base year quarters,
231.25 and may contract directly with employers
231.26 and providers to maximize these TANF
231.27 emergency fund grants, including provisions
231.28 of TANF summer youth program wage
231.29 subsidies for MFIP youth and caregivers.
231.30 MFIP youth are individuals up to age 25 who
231.31 are part of an eligible household as defined
231.32 under rules governing TANF maintenance
231.33 of effort with incomes less than 200 percent
231.34 of federal poverty guidelines. Expenditures
231.35 may only be used for subsidized wages and
231.36 benefits and eligible training and supervision

232.1 expenditures. The commissioner shall
232.2 contract with the Minnesota Department of
232.3 Employment and Economic Development
232.4 for the summer youth program. The
232.5 commissioner shall develop procedures
232.6 to maximize reimbursement of these
232.7 expenditures over the TANF emergency fund
232.8 year quarters. No more than \$6,000,000 shall
232.9 be reimbursed. This provision is effective
232.10 upon enactment.

232.11 **Supported Work.** Of the TANF
232.12 appropriation, \$4,700,000 in fiscal year 2010
232.13 and \$4,700,000 in fiscal year 2011 are to the
232.14 commissioner for supported work for MFIP
232.15 recipients and is available until expended.
232.16 Supported work includes paid transitional
232.17 work experience and a continuum of
232.18 employment assistance, including outreach
232.19 and recruitment, program orientation
232.20 and intake, testing and assessment, job
232.21 development and marketing, preworksite
232.22 training, supported worksite experience,
232.23 job coaching, and postplacement follow-up,
232.24 in addition to extensive case management
232.25 and referral services. This is a onetime
232.26 appropriation.

232.27 **Base Adjustment.** The general fund base
232.28 is reduced by \$3,783,000 in each of fiscal
232.29 years 2012 and 2013. ~~The TANF fund base~~
232.30 ~~is increased by \$5,004,000 in each of fiscal~~
232.31 ~~years 2012 and 2013.~~

232.32 **Integrated Services Program Funding.**
232.33 The TANF appropriation for integrated
232.34 services program funding is \$1,250,000 in
232.35 fiscal year 2010 and \$0 in fiscal year 2011

233.1 and the base for fiscal years 2012 and 2013
 233.2 is \$0.

233.3 **TANF Emergency Fund; Nonrecurrent**
 233.4 **Short-Term Benefits.** (a) TANF emergency
 233.5 contingency fund grants received due to
 233.6 increases in expenditures for nonrecurrent
 233.7 short-term benefits must be used to offset the
 233.8 increase in these expenditures for counties
 233.9 under the MFIP consolidated fund, under
 233.10 Minnesota Statutes, section 256J.626,
 233.11 and the diversionary work program. The
 233.12 commissioner shall develop procedures
 233.13 to maximize reimbursement of these
 233.14 expenditures over the TANF emergency fund
 233.15 base year quarters. Growth in expenditures
 233.16 for the diversionary work program over the
 233.17 amount expended in the calendar quarters in
 233.18 the TANF emergency fund base year shall be
 233.19 used to leverage these funds.

233.20 (b) To the extent that the commissioner
 233.21 can claim eligible tax credit growth as
 233.22 nonrecurrent short-term benefits, the
 233.23 commissioner shall use those funds to
 233.24 leverage the increased expenditures in
 233.25 paragraph (a).

233.26 (c) TANF emergency funds for nonrecurrent
 233.27 short-term benefits received in excess of the
 233.28 amounts necessary for paragraphs (a) and (b)
 233.29 shall be used to reimburse the general fund
 233.30 for the costs of eligible tax credits in fiscal
 233.31 year 2011. The amount of such funds shall
 233.32 not exceed \$15,500,000 in fiscal year 2010.

233.33 (d) This rider is effective the day following
 233.34 final enactment.

233.35 (c) MFIP Child Care Assistance Grants	61,171,000	65,214,000
---	------------	------------

234.1 **Acceleration of ARRA Child Care and**
 234.2 **Development Fund Expenditure.** The
 234.3 commissioner must liquidate all child care
 234.4 and development money available under
 234.5 the American Recovery and Reinvestment
 234.6 Act (ARRA) of 2009, Public Law 111-5,
 234.7 by September 30, 2010. In order to expend
 234.8 those funds by September 30, 2010, the
 234.9 commissioner may redesignate and expend
 234.10 the ARRA child care and development funds
 234.11 appropriated in fiscal year 2011 for purposes
 234.12 under this section for related purposes that
 234.13 will allow liquidation by September 30,
 234.14 2010. Child care and development funds
 234.15 otherwise available to the commissioner
 234.16 for those related purposes shall be used to
 234.17 fund the purposes from which the ARRA
 234.18 child care and development funds had been
 234.19 redesignated.

234.20 **School Readiness Service Agreements.**
 234.21 \$400,000 in fiscal year 2010 and \$400,000
 234.22 in fiscal year 2011 are from the federal
 234.23 TANF fund to the commissioner of human
 234.24 services consistent with federal regulations
 234.25 for the purpose of school readiness service
 234.26 agreements under Minnesota Statutes,
 234.27 section 119B.231. This is a onetime
 234.28 appropriation. Any unexpended balance the
 234.29 first year is available in the second year.

234.30	(d) Basic Sliding Fee Child Care Assistance		
234.31	Grants	40,100,000	45,092,000

234.32 **School Readiness Service Agreements.**
 234.33 \$257,000 in fiscal year 2010 and \$257,000
 234.34 in fiscal year 2011 are from the general
 234.35 fund for the purpose of school readiness
 234.36 service agreements under Minnesota

235.1 Statutes, section 119B.231. This is a onetime
235.2 appropriation. Any unexpended balance the
235.3 first year is available in the second year.

235.4 **Child Care Development Fund**

235.5 **Unexpended Balance.** In addition to
235.6 the amount provided in this section, the
235.7 commissioner shall expend \$5,244,000 in
235.8 fiscal year 2010 from the federal child care
235.9 development fund unexpended balance
235.10 for basic sliding fee child care under
235.11 Minnesota Statutes, section 119B.03. The
235.12 commissioner shall ensure that all child
235.13 care and development funds are expended
235.14 according to the federal child care and
235.15 development fund regulations.

235.16 **Basic Sliding Fee.** \$4,000,000 in fiscal year
235.17 2010 and \$4,000,000 in fiscal year 2011 are
235.18 from the federal child care development
235.19 funds received from the American Recovery
235.20 and Reinvestment Act of 2009, Public
235.21 Law 111-5, to the commissioner of human
235.22 services consistent with federal regulations
235.23 for the purpose of basic sliding fee child care
235.24 assistance under Minnesota Statutes, section
235.25 119B.03. This is a onetime appropriation.
235.26 Any unexpended balance the first year is
235.27 available in the second year.

235.28 **Basic Sliding Fee Allocation for Calendar**

235.29 **Year 2010.** Notwithstanding Minnesota
235.30 Statutes, section 119B.03, subdivision 6,
235.31 in calendar year 2010, basic sliding fee
235.32 funds shall be distributed according to
235.33 this provision. Funds shall be allocated
235.34 first in amounts equal to each county's
235.35 guaranteed floor, according to Minnesota

236.1 Statutes, section 119B.03, subdivision 8,
236.2 with any remaining available funds allocated
236.3 according to the following formula:

236.4 (a) Up to one-fourth of the funds shall be
236.5 allocated in proportion to the number of
236.6 families participating in the transition year
236.7 child care program as reported during and
236.8 averaged over the most recent six months
236.9 completed at the time of the notice of
236.10 allocation. Funds in excess of the amount
236.11 necessary to serve all families in this category
236.12 shall be allocated according to paragraph (d).

236.13 (b) Up to three-fourths of the funds shall
236.14 be allocated in proportion to the average
236.15 of each county's most recent six months of
236.16 reported waiting list as defined in Minnesota
236.17 Statutes, section 119B.03, subdivision 2, and
236.18 the reinstatement list of those families whose
236.19 assistance was terminated with the approval
236.20 of the commissioner under Minnesota Rules,
236.21 part 3400.0183, subpart 1. Funds in excess
236.22 of the amount necessary to serve all families
236.23 in this category shall be allocated according
236.24 to paragraph (d).

236.25 (c) The amount necessary to serve all families
236.26 in paragraphs (a) and (b) shall be calculated
236.27 based on the basic sliding fee average cost of
236.28 care per family in the county with the highest
236.29 cost in the most recently completed calendar
236.30 year.

236.31 (d) Funds in excess of the amount necessary
236.32 to serve all families in paragraphs (a) and
236.33 (b) shall be allocated in proportion to each
236.34 county's total expenditures for the basic
236.35 sliding fee child care program reported

237.1 during the most recent fiscal year completed
 237.2 at the time of the notice of allocation. To
 237.3 the extent that funds are available, and
 237.4 notwithstanding Minnesota Statutes, section
 237.5 119B.03, subdivision 8, for the period
 237.6 January 1, 2011, to December 31, 2011, each
 237.7 county's guaranteed floor must be equal to its
 237.8 original calendar year 2010 allocation.

237.9 **Base Adjustment.** The general fund base is
 237.10 decreased by \$257,000 in each of fiscal years
 237.11 2012 and 2013.

237.12	(e) Child Care Development Grants	1,487,000	1,487,000
--------	--	-----------	-----------

237.13 **Family, friends, and neighbor grants.**
 237.14 \$375,000 in fiscal year 2010 and \$375,000
 237.15 in fiscal year 2011 are from the child
 237.16 care development fund required targeted
 237.17 quality funds for quality expansion and
 237.18 infant/toddler from the American Recovery
 237.19 and Reinvestment Act of 2009, Public
 237.20 Law 111-5, to the commissioner of human
 237.21 services for family, friends, and neighbor
 237.22 grants under Minnesota Statutes, section
 237.23 119B.232. This appropriation may be used
 237.24 on programs receiving family, friends, and
 237.25 neighbor grant funds as of June 30, 2009,
 237.26 or on new programs or projects. This is a
 237.27 onetime appropriation. Any unexpended
 237.28 balance the first year is available in the
 237.29 second year.

237.30 **Voluntary quality rating system training,**
 237.31 **coaching, consultation, and supports.**
 237.32 \$633,000 in fiscal year 2010 and \$633,000
 237.33 in fiscal year 2011 are from the federal child
 237.34 care development fund required targeted
 237.35 quality funds for quality expansion and

238.1 infant/toddler from the American Recovery
 238.2 and Reinvestment Act of 2009, Public
 238.3 Law 111-5, to the commissioner of human
 238.4 services consistent with federal regulations
 238.5 for the purpose of providing grants to provide
 238.6 statewide child-care provider training,
 238.7 coaching, consultation, and supports to
 238.8 prepare for the voluntary Minnesota quality
 238.9 rating system rating tool. This is a onetime
 238.10 appropriation. Any unexpended balance the
 238.11 first year is available in the second year.

238.12 **Voluntary quality rating system.** \$184,000
 238.13 in fiscal year 2010 and \$1,200,000 in fiscal
 238.14 year 2011 are from the federal child care
 238.15 development fund required targeted funds for
 238.16 quality expansion and infant/toddler from the
 238.17 American Recovery and Reinvestment Act of
 238.18 2009, Public Law 111-5, to the commissioner
 238.19 of human services consistent with federal
 238.20 regulations for the purpose of implementing
 238.21 the voluntary Parent Aware quality star
 238.22 rating system pilot in coordination with the
 238.23 Minnesota Early Learning Foundation. The
 238.24 appropriation for the first year is to complete
 238.25 and promote the voluntary Parent Aware
 238.26 quality rating system pilot program through
 238.27 June 30, 2010, and the appropriation for
 238.28 the second year is to continue the voluntary
 238.29 Minnesota quality rating system pilot
 238.30 through June 30, 2011. This is a onetime
 238.31 appropriation. Any unexpended balance the
 238.32 first year is available in the second year.

238.33 **(f) Child Support Enforcement Grants** 3,705,000 3,705,000

238.34 **(g) Children's Services Grants**

239.1	Appropriations by Fund		
239.2	General	48,333,000	50,498,000
239.3	Federal TANF	340,000	240,000

239.4 **Base Adjustment.** The general fund base is
 239.5 decreased by \$5,371,000 in fiscal year 2012
 239.6 and decreased \$5,371,000 in fiscal year 2013.

239.7 **Privatized Adoption Grants.** Federal
 239.8 reimbursement for privatized adoption grant
 239.9 and foster care recruitment grant expenditures
 239.10 is appropriated to the commissioner for
 239.11 adoption grants and foster care and adoption
 239.12 administrative purposes.

239.13 **Adoption Assistance Incentive Grants.**
 239.14 Federal funds available during fiscal year
 239.15 2010 and fiscal year 2011 for the adoption
 239.16 incentive grants are appropriated to the
 239.17 commissioner for postadoption services
 239.18 including parent support groups.

239.19 **Adoption Assistance and Relative Custody**
 239.20 **Assistance.** The commissioner may transfer
 239.21 unencumbered appropriation balances for
 239.22 adoption assistance and relative custody
 239.23 assistance between fiscal years and between
 239.24 programs.

239.25	(h) Children and Community Services Grants	67,663,000	67,542,000
--------	---	------------	------------

239.26 **Targeted Case Management Temporary**
 239.27 **Funding Adjustment.** The commissioner
 239.28 shall recover from each county and tribe
 239.29 receiving a targeted case management
 239.30 temporary funding payment in fiscal year
 239.31 2008 an amount equal to that payment. The
 239.32 commissioner shall recover one-half of the
 239.33 funds by February 1, 2010, and the remainder
 239.34 by February 1, 2011. At the commissioner's

240.1 discretion and at the request of a county
 240.2 or tribe, the commissioner may revise
 240.3 the payment schedule, but full payment
 240.4 must not be delayed beyond May 1, 2011.

240.5 The commissioner may use the recovery
 240.6 procedure under Minnesota Statutes, section
 240.7 256.017, to recover the funds. Recovered
 240.8 funds must be deposited into the general
 240.9 fund.

240.10	(i) General Assistance Grants	48,215,000	48,608,000
--------	--------------------------------------	------------	------------

240.11 **General Assistance Standard.** The
 240.12 commissioner shall set the monthly standard
 240.13 of assistance for general assistance units
 240.14 consisting of an adult recipient who is
 240.15 childless and unmarried or living apart
 240.16 from parents or a legal guardian at \$203.
 240.17 The commissioner may reduce this amount
 240.18 according to Laws 1997, chapter 85, article
 240.19 3, section 54.

240.20 **Emergency General Assistance.** The
 240.21 amount appropriated for emergency general
 240.22 assistance funds is limited to no more
 240.23 than \$7,889,812 in fiscal year 2010 and
 240.24 \$7,889,812 in fiscal year 2011. Funds
 240.25 to counties must be allocated by the
 240.26 commissioner using the allocation method
 240.27 specified in Minnesota Statutes, section
 240.28 256D.06.

240.29	(j) Minnesota Supplemental Aid Grants	33,930,000	35,191,000
--------	--	------------	------------

240.30 **Emergency Minnesota Supplemental**
 240.31 **Aid Funds.** The amount appropriated for
 240.32 emergency Minnesota supplemental aid
 240.33 funds is limited to no more than \$1,100,000
 240.34 in fiscal year 2010 and \$1,100,000 in fiscal
 240.35 year 2011. Funds to counties must be

241.1	allocated by the commissioner using the		
241.2	allocation method specified in Minnesota		
241.3	Statutes, section 256D.46.		
241.4	(k) Group Residential Housing Grants	111,778,000	114,034,000
241.5	Group Residential Housing Costs		
241.6	Refinanced. (a) Effective July 1, 2011, the		
241.7	commissioner shall increase the home and		
241.8	community-based service rates and county		
241.9	allocations provided to programs for persons		
241.10	with disabilities established under section		
241.11	1915(c) of the Social Security Act to the		
241.12	extent that these programs will be paying		
241.13	for the costs above the rate established		
241.14	in Minnesota Statutes, section 256I.05,		
241.15	subdivision 1.		
241.16	(b) For persons receiving services under		
241.17	Minnesota Statutes, section 245A.02, who		
241.18	reside in licensed adult foster care beds		
241.19	for which a difficulty of care payment		
241.20	was being made under Minnesota Statutes,		
241.21	section 256I.05, subdivision 1c, paragraph		
241.22	(b), counties may request an exception to		
241.23	the individual's service authorization not to		
241.24	exceed the difference between the client's		
241.25	monthly service expenditures plus the		
241.26	amount of the difficulty of care payment.		
241.27	(l) Children's Mental Health Grants	16,885,000	16,882,000
241.28	Funding Usage. Up to 75 percent of a fiscal		
241.29	year's appropriation for children's mental		
241.30	health grants may be used to fund allocations		
241.31	in that portion of the fiscal year ending		
241.32	December 31.		
241.33	(m) Other Children and Economic Assistance		
241.34	Grants	16,047,000	15,339,000

242.1 **Fraud Prevention Grants.** Of this
242.2 appropriation, \$228,000 in fiscal year 2010
242.3 and ~~\$228,000~~ \$379,000 in fiscal year 2011
242.4 is to the commissioner for fraud prevention
242.5 grants to counties.

242.6 **Homeless and Runaway Youth.** \$218,000
242.7 in fiscal year 2010 is for the Runaway
242.8 and Homeless Youth Act under Minnesota
242.9 Statutes, section 256K.45. Funds shall be
242.10 spent in each area of the continuum of care
242.11 to ensure that programs are meeting the
242.12 greatest need. Any unexpended balance in
242.13 the first year is available in the second year.
242.14 Beginning July 1, 2011, the base is increased
242.15 by \$119,000 each year.

242.16 **ARRA Homeless Youth Funds.** To the
242.17 extent permitted under federal law, the
242.18 commissioner shall designate \$2,500,000
242.19 of the Homeless Prevention and Rapid
242.20 Re-Housing Program funds provided under
242.21 the American Recovery and Reinvestment
242.22 Act of 2009, Public Law 111-5, for agencies
242.23 providing homelessness prevention and rapid
242.24 rehousing services to youth.

242.25 **Supportive Housing Services.** \$1,500,000
242.26 each year is for supportive services under
242.27 Minnesota Statutes, section 256K.26. This is
242.28 a onetime appropriation.

242.29 **Community Action Grants.** Community
242.30 action grants are reduced one time by
242.31 \$1,794,000 each year. This reduction is due
242.32 to the availability of federal funds under the
242.33 American Recovery and Reinvestment Act.

242.34 **Base Adjustment.** The general fund base
242.35 is increased by ~~\$773,000~~ \$903,000 in fiscal

243.1 year 2012 and ~~\$773,000~~ \$413,000 in fiscal
243.2 year 2013.

243.3 **Federal ARRA Funds for Existing**

243.4 **Programs.** (a) Federal funds received by the
243.5 commissioner for the emergency food and
243.6 shelter program from the American Recovery
243.7 and Reinvestment Act of 2009, Public
243.8 Law 111-5, but not previously approved
243.9 by the legislature are appropriated to the
243.10 commissioner for the purposes of the grant
243.11 program.

243.12 (b) Federal funds received by the
243.13 commissioner for the emergency shelter
243.14 grant program including the Homelessness
243.15 Prevention and Rapid Re-Housing
243.16 Program from the American Recovery and
243.17 Reinvestment Act of 2009, Public Law
243.18 111-5, are appropriated to the commissioner
243.19 for the purposes of the grant programs.

243.20 (c) Federal funds received by the
243.21 commissioner for the emergency food
243.22 assistance program from the American
243.23 Recovery and Reinvestment Act of 2009,
243.24 Public Law 111-5, are appropriated to the
243.25 commissioner for the purposes of the grant
243.26 program.

243.27 (d) Federal funds received by the
243.28 commissioner for senior congregate meals
243.29 and senior home-delivered meals from the
243.30 American Recovery and Reinvestment Act
243.31 of 2009, Public Law 111-5, are appropriated
243.32 to the commissioner for the Minnesota Board
243.33 on Aging, for purposes of the grant programs.

243.34 (e) Federal funds received by the
243.35 commissioner for the community services

244.1 block grant program from the American
244.2 Recovery and Reinvestment Act of 2009,
244.3 Public Law 111-5, are appropriated to the
244.4 commissioner for the purposes of the grant
244.5 program.

244.6 **Long-Term Homeless Supportive**

244.7 **Service Fund Appropriation.** To the
244.8 extent permitted under federal law, the
244.9 commissioner shall designate \$3,000,000
244.10 of the Homelessness Prevention and Rapid
244.11 Re-Housing Program funds provided under
244.12 the American Recovery and Reinvestment
244.13 Act of 2009, Public Law, 111-5, to the
244.14 long-term homeless service fund under
244.15 Minnesota Statutes, section 256K.26. This
244.16 appropriation shall become available by July
244.17 1, 2009. This paragraph is effective the day
244.18 following final enactment.

244.19 Sec. 15. Laws 2009, chapter 79, article 13, section 3, subdivision 8, as amended by
244.20 Laws 2009, chapter 173, article 2, section 1, subdivision 8, is amended to read:

244.21 Subd. 8. **Continuing Care Grants**

244.22 The amounts that may be spent from the
244.23 appropriation for each purpose are as follows:

244.24 (a) Aging and Adult Services Grants	13,499,000	15,805,000
---	------------	------------

244.25 **Base Adjustment.** The general fund base is
244.26 increased by \$5,751,000 in fiscal year 2012
244.27 and \$6,705,000 in fiscal year 2013.

244.28 **Information and Assistance**

244.29 **Reimbursement.** Federal administrative
244.30 reimbursement obtained from information
244.31 and assistance services provided by the
244.32 Senior LinkAge or Disability Linkage lines
244.33 to people who are identified as eligible for

245.1 medical assistance shall be appropriated to
245.2 the commissioner for this activity.

245.3 **Community Service Development Grant**

245.4 **Reduction.** Funding for community service
245.5 development grants must be reduced by
245.6 \$260,000 for fiscal year 2010; \$284,000 in
245.7 fiscal year 2011; \$43,000 in fiscal year 2012;
245.8 and \$43,000 in fiscal year 2013. Base level
245.9 funding shall be restored in fiscal year 2014.

245.10 **Community Service Development Grant**

245.11 **Community Initiative.** Funding for
245.12 community service development grants shall
245.13 be used to offset the cost of aging support
245.14 grants. Base level funding shall be restored
245.15 in fiscal year 2014.

245.16 **Senior Nutrition Use of Federal Funds.**

245.17 For fiscal year 2010, general fund grants
245.18 for home-delivered meals and congregate
245.19 dining shall be reduced by \$500,000. The
245.20 commissioner must replace these general
245.21 fund reductions with equal amounts from
245.22 federal funding for senior nutrition from the
245.23 American Recovery and Reinvestment Act
245.24 of 2009.

245.25 **(b) Alternative Care Grants** 50,234,000 48,576,000

245.26 **Base Adjustment.** The general fund base is
245.27 decreased by \$3,598,000 in fiscal year 2012
245.28 and \$3,470,000 in fiscal year 2013.

245.29 **Alternative Care Transfer.** Any money
245.30 allocated to the alternative care program that
245.31 is not spent for the purposes indicated does
245.32 not cancel but must be transferred to the
245.33 medical assistance account.

246.1	(c) Medical Assistance Grants; Long-Term		
246.2	Care Facilities.	367,444,000	419,749,000

246.3	(d) Medical Assistance Long-Term Care		
246.4	Waivers and Home Care Grants	853,567,000	1,039,517,000

246.5 **Manage Growth in TBI and CADI**

246.6 **Waivers.** During the fiscal years beginning

246.7 on July 1, 2009, and July 1, 2010, the

246.8 commissioner shall allocate money for home

246.9 and community-based waiver programs

246.10 under Minnesota Statutes, section 256B.49,

246.11 to ensure a reduction in state spending that is

246.12 equivalent to limiting the caseload growth of

246.13 the TBI waiver to 12.5 allocations per month

246.14 each year of the biennium and the CADI

246.15 waiver to 95 allocations per month each year

246.16 of the biennium. Limits do not apply: (1)

246.17 when there is an approved plan for nursing

246.18 facility bed closures for individuals under

246.19 age 65 who require relocation due to the

246.20 bed closure; (2) to fiscal year 2009 waiver

246.21 allocations delayed due to unallotment; or (3)

246.22 to transfers authorized by the commissioner

246.23 from the personal care assistance program

246.24 of individuals having a home care rating

246.25 of "CS," "MT," or "HL." Priorities for the

246.26 allocation of funds must be for individuals

246.27 anticipated to be discharged from institutional

246.28 settings or who are at imminent risk of a

246.29 placement in an institutional setting.

246.30 **Manage Growth in DD Waiver.** The

246.31 commissioner shall manage the growth in

246.32 the DD waiver by limiting the allocations

246.33 included in the February 2009 forecast to 15

246.34 additional diversion allocations each month

246.35 for the calendar years that begin on January

246.36 1, 2010, and January 1, 2011. Additional

247.1 allocations must be made available for
 247.2 transfers authorized by the commissioner
 247.3 from the personal care program of individuals
 247.4 having a home care rating of "CS," "MT,"
 247.5 or "HL."

247.6 **Adjustment to Lead Agency Waiver**

247.7 **Allocations.** Prior to the availability of the
 247.8 alternative license defined in Minnesota
 247.9 Statutes, section 245A.11, subdivision 8,
 247.10 the commissioner shall reduce lead agency
 247.11 waiver allocations for the purposes of
 247.12 implementing a moratorium on corporate
 247.13 foster care.

247.14 **Alternatives to Personal Care Assistance**

247.15 **Services.** Base level funding of \$3,237,000
 247.16 in fiscal year 2012 and \$4,856,000 in
 247.17 fiscal year 2013 is to implement alternative
 247.18 services to personal care assistance services
 247.19 for persons with mental health and other
 247.20 behavioral challenges who can benefit
 247.21 from other services that more appropriately
 247.22 meet their needs and assist them in living
 247.23 independently in the community. These
 247.24 services may include, but not be limited to, a
 247.25 1915(i) state plan option.

247.26 **(e) Mental Health Grants**

247.27	Appropriations by Fund	
247.28 General	77,739,000	77,739,000
247.29 Health Care Access	750,000	750,000
247.30 Lottery Prize	1,508,000	1,508,000

247.31 **Funding Usage.** Up to 75 percent of a fiscal
 247.32 year's appropriation for adult mental health
 247.33 grants may be used to fund allocations in that
 247.34 portion of the fiscal year ending December
 247.35 31.

248.1	(f) Deaf and Hard-of-Hearing Grants	1,930,000	1,917,000
248.2	(g) Chemical Dependency Entitlement Grants	111,303,000	122,822,000
248.3	Payments for Substance Abuse Treatment.		
248.4	For services provided <u>placements beginning</u>		
248.5	<u>during fiscal years 2010 and 2011,</u>		
248.6	<u>county-negotiated rates and provider claims</u>		
248.7	<u>to the consolidated chemical dependency</u>		
248.8	<u>fund must not exceed <u>the lesser of:</u></u>		
248.9	<u>(1) rates charged for these services on</u>		
248.10	<u>January 1, 2009; <u>or</u></u>		
248.11	<u>(2) <u>160 percent of the average rate on January</u></u>		
248.12	<u>1, 2009, for each group of vendors with</u>		
248.13	<u>similar attributes.</u>		
248.14	<u>Effective July 1, 2010, rates that were above</u>		
248.15	<u>the average rate on January 1, 2009, are</u>		
248.16	<u>reduced by five percent from the rates in</u>		
248.17	<u>effect on June 1, 2010. Rates below the</u>		
248.18	<u>average rate on January 1, 2009, are reduced</u>		
248.19	<u>by 1.8 percent from the rates in effect on June</u>		
248.20	<u>1, 2010. Services provided under this section</u>		
248.21	<u>by state-operated services are exempt from</u>		
248.22	<u>the rate reduction. For services provided in</u>		
248.23	<u>fiscal years 2012 and 2013, statewide average</u>		
248.24	<u>rates <u>the statewide aggregate payment</u> under</u>		
248.25	<u>the new rate methodology to be developed</u>		
248.26	<u>under Minnesota Statutes, section 254B.12,</u>		
248.27	<u>must not exceed the average rates charged</u>		
248.28	<u>for these services on January 1, 2009</u>		
248.29	<u><u>projected aggregate payment under the rates</u></u>		
248.30	<u><u>in effect for fiscal year 2011 excluding the</u></u>		
248.31	<u><u>rate reduction for rates that were below</u></u>		
248.32	<u><u>the average on January 1, 2009, plus a</u></u>		
248.33	<u><u>state share increase of \$3,787,000 for fiscal</u></u>		
248.34	<u><u>year 2012 and \$5,023,000 for fiscal year</u></u>		

249.1 2013. Notwithstanding any provision to the
 249.2 contrary in this article, this provision expires
 249.3 on June 30, 2013.

249.4 **Chemical Dependency Special Revenue**
 249.5 **Account.** For fiscal year 2010, \$750,000
 249.6 must be transferred from the consolidated
 249.7 chemical dependency treatment fund
 249.8 administrative account and deposited into the
 249.9 general fund.

249.10 **County CD Share of MA Costs for**
 249.11 **ARRA Compliance.** Notwithstanding the
 249.12 provisions of Minnesota Statutes, chapter
 249.13 254B, for chemical dependency services
 249.14 provided during the period October 1, 2008,
 249.15 to December 31, 2010, and reimbursed by
 249.16 medical assistance at the enhanced federal
 249.17 matching rate provided under the American
 249.18 Recovery and Reinvestment Act of 2009, the
 249.19 county share is 30 percent of the nonfederal
 249.20 share. This provision is effective the day
 249.21 following final enactment.

249.22	(h) Chemical Dependency Nonentitlement		
249.23	Grants	1,729,000	1,729,000

249.24	(i) Other Continuing Care Grants	19,201,000	17,528,000
--------	---	------------	------------

249.25 **Base Adjustment.** The general fund base is
 249.26 increased by \$2,639,000 in fiscal year 2012
 249.27 and increased by \$3,854,000 in fiscal year
 249.28 2013.

249.29 **Technology Grants.** \$650,000 in fiscal
 249.30 year 2010 and \$1,000,000 in fiscal year
 249.31 2011 are for technology grants, case
 249.32 consultation, evaluation, and consumer
 249.33 information grants related to developing and
 249.34 supporting alternatives to shift-staff foster
 249.35 care residential service models.

250.1 **Other Continuing Care Grants; HIV**

250.2 **Grants.** Money appropriated for the HIV
 250.3 drug and insurance grant program in fiscal
 250.4 year 2010 may be used in either year of the
 250.5 biennium.

250.6 **Quality Assurance Commission.** Effective

250.7 July 1, 2009, state funding for the quality
 250.8 assurance commission under Minnesota
 250.9 Statutes, section 256B.0951, is canceled.

250.10 Sec. 16. Laws 2009, chapter 79, article 13, section 5, subdivision 8, as amended by
 250.11 Laws 2009, chapter 173, article 2, section 3, subdivision 8, is amended to read:

250.12 Subd. 8. **Board of Nursing Home**

250.13 **Administrators** 1,211,000 1,023,000

250.14 **Administrative Services Unit - Operating**

250.15 **Costs.** Of this appropriation, \$524,000
 250.16 in fiscal year 2010 and \$526,000 in
 250.17 fiscal year 2011 are for operating costs
 250.18 of the administrative services unit. The
 250.19 administrative services unit may receive
 250.20 and expend reimbursements for services
 250.21 performed by other agencies.

250.22 **Administrative Services Unit - Retirement**

250.23 **Costs.** Of this appropriation in fiscal year
 250.24 2010, \$201,000 is for onetime retirement
 250.25 costs in the health-related boards. This
 250.26 funding may be transferred to the health
 250.27 boards incurring those costs for their
 250.28 payment. These funds are available either
 250.29 year of the biennium.

250.30 **Administrative Services Unit - Volunteer**

250.31 **Health Care Provider Program.** Of this
 250.32 appropriation, ~~\$79,000~~ \$130,000 in fiscal
 250.33 year 2010 and ~~\$89,000~~ \$150,000 in fiscal
 250.34 year 2011 are to pay for medical professional

251.1 liability coverage required under Minnesota
251.2 Statutes, section 214.40.

251.3 **Administrative Services Unit - Contested**

251.4 **Cases and Other Legal Proceedings.** Of

251.5 this appropriation, \$200,000 in fiscal year
251.6 2010 and \$200,000 in fiscal year 2011 are
251.7 for costs of contested case hearings and other
251.8 unanticipated costs of legal proceedings
251.9 involving health-related boards funded
251.10 under this section and for unforeseen
251.11 expenditures of an urgent nature. Upon
251.12 certification of a health-related board to the
251.13 administrative services unit that the costs
251.14 will be incurred and that there is insufficient
251.15 money available to pay for the costs out of
251.16 money currently available to that board, the
251.17 administrative services unit is authorized
251.18 to transfer money from this appropriation
251.19 to the board for payment of those costs
251.20 with the approval of the commissioner of
251.21 finance. This appropriation does not cancel.
251.22 Any unencumbered and unspent balances
251.23 remain available for these expenditures in
251.24 subsequent fiscal years. The boards receiving
251.25 funds under this section shall include these
251.26 amounts when setting fees to cover their
251.27 costs.

251.28 Sec. 17. **EXPIRATION OF UNCODIFIED LANGUAGE.**

251.29 All uncodified language contained in this article expires on June 30, 2011, unless a
251.30 different expiration date is explicit.

251.31 Sec. 18. **EFFECTIVE DATE.**

251.32 The provisions in this article are effective July 1, 2010, unless a different effective
251.33 date is explicit."

251.34 Delete the title and insert:

"A bill for an act

252.1 relating to the state budget; balancing proposed general fund spending and
 252.2 anticipated general fund revenue; modifying certain payment schedules to
 252.3 improve cash flow; making reductions in appropriations for E-12 education,
 252.4 higher education, environment and natural resources, energy and commerce,
 252.5 agriculture, economic development, transportation, public safety, state
 252.6 government, human services, and health; modifying calculation of state tax aids
 252.7 and credits; providing for deposit of certain receipts in the special revenue fund
 252.8 rather than the general fund; making changes to health and human services policy
 252.9 provisions including state health care programs, continuing care, children and
 252.10 family services, health care reform, Department of Health, public health, health
 252.11 plans; increasing fees and surcharges; requiring reports; making supplemental
 252.12 and contingent appropriations and reductions for the Departments of Health
 252.13 and Human Services and other health-related boards and councils; amending
 252.14 Minnesota Statutes 2008, sections 3.9741, subdivision 2; 8.15, subdivision
 252.15 3; 13.03, subdivision 10; 13.3806, subdivision 13; 16C.23, subdivision 6;
 252.16 62D.08, by adding a subdivision; 62J.692, subdivision 4; 62Q.19, subdivision
 252.17 1; 103B.101, subdivision 9; 103I.681, subdivision 11; 116J.551, subdivision 1;
 252.18 123B.75, subdivisions 5, 9, by adding a subdivision; 126C.48, subdivision 7;
 252.19 127A.441; 127A.45, subdivisions 2, 3, 13, by adding a subdivision; 127A.46;
 252.20 144.05, by adding a subdivision; 144.226, subdivision 3; 144.293, subdivision
 252.21 4; 144.603; 144.605, subdivisions 2, 3, by adding a subdivision; 144.608,
 252.22 subdivision 1; 144.651, subdivision 2; 144.9504, by adding a subdivision;
 252.23 144A.51, subdivision 5; 144D.03, subdivision 2; 144D.04, subdivision 2;
 252.24 144E.37; 144G.06; 152.126, as amended; 190.32; 214.40, subdivision 7; 246.18,
 252.25 by adding a subdivision; 254B.01, subdivision 2; 254B.02, subdivisions 1,
 252.26 5; 254B.03, subdivision 4; 254B.05, subdivision 4; 254B.06, subdivision 2;
 252.27 254B.09, subdivision 8; 256.01, by adding a subdivision; 256.9657, subdivisions
 252.28 2, 3, 3a; 256.969, subdivisions 21, 26, by adding a subdivision; 256B.04,
 252.29 subdivision 14a; 256B.055, by adding a subdivision; 256B.056, subdivisions
 252.30 3, 4; 256B.057, subdivision 9; 256B.0625, subdivisions 8, 8a, 8b, 18a, 22,
 252.31 31, by adding subdivisions; 256B.0631, subdivisions 1, 3; 256B.0644, as
 252.32 amended; 256B.0915, by adding a subdivision; 256B.19, subdivision 1c;
 252.33 256B.5012, by adding a subdivision; 256B.69, subdivisions 20, as amended,
 252.34 27, by adding subdivisions; 256B.692, subdivision 1; 256B.76, subdivisions
 252.35 2, 4; 256D.03, subdivision 3b; 256D.0515; 256I.05, by adding a subdivision;
 252.36 256J.24, subdivision 6; 256L.07, by adding a subdivision; 256L.11, subdivision
 252.37 6; 256L.12, subdivisions 5, 9, by adding a subdivision; 256L.15, subdivision 1;
 252.38 257.69, subdivision 2; 260C.331, subdivision 6; 273.1384, subdivision 6, as
 252.39 added; 276.112; 289A.60, by adding a subdivision; 299C.48; 299E.02; 446A.086,
 252.40 subdivision 2, as amended; 469.177, subdivision 11; 517.08, subdivision
 252.41 1c, as amended; 518.165, subdivision 3; 609.3241; 611.20, subdivision 3;
 252.42 Minnesota Statutes 2009 Supplement, sections 123B.54; 137.025, subdivision
 252.43 1; 157.16, subdivision 3; 252.27, subdivision 2a; 256.969, subdivisions 2b, 3a;
 252.44 256.975, subdivision 7; 256B.056, subdivision 3c; 256B.0625, subdivision 13h;
 252.45 256B.0659, subdivision 11; 256B.0911, subdivision 1a; 256B.441, subdivision
 252.46 55; 256B.69, subdivisions 5a, 23; 256B.76, subdivision 1; 256B.766; 256D.03,
 252.47 subdivision 3, as amended; 256J.425, subdivision 3; 256J.621; 256L.03,
 252.48 subdivision 5; 270.97; 289A.20, subdivision 4; 327.15, subdivision 3; 517.08,
 252.49 subdivision 1b; Laws 1994, chapter 531, section 1; Laws 2005, First Special
 252.50 Session chapter 4, article 8, section 66, as amended; Laws 2009, chapter 79,
 252.51 article 3, section 18; article 5, sections 17; 18; 22; 75, subdivision 1; 78,
 252.52 subdivision 5; article 8, sections 2; 51; 84; article 13, sections 3, subdivisions 1,
 252.53 as amended, 3, as amended, 4, as amended, 8, as amended; 4, subdivision 4, as
 252.54 amended; 5, subdivision 8, as amended; Laws 2009, chapter 96, article 1, section
 252.55 24, subdivisions 2, 4, 5, 6, 7; article 2, section 67, subdivisions 2, 3, 4, 7, 9; article
 252.56 3, section 21, subdivisions 2, 4, 5; article 4, section 12, subdivisions 2, 3, 4, 6;
 252.57 article 5, section 13, subdivisions 4, 6, 7, 9; article 6, section 11, subdivisions 2,
 252.58

253.1 3, 4, 6, 7, 8, 9, 12; article 7, section 3, subdivision 2; Laws 2009, chapter 173,
253.2 article 1, section 17; Laws 2010, chapter 200, article 1, sections 12, subdivision
253.3 5; 16; 21; article 2, section 2, subdivisions 1, 5, 8; Laws 2010, chapter 215, article
253.4 3, section 3, subdivision 6; article 13, section 6; proposing coding for new law in
253.5 Minnesota Statutes, chapters 62D; 62E; 62Q; 137; 144; 144D; 246; 254B; 256;
253.6 256B; 477A; repealing Minnesota Statutes 2008, sections 144.607; 254B.02,
253.7 subdivisions 2, 3, 4; 254B.09, subdivisions 4, 5, 7; 256D.03, subdivisions 3, 3a,
253.8 5, 6, 7, 8; Laws 2009, chapter 79, article 7, section 26, subdivision 3; Laws 2010,
253.9 chapter 200, article 1, sections 12, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10; 18; 19."

254.1 We request the adoption of this report and repassage of the bill.

254.2 House Conferees:

254.3
254.4 Lyndon Carlson Thomas Huntley

254.5
254.6 Ann Lenczewski Mindy Greiling

254.7
254.8 Matt Dean

254.9 Senate Conferees:

254.10
254.11 Richard Cohen Thomas Bakk

254.12
254.13 LeRoy Stumpf Linda Berglin

254.14
254.15 David Senjem