

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

S.F. No. 4864

(SENATE AUTHORS: HOFFMAN)

DATE	D-PG	OFFICIAL STATUS
03/11/2024	12142	Introduction and first reading Referred to Human Services
03/14/2024	12260	Comm report: To pass and re-referred to Health and Human Services

1.1 A bill for an act

1.2 relating to human services; removing language from Minnesota Statutes concerning

1.3 expired human services reports to the legislature; amending Minnesota Statutes

1.4 2022, sections 254A.03, subdivision 1; 256B.69, subdivision 5k; 256C.233,

1.5 subdivision 2; 402A.16, subdivision 2; Minnesota Statutes 2023 Supplement,

1.6 section 256B.4914, subdivisions 10, 10a; repealing Minnesota Statutes 2022,

1.7 sections 245G.011, subdivision 5; 252.34; 256.01, subdivisions 39, 41; 256B.79,

1.8 subdivision 6; 256K.45, subdivision 2.

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

1.10 Section 1. Minnesota Statutes 2022, section 254A.03, subdivision 1, is amended to read:

1.11 Subdivision 1. **Alcohol and Other Drug Abuse Section.** There is hereby created an

1.12 Alcohol and Other Drug Abuse Section in the Department of Human Services. This section

1.13 shall be headed by a director. The commissioner may place the director's position in the

1.14 unclassified service if the position meets the criteria established in section 43A.08,

1.15 subdivision 1a. The section shall:

1.16 (1) conduct and foster basic research relating to the cause, prevention and methods of

1.17 diagnosis, treatment and recovery of persons with substance misuse and substance use

1.18 disorder;

1.19 (2) coordinate and review all activities and programs of all the various state departments

1.20 as they relate to problems associated with substance misuse and substance use disorder;

1.21 (3) develop, demonstrate, and disseminate new methods and techniques for prevention,

1.22 early intervention, treatment and recovery support for substance misuse and substance use

1.23 disorder;

2.1 (4) gather facts and information about substance misuse and substance use disorder, and
2.2 about the efficiency and effectiveness of prevention, treatment, and recovery support services
2.3 from all comprehensive programs, including programs approved or licensed by the
2.4 commissioner of human services or the commissioner of health or accredited by the Joint
2.5 Commission on Accreditation of Hospitals. The state authority is authorized to require
2.6 information from comprehensive programs which is reasonable and necessary to fulfill
2.7 these duties. When required information has been previously furnished to a state or local
2.8 governmental agency, the state authority shall collect the information from the governmental
2.9 agency. The state authority shall disseminate facts and summary information about problems
2.10 associated with substance misuse and substance use disorder to public and private agencies,
2.11 local governments, local and regional planning agencies, and the courts for guidance to and
2.12 assistance in prevention, treatment and recovery support;

2.13 (5) inform and educate the general public on substance misuse and substance use disorder;

2.14 (6) serve as the state authority concerning substance misuse and substance use disorder
2.15 by monitoring the conduct of diagnosis and referral services, research and comprehensive
2.16 programs. The state authority shall submit a biennial report to the governor ~~and the legislature~~
2.17 containing a description of public services delivery and recommendations concerning
2.18 increase of coordination and quality of services, and decrease of service duplication and
2.19 cost;

2.20 (7) establish a state plan which shall set forth goals and priorities for a comprehensive
2.21 continuum of care for substance misuse and substance use disorder for Minnesota. All state
2.22 agencies operating substance misuse or substance use disorder programs or administering
2.23 state or federal funds for such programs shall annually set their program goals and priorities
2.24 in accordance with the state plan. Each state agency shall annually submit its plans and
2.25 budgets to the state authority for review. The state authority shall certify whether proposed
2.26 services comply with the comprehensive state plan and advise each state agency of review
2.27 findings;

2.28 (8) make contracts with and grants to public and private agencies and organizations,
2.29 both profit and nonprofit, and individuals, using federal funds, and state funds as authorized
2.30 to pay for costs of state administration, including evaluation, statewide programs and services,
2.31 research and demonstration projects, and American Indian programs;

2.32 (9) receive and administer money available for substance misuse and substance use
2.33 disorder programs under the alcohol, drug abuse, and mental health services block grant,
2.34 United States Code, title 42, sections 300X to 300X-9;

3.1 (10) solicit and accept any gift of money or property for purposes of Laws 1973, chapter
3.2 572, and any grant of money, services, or property from the federal government, the state,
3.3 any political subdivision thereof, or any private source;

3.4 (11) with respect to substance misuse and substance use disorder programs serving the
3.5 American Indian community, establish guidelines for the employment of personnel with
3.6 considerable practical experience in substance misuse and substance use disorder, and
3.7 understanding of social and cultural problems related to substance misuse and substance
3.8 use disorder, in the American Indian community.

3.9 Sec. 2. Minnesota Statutes 2023 Supplement, section 256B.4914, subdivision 10, is
3.10 amended to read:

3.11 Subd. 10. **Evaluation of information and data.** (a) The commissioner shall, within
3.12 available resources, conduct research and gather data and information from existing state
3.13 systems or other outside sources on the following items:

3.14 (1) differences in the underlying cost to provide services and care across the state;

3.15 (2) mileage, vehicle type, lift requirements, incidents of individual and shared rides, and
3.16 units of transportation for all day services, which must be collected from providers using
3.17 the rate management worksheet and entered into the rates management system; and

3.18 (3) the distinct underlying costs for services provided by a license holder under sections
3.19 245D.05, 245D.06, 245D.07, 245D.071, 245D.081, and 245D.09, and for services provided
3.20 by a license holder certified under section 245D.33.

3.21 (b) The commissioner, in consultation with stakeholders, shall review and evaluate the
3.22 following values already in subdivisions 6 to 9, or issues that impact all services, including,
3.23 but not limited to:

3.24 (1) values for transportation rates;

3.25 (2) values for services where monitoring technology replaces staff time;

3.26 (3) values for indirect services;

3.27 (4) values for nursing;

3.28 (5) values for the facility use rate in day services, and the weightings used in the day
3.29 service ratios and adjustments to those weightings;

3.30 (6) values for workers' compensation as part of employee-related expenses;

3.31 (7) values for unemployment insurance as part of employee-related expenses;

4.1 (8) direct care workforce labor market measures;

4.2 (9) any changes in state or federal law with a direct impact on the underlying cost of
4.3 providing home and community-based services;

4.4 (10) outcome measures, determined by the commissioner, for home and community-based
4.5 services rates determined under this section; and

4.6 (11) different competitive workforce factors by service, as determined under subdivision
4.7 10b.

4.8 ~~(e) The commissioner shall report to the chairs and the ranking minority members of~~
4.9 ~~the legislative committees and divisions with jurisdiction over health and human services~~
4.10 ~~policy and finance with the information and data gathered under paragraphs (a) and (b) on~~
4.11 ~~January 15, 2021, with a full report, and a full report once every four years thereafter.~~

4.12 ~~(d)~~ (c) Beginning July 1, 2022, the commissioner shall renew analysis and implement
4.13 changes to the regional adjustment factors once every six years. Prior to implementation,
4.14 the commissioner shall consult with stakeholders on the methodology to calculate the
4.15 adjustment.

4.16 Sec. 3. Minnesota Statutes 2023 Supplement, section 256B.4914, subdivision 10a, is
4.17 amended to read:

4.18 Subd. 10a. **Reporting and analysis of cost data.** (a) The commissioner must ensure
4.19 that wage values and component values in subdivisions 5 to 9 reflect the cost to provide the
4.20 service. As determined by the commissioner, in consultation with stakeholders identified
4.21 in subdivision 17, a provider enrolled to provide services with rates determined under this
4.22 section must submit requested cost data to the commissioner to support research on the cost
4.23 of providing services that have rates determined by the disability waiver rates system.

4.24 Requested cost data may include, but is not limited to:

4.25 (1) worker wage costs;

4.26 (2) benefits paid;

4.27 (3) supervisor wage costs;

4.28 (4) executive wage costs;

4.29 (5) vacation, sick, and training time paid;

4.30 (6) taxes, workers' compensation, and unemployment insurance costs paid;

4.31 (7) administrative costs paid;

5.1 (8) program costs paid;

5.2 (9) transportation costs paid;

5.3 (10) vacancy rates; and

5.4 (11) other data relating to costs required to provide services requested by the
5.5 commissioner.

5.6 (b) At least once in any five-year period, a provider must submit cost data for a fiscal
5.7 year that ended not more than 18 months prior to the submission date. The commissioner
5.8 shall provide each provider a 90-day notice prior to its submission due date. If a provider
5.9 fails to submit required reporting data, the commissioner shall provide notice to providers
5.10 that have not provided required data 30 days after the required submission date, and a second
5.11 notice for providers who have not provided required data 60 days after the required
5.12 submission date. The commissioner shall temporarily suspend payments to the provider if
5.13 cost data is not received 90 days after the required submission date. Withheld payments
5.14 shall be made once data is received by the commissioner.

5.15 (c) The commissioner shall conduct a random validation of data submitted under
5.16 paragraph (a) to ensure data accuracy. The commissioner shall analyze cost documentation
5.17 in paragraph (a) and provide recommendations for adjustments to cost components.

5.18 (d) The commissioner shall analyze cost data submitted under paragraph (a) ~~and, in~~
5.19 ~~consultation with stakeholders identified in subdivision 17, may submit recommendations~~
5.20 ~~on component values and inflationary factor adjustments to the chairs and ranking minority~~
5.21 ~~members of the legislative committees with jurisdiction over human services once every~~
5.22 ~~four years beginning January 1, 2021. The commissioner shall make recommendations in~~
5.23 ~~conjunction with reports submitted to the legislature according to subdivision 10, paragraph~~
5.24 ~~(e).~~ The commissioner shall release cost data in an aggregate form. Cost data from individual
5.25 providers must not be released except as provided for in current law.

5.26 (e) The commissioner shall use data collected in paragraph (a) to determine the
5.27 compliance with requirements identified under subdivision 10d. The commissioner shall
5.28 identify providers who have not met the thresholds identified under subdivision 10d on the
5.29 Department of Human Services website for the year for which the providers reported their
5.30 costs.

6.1 Sec. 4. Minnesota Statutes 2022, section 256B.69, subdivision 5k, is amended to read:

6.2 Subd. 5k. **Actuarial soundness.** ~~(a)~~ Rates paid to managed care plans and county-based
6.3 purchasing plans shall satisfy requirements for actuarial soundness. In order to comply with
6.4 this subdivision, the rates must:

6.5 (1) be neither inadequate nor excessive;

6.6 (2) satisfy federal requirements;

6.7 (3) in the case of contracts with incentive arrangements, not exceed 105 percent of the
6.8 approved capitation payments attributable to the enrollees or services covered by the incentive
6.9 arrangement;

6.10 (4) be developed in accordance with generally accepted actuarial principles and practices;

6.11 (5) be appropriate for the populations to be covered and the services to be furnished
6.12 under the contract; and

6.13 (6) be certified as meeting the requirements of federal regulations by actuaries who meet
6.14 the qualification standards established by the American Academy of Actuaries and follow
6.15 the practice standards established by the Actuarial Standards Board.

6.16 ~~(b) Each year within 30 days of the establishment of plan rates the commissioner shall~~
6.17 ~~report to the chairs and ranking minority members of the senate Health and Human Services~~
6.18 ~~Budget Division and the house of representatives Health Care and Human Services Finance~~
6.19 ~~Division to certify how each of these conditions have been met by the new payment rates.~~

6.20 Sec. 5. Minnesota Statutes 2022, section 256C.233, subdivision 2, is amended to read:

6.21 Subd. 2. **Responsibilities.** The Deaf and Hard-of-Hearing Services Division shall:

6.22 (1) establish and maintain a statewide network of regional culturally affirmative services
6.23 for Minnesotans who are deaf, Minnesotans who are deafblind, and Minnesotans who are
6.24 hard-of-hearing;

6.25 (2) work across divisions within the Department of Human Services, as well as with
6.26 other agencies and counties, to ensure that there is an understanding of:

6.27 (i) the communication challenges faced by persons who are deaf, persons who are
6.28 deafblind, and persons who are hard-of-hearing;

6.29 (ii) the best practices for accommodating and mitigating communication challenges;
6.30 and

7.1 (iii) the legal requirements for providing access to and effective communication with
7.2 persons who are deaf, persons who are deafblind, and persons who are hard-of-hearing;

7.3 (3) assess the supply and demand statewide for interpreter services and real-time
7.4 captioning services, implement strategies to provide greater access to these services in areas
7.5 without sufficient supply, and build the base of service providers across the state;

7.6 (4) maintain a statewide information resource that includes contact information and
7.7 professional certification credentials of interpreting service providers and real-time captioning
7.8 service providers;

7.9 (5) provide culturally affirmative mental health services to persons who are deaf, persons
7.10 who are deafblind, and persons who are hard-of-hearing who:

7.11 (i) use a visual language such as American Sign Language or a tactile form of a language;

7.12 or

7.13 (ii) otherwise need culturally affirmative therapeutic services;

7.14 (6) research and develop best practices and recommendations for emerging issues; and

7.15 (7) provide as much information as practicable on the division's stand-alone website in
7.16 American Sign Language; and.

7.17 ~~(8) report to the chairs and ranking minority members of the legislative committees with~~
7.18 ~~jurisdiction over human services biennially, beginning on January 1, 2019, on the following:~~

7.19 ~~(i) the number of regional service center staff, the location of the office of each staff~~
7.20 ~~person, other service providers with which they are collocated, the number of people served~~
7.21 ~~by each staff person and a breakdown of whether each person was served on-site or off-site,~~
7.22 ~~and for those served off-site, a list of locations where services were delivered and the number~~
7.23 ~~who were served in-person and the number who were served via technology;~~

7.24 ~~(ii) the amount and percentage of the division budget spent on reasonable~~
7.25 ~~accommodations for staff;~~

7.26 ~~(iii) the number of people who use demonstration equipment and consumer evaluations~~
7.27 ~~of the experience;~~

7.28 ~~(iv) the number of training sessions provided by division staff, the topics covered, the~~
7.29 ~~number of participants, and consumer evaluations, including a breakdown by delivery~~
7.30 ~~method such as in-person or via technology;~~

8.1 ~~(v) the number of training sessions hosted at a division location provided by another~~
8.2 ~~service provider, the topics covered, the number of participants, and consumer evaluations,~~
8.3 ~~including a breakdown by delivery method such as in-person or via technology;~~

8.4 ~~(vi) for each grant awarded, the amount awarded to the grantee and a summary of the~~
8.5 ~~grantee's results, including consumer evaluations of the services or products provided;~~

8.6 ~~(vii) the number of people on waiting lists for any services provided by division staff~~
8.7 ~~or for services or equipment funded through grants awarded by the division;~~

8.8 ~~(viii) the amount of time staff spent driving to appointments to deliver direct one-to-one~~
8.9 ~~client services in locations outside of the regional service centers; and~~

8.10 ~~(ix) the regional needs and feedback on addressing service gaps identified by the advisory~~
8.11 ~~committees.~~

8.12 Sec. 6. Minnesota Statutes 2022, section 402A.16, subdivision 2, is amended to read:

8.13 Subd. 2. **Duties.** The Human Services Performance Council shall:

8.14 (1) hold meetings at least quarterly that are in compliance with Minnesota's Open Meeting
8.15 Law under chapter 13D;

8.16 (2) annually review the annual performance data submitted by counties or service delivery
8.17 authorities;

8.18 (3) review and advise the commissioner on department procedures related to the
8.19 implementation of the performance management system and system process requirements
8.20 and on barriers to process improvement in human services delivery;

8.21 (4) advise the commissioner on the training and technical assistance needs of county or
8.22 service delivery authority and department personnel;

8.23 (5) review instances in which a county or service delivery authority has not made adequate
8.24 progress on a performance improvement plan and make recommendations to the
8.25 commissioner under section 402A.18;

8.26 (6) consider appeals from counties or service delivery authorities that are in the remedies
8.27 process and make recommendations to the commissioner on resolving the issue;

8.28 (7) convene working groups to update and develop outcomes, measures, and performance
8.29 thresholds for the performance management system and, on an annual basis, present these
8.30 recommendations to the commissioner, including recommendations on when a particular
8.31 essential human services program has a balanced set of program measures in place;

9.1 (8) make recommendations on human services administrative rules or statutes that could
9.2 be repealed in order to improve service delivery; and

9.3 (9) provide information to stakeholders on the council's role and regularly collect
9.4 stakeholder input on performance management system performance; and.

9.5 ~~(10) submit an annual report to the legislature and the commissioner, which includes a~~
9.6 ~~comprehensive report on the performance of individual counties or service delivery~~
9.7 ~~authorities as it relates to system measures; a list of counties or service delivery authorities~~
9.8 ~~that have been required to create performance improvement plans and the areas identified~~
9.9 ~~for improvement as part of the remedies process; a summary of performance improvement~~
9.10 ~~training and technical assistance activities offered to the county personnel by the department;~~
9.11 ~~recommendations on administrative rules or state statutes that could be repealed in order to~~
9.12 ~~improve service delivery; recommendations for system improvements, including updates~~
9.13 ~~to system outcomes, measures, and thresholds; and a response from the commissioner.~~

9.14 Sec. 7. **REPEALER.**

9.15 Minnesota Statutes 2022, sections 245G.011, subdivision 5; 252.34; 256.01, subdivisions
9.16 39 and 41; 256B.79, subdivision 6; and 256K.45, subdivision 2, are repealed.

245G.011 BEHAVIORAL HEALTH CRISIS FACILITIES GRANTS.

Subd. 5. **Report.** The commissioner shall report to the legislative committees with jurisdiction over mental health issues and capital investment. The report is due by February 15 of each odd-numbered year and must include information on the projects funded and the programs and services provided in those facilities.

252.34 REPORT BY COMMISSIONER OF HUMAN SERVICES.

Beginning January 1, 2013, the commissioner of human services shall provide a biennial report to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services policy and funding. The report must provide a summary of overarching goals and priorities for persons with disabilities, including the status of how each of the following programs administered by the commissioner is supporting the overarching goals and priorities:

- (1) home and community-based services waivers for persons with disabilities under sections 256B.092 and 256B.49;
- (2) home care services under section 256B.0652; and
- (3) other relevant programs and services as determined by the commissioner.

256.01 COMMISSIONER OF HUMAN SERVICES; POWERS, DUTIES.

Subd. 39. **Dedicated funds report.** By October 1, 2014, and with each February forecast thereafter, the commissioner of human services must provide to the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over health and human services finance a report of all dedicated funds and accounts. The report must include the name of the dedicated fund or account; a description of its purpose, and the legal citation for its creation; the beginning balance, projected receipts, and expenditures; and the ending balance for each fund and account.

Subd. 41. **Reports on interagency agreements and intra-agency transfers.** The commissioner of human services shall provide quarterly reports to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services policy and finance on:

- (1) interagency agreements or service-level agreements and any renewals or extensions of existing interagency or service-level agreements with a state department under section 15.01, state agency under section 15.012, or the Department of Information Technology Services, with a value of more than \$100,000, or related agreements with the same department or agency with a cumulative value of more than \$100,000; and
- (2) transfers of appropriations of more than \$100,000 between accounts within or between agencies.

The report must include the statutory citation authorizing the agreement, transfer or dollar amount, purpose, and effective date of the agreement, the duration of the agreement, and a copy of the agreement.

256B.79 INTEGRATED CARE FOR HIGH-RISK PREGNANT WOMEN.

Subd. 6. **Report.** By January 31, 2021, and every two years thereafter, the commissioner shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services policy and finance on the status and outcomes of the grant program. The report must:

- (1) describe the capacity of collaboratives receiving grants under this section;
- (2) contain aggregate information about enrollees served within targeted populations;
- (3) describe the utilization of enhanced prenatal services;
- (4) for enrollees identified with maternal substance use disorders, describe the utilization of substance use treatment and dispositions of any child protection cases;
- (5) contain data on outcomes within targeted populations and compare these outcomes to outcomes statewide, using standard categories of race and ethnicity; and
- (6) include recommendations for continuing the program or sustaining improvements through other means.

256K.45 HOMELESS YOUTH ACT.

Subd. 2. **Homeless youth report.** The commissioner shall prepare a biennial report, beginning in February 2015, which provides meaningful information to the legislative committees having jurisdiction over the issue of homeless youth, that includes, but is not limited to: (1) a list of the areas of the state with the greatest need for services and housing for homeless youth, and the level and nature of the needs identified; (2) details about grants made, including shelter-linked youth mental health grants under section 256K.46; (3) the distribution of funds throughout the state based on population need; (4) follow-up information, if available, on the status of homeless youth and whether they have stable housing two years after services are provided; and (5) any other outcomes for populations served to determine the effectiveness of the programs and use of funding.