

1.1 A bill for an act

1.2 relating to health and human services; establishing the health and human services
1.3 budget; modifying provisions governing health care, health insurance, Department
1.4 of Human Services operations, Department of Health, and MNsure; requiring care
1.5 coordination; modifying medical cannabis requirements; permitting licensed hemp
1.6 growers to sell hemp to medical cannabis manufacturers; permitting electronic
1.7 monitoring in health care facilities; requiring hospital charges disclosure; modifying
1.8 public interest review; authorizing statewide tobacco cessation services; modifying
1.9 requirements for PPEC centers; modifying benefits for MinnesotaCare and medical
1.10 assistance for adults; requiring physicians to allow the opportunity to view
1.11 ultrasound imaging prior to an abortion; prohibiting abortions after 20 weeks post
1.12 fertilization; requiring health care facilities to post the women's right to know
1.13 information on their website; modifying the positive alternatives grant eligibility;
1.14 modifying the SHIP program; requiring coverage of 3D mammograms as a
1.15 preventive service; exempting certain seasonal food stands from licensure; adjusting
1.16 license fees for social workers and optometrists; modifying provisions governing
1.17 program integrity, children and family services, chemical and mental health,
1.18 continuing care for older adults, disability services, direct care and treatment,
1.19 operations, and health care; modifying penalties; establishing asset limits;
1.20 establishing electronic visit verification system; eliminating TEFRA fees; repealing
1.21 MFIP child care assistance program and basic sliding fee child care assistance
1.22 program; directing commissioner of human services to propose a redesigned child
1.23 care assistance program; directing closure of an MSOCS residential facility;
1.24 repealing statutes relating to the state-operated services account; establishing a
1.25 background study set-aside for individuals working in the substance use disorder
1.26 treatment field; establishing the officer-involved community-based care
1.27 coordination grant program to provide mental health services to individuals arrested
1.28 by law enforcement; modifying medical assistance coverage for community-based
1.29 care coordination to include tribes; eliminating county share for cost of
1.30 officer-involved community-based care coordination; establishing a shelter-linked
1.31 youth mental health grant program to provide mental health services to youth
1.32 experiencing homelessness or sexual exploitation; establishing the Community
1.33 Competency Restoration Task Force; establishing a pilot project for enhanced
1.34 community supervision of individuals on probation, parole, supervised release, or
1.35 pretrial status who are struggling with mental illness and at heightened risk to
1.36 recidivate; directing the commissioner of human services to facilitate
1.37 person-centered innovation in health and human services through a statewide
1.38 expansion of telepresence platform access and collaboration; modifying human

2.1 services licensing provisions; directing commissioner of human services to develop
2.2 a plain-language handbook for family child care providers; requiring county
2.3 licensors to seek clarification from Department of Human Services before issuing
2.4 correction orders in certain circumstances; reforming child care provider licensing
2.5 inspections; establishing an abbreviated inspection process for qualifying child
2.6 care providers; establishing risk-based violation levels and corresponding
2.7 enforcement actions; directing commissioner of human services to assign rules
2.8 and statutory provisions to violation risk levels; directing commissioner of human
2.9 services to develop key indicators that predict full compliance for use in abbreviated
2.10 inspections; authorizing additional special family child care home licenses;
2.11 modifying requirements for drinking water in child care centers; modifying family
2.12 child care program training requirements; directing commissioner of human services
2.13 to develop an annual refresher training course for family child care providers;
2.14 clarifying and extending child care training timelines; exempting certain individuals
2.15 from child care training requirements; modifying family child care emergency
2.16 preparedness plan requirements; creating the Office of Ombudsperson for Child
2.17 Care Providers; providing appointments; increasing time a child care substitute
2.18 can provide care; establishing Family Child Care Task Force; directing
2.19 commissioner of human services to streamline child care licensing and background
2.20 study record requirements; directing the revisor of statutes to codify certain rules
2.21 and propose legislation re-codifying chapter 245A; classifying certain licensing
2.22 violation data as private and nonpublic data after seven years; expanding the
2.23 definition of child care assistance program payment data; requiring the
2.24 commissioner of human services to publicly display results of child care licensing
2.25 reports for no longer than the minimum time required by federal law; requiring
2.26 reports; making technical changes; appropriating money; amending Minnesota
2.27 Statutes 2018, sections 13.46, subdivisions 2, 4; 13.461, subdivision 28; 13.69,
2.28 subdivision 1; 13.851, by adding a subdivision; 15C.02; 16A.055, subdivision 1a;
2.29 18K.03; 62A.30, by adding a subdivision; 62A.65, subdivision 2; 62D.12, by
2.30 adding a subdivision; 62J.495, subdivisions 1, 3; 62K.07; 62Q.01, by adding a
2.31 subdivision; 62Q.47; 62V.05, subdivisions 2, 5, 10; 62V.08; 119B.02, subdivision
2.32 6; 119B.09, subdivisions 1, 4, 7, 9, 9a; 119B.125, subdivision 6, by adding
2.33 subdivisions; 119B.13, subdivisions 6, 7; 124D.142; 144.057, subdivision 3;
2.34 144.1506, subdivision 2; 144.3831, subdivision 1; 144.412; 144.413, subdivisions
2.35 1, 4; 144.414, subdivisions 2, 3; 144.416; 144.4165; 144.417, subdivision 4;
2.36 144.552; 144.586, by adding a subdivision; 144.966, subdivision 2; 144A.073, by
2.37 adding a subdivision; 144A.479, by adding a subdivision; 144H.01, subdivision
2.38 5; 144H.04, subdivision 1, by adding a subdivision; 144H.06; 144H.07, subdivisions
2.39 1, 2; 144H.08, subdivision 2; 144H.11, subdivisions 2, 3, 4; 145.4131, subdivision
2.40 1; 145.4235, subdivision 2; 145.4242; 145.4244; 145.908, subdivision 1; 145.928,
2.41 subdivisions 1, 7; 145.986, subdivisions 1, 1a, 4, 5, 6; 147.037, subdivision 1;
2.42 147.0375, subdivision 1; 148.59; 148E.180; 150A.06, subdivision 3, by adding
2.43 subdivisions; 150A.091, by adding subdivisions; 151.01, subdivision 23; 151.06,
2.44 by adding a subdivision; 151.211, subdivision 2, by adding a subdivision; 152.126,
2.45 subdivision 6; 152.22, subdivision 6, by adding a subdivision; 152.25, subdivision
2.46 4; 152.28, subdivision 1; 152.29, subdivisions 1, 2, 3, 3a; 152.31; 157.22; 245.095;
2.47 245.4889, subdivision 1; 245A.03, subdivisions 2, 7; 245A.04, subdivisions 4, 7,
2.48 by adding subdivisions; 245A.06, subdivision 1, by adding a subdivision; 245A.065;
2.49 245A.11, subdivision 2a; 245A.14, subdivision 4, by adding a subdivision; 245A.16,
2.50 subdivision 1; 245A.50, subdivisions 1, 2, 3, 4, 5, 6, 7, 9, by adding subdivisions;
2.51 245A.51, subdivision 3; 245C.02, by adding a subdivision; 245C.10, by adding a
2.52 subdivision; 245C.22, subdivisions 4, 5; 245C.32, subdivision 2; 245D.03,
2.53 subdivision 1; 245D.071, subdivision 5; 245D.09, subdivisions 5, 5a; 245D.091,
2.54 subdivisions 2, 3, 4; 245E.02, by adding a subdivision; 246.54, by adding a
2.55 subdivision; 252.27, subdivision 2a; 252.275, subdivision 3; 254A.03, subdivision
2.56 3; 254A.19, by adding a subdivision; 254B.02, subdivision 1; 254B.03, subdivisions
2.57 2, 4; 254B.04, subdivision 1; 254B.05, subdivision 1a; 254B.06, subdivisions 1,
2.58 2; 256.9365; 256.98, subdivisions 1, 8; 256.983, by adding a subdivision; 256.987,

3.1 subdivisions 1, 2; 256B.02, subdivision 7, by adding a subdivision; 256B.04,
 3.2 subdivisions 14, 21; 256B.056, subdivisions 1, 3, 4, 5c, 7a; 256B.0625, subdivisions
 3.3 9, 12, 13, 13e, 13f, 17, 18d, 18h, 19a, 24, 43, 56a, by adding subdivisions;
 3.4 256B.064, subdivisions 1a, 1b, 2, by adding a subdivision; 256B.0651, subdivision
 3.5 17; 256B.0652, subdivision 6; 256B.0658; 256B.0659, subdivisions 3, 3a, 11, 12,
 3.6 13, 14, 19, 21, 24, 28, by adding a subdivision; 256B.0757, subdivisions 1, 2, 4,
 3.7 by adding subdivisions; 256B.0911, subdivisions 1a, 3a, 3f, 5, by adding a
 3.8 subdivision; 256B.0915, subdivisions 6, 10, by adding a subdivision; 256B.092,
 3.9 subdivision 1b, by adding a subdivision; 256B.0921; 256B.14, subdivision 2;
 3.10 256B.27, subdivision 3; 256B.49, subdivisions 13, 14, by adding a subdivision;
 3.11 256B.4912, by adding subdivisions; 256B.4914, subdivisions 2, 3, 5, 6, 7, 8, 9,
 3.12 10, 10a; 256B.493, subdivision 1; 256B.5013, subdivisions 1, 6; 256B.5014;
 3.13 256B.5015, subdivision 2; 256B.69, subdivisions 4, 31; 256B.85, subdivisions 3,
 3.14 8, 10; 256C.23, by adding a subdivision; 256C.261; 256D.024, subdivision 3;
 3.15 256D.0515; 256D.0516, subdivision 2; 256I.03, subdivision 8; 256I.04, subdivisions
 3.16 1, 2b, 2f, by adding subdivisions; 256I.05, subdivision 1r; 256I.06, subdivision 8;
 3.17 256J.08, subdivision 47; 256J.21, subdivision 2; 256J.26, subdivision 3; 256K.45,
 3.18 subdivision 2; 256L.01, subdivision 5; 256L.03, subdivision 5, by adding a
 3.19 subdivision; 256M.41, subdivision 3, by adding a subdivision; 256P.04, subdivision
 3.20 4; 256P.06, subdivision 3; 256R.25; 518A.32, subdivision 3; 518A.51; 524.5-118;
 3.21 525A.11; 641.15, subdivision 3a; Laws 2015, chapter 71, article 12, section 8;
 3.22 Laws 2017, First Special Session chapter 6, article 1, sections 44; 45; article 3,
 3.23 section 49; article 5, section 11; article 8, sections 71; 72; article 18, section 7;
 3.24 proposing coding for new law in Minnesota Statutes, chapters 8; 62J; 62Q; 144;
 3.25 145; 151; 214; 245; 245A; 254A; 256; 256B; 256D; 256J; 256K; 256R; 260C;
 3.26 268A; proposing coding for new law as Minnesota Statutes, chapter 245I; repealing
 3.27 Minnesota Statutes 2018, sections 16A.724, subdivision 2; 119B.011, subdivisions
 3.28 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 10a, 11, 12, 13, 13a, 14, 15, 16, 17, 18, 19, 19a, 19b,
 3.29 20, 20a, 21, 22; 119B.02; 119B.025, subdivisions 1, 2, 3, 4; 119B.03, subdivisions
 3.30 1, 2, 3, 4, 5, 6, 6a, 6b, 8, 9, 10; 119B.035; 119B.04; 119B.05, subdivisions 1, 4,
 3.31 5; 119B.06, subdivisions 1, 2, 3; 119B.08, subdivisions 1, 2, 3; 119B.09,
 3.32 subdivisions 1, 3, 4, 4a, 5, 6, 7, 8, 9, 9a, 10, 11, 12, 13; 119B.095; 119B.097;
 3.33 119B.10, subdivisions 1, 2, 3; 119B.105; 119B.11, subdivisions 1, 2a, 3, 4;
 3.34 119B.12, subdivisions 1, 2; 119B.125; 119B.13, subdivisions 1, 1a, 3, 3a, 3b, 3c,
 3.35 4, 5, 6, 7; 119B.14; 119B.15; 119B.16; 144.1464; 214.17; 214.18; 214.19; 214.20;
 3.36 214.21; 214.22; 214.23; 214.24; 245G.11, subdivisions 1, 4, 7; 246.18, subdivisions
 3.37 8, 9; 254B.03, subdivision 4a; 256B.0625, subdivision 31c; 256B.0705; 256I.05,
 3.38 subdivision 3; 256R.53, subdivision 2; Laws 2017, First Special Session chapter
 3.39 6, article 7, section 34; Minnesota Rules, parts 3400.0010; 3400.0020, subparts 1,
 3.40 4, 5, 8, 9a, 10a, 12, 17a, 18, 18a, 20, 24, 25, 26, 28, 29a, 31b, 32b, 33, 34a, 35, 37,
 3.41 38, 38a, 38b, 39, 40, 40a, 44; 3400.0030; 3400.0035; 3400.0040, subparts 1, 3, 4,
 3.42 5, 5a, 6a, 6b, 6c, 7, 8, 9, 10, 11, 12, 13, 14, 15, 15a, 17, 18; 3400.0060, subparts
 3.43 2, 4, 5, 6, 6a, 7, 8, 9, 10; 3400.0080, subparts 1, 1a, 1b, 8; 3400.0090, subparts 1,
 3.44 2, 3, 4; 3400.0100, subparts 2a, 2b, 2c, 5; 3400.0110, subparts 1, 1a, 2, 2a, 3, 4a,
 3.45 7, 8, 9, 10, 11; 3400.0120, subparts 1, 1a, 2, 2a, 3, 5; 3400.0130, subparts 1, 1a,
 3.46 2, 3, 3a, 3b, 5, 5a, 7; 3400.0140, subparts 1, 2, 4, 5, 6, 7, 8, 9, 9a, 10, 14; 3400.0150;
 3.47 3400.0170, subparts 1, 3, 4, 6a, 7, 8, 9, 10, 11; 3400.0180; 3400.0183, subparts 1,
 3.48 2, 5; 3400.0185; 3400.0187, subparts 1, 2, 3, 4, 6; 3400.0200; 3400.0220;
 3.49 3400.0230, subpart 3; 3400.0235, subparts 1, 2, 3, 4, 5, 6; 9530.6800; 9530.6810.

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

4.2 **ARTICLE 1**

4.3 **PROGRAM INTEGRITY**

4.4 Section 1. Minnesota Statutes 2018, section 15C.02, is amended to read:

4.5 **15C.02 LIABILITY FOR CERTAIN ACTS.**

4.6 (a) A person who commits any act described in clauses (1) to (7) is liable to the state or
4.7 the political subdivision for a civil penalty of ~~not less than \$5,500 and not more than \$11,000~~
4.8 ~~per false or fraudulent claim~~ in the amounts set forth in the federal False Claims Act, United
4.9 States Code, title 31, section 3729, and as modified by the federal Civil Penalties Inflation
4.10 Adjustment Act Improvements Act of 2015, plus three times the amount of damages that
4.11 the state or the political subdivision sustains because of the act of that person, except as
4.12 otherwise provided in paragraph (b):

4.13 (1) knowingly presents, or causes to be presented, a false or fraudulent claim for payment
4.14 or approval;

4.15 (2) knowingly makes or uses, or causes to be made or used, a false record or statement
4.16 material to a false or fraudulent claim;

4.17 (3) knowingly conspires to commit a violation of clause (1), (2), (4), (5), (6), or (7);

4.18 (4) has possession, custody, or control of property or money used, or to be used, by the
4.19 state or a political subdivision and knowingly delivers or causes to be delivered less than
4.20 all of that money or property;

4.21 (5) is authorized to make or deliver a document certifying receipt for money or property
4.22 used, or to be used, by the state or a political subdivision and, intending to defraud the state
4.23 or a political subdivision, makes or delivers the receipt without completely knowing that
4.24 the information on the receipt is true;

4.25 (6) knowingly buys, or receives as a pledge of an obligation or debt, public property
4.26 from an officer or employee of the state or a political subdivision who lawfully may not
4.27 sell or pledge the property; or

4.28 (7) knowingly makes or uses, or causes to be made or used, a false record or statement
4.29 material to an obligation to pay or transmit money or property to the state or a political
4.30 subdivision, or knowingly conceals or knowingly and improperly avoids or decreases an
4.31 obligation to pay or transmit money or property to the state or a political subdivision.

5.1 (b) Notwithstanding paragraph (a), the court may assess not less than two times the
5.2 amount of damages that the state or the political subdivision sustains because of the act of
5.3 the person if:

5.4 (1) the person committing a violation under paragraph (a) furnished an officer or
5.5 employee of the state or the political subdivision responsible for investigating the false or
5.6 fraudulent claim violation with all information known to the person about the violation
5.7 within 30 days after the date on which the person first obtained the information;

5.8 (2) the person fully cooperated with any investigation by the state or the political
5.9 subdivision of the violation; and

5.10 (3) at the time the person furnished the state or the political subdivision with information
5.11 about the violation, no criminal prosecution, civil action, or administrative action had been
5.12 commenced under this chapter with respect to the violation and the person did not have
5.13 actual knowledge of the existence of an investigation into the violation.

5.14 (c) A person violating this section is also liable to the state or the political subdivision
5.15 for the costs of a civil action brought to recover any penalty or damages.

5.16 (d) A person is not liable under this section for mere negligence, inadvertence, or mistake
5.17 with respect to activities involving a false or fraudulent claim.

5.18 Sec. 2. Minnesota Statutes 2018, section 119B.09, subdivision 1, is amended to read:

5.19 Subdivision 1. **General eligibility requirements.** (a) Child care services must be
5.20 available to families with financial resources, excluding vehicles, of less than \$100,000,
5.21 who need child care to find or keep employment or to obtain the training or education
5.22 necessary to find employment and who:

5.23 (1) have household income less than or equal to 67 percent of the state median income,
5.24 adjusted for family size, at application and redetermination, and meet the requirements of
5.25 section 119B.05; receive MFIP assistance; and are participating in employment and training
5.26 services under chapter 256J; or

5.27 (2) have household income less than or equal to 47 percent of the state median income,
5.28 adjusted for family size, at application and less than or equal to 67 percent of the state
5.29 median income, adjusted for family size, at redetermination.

5.30 (b) Child care services must be made available as in-kind services.

5.31 (c) All applicants for child care assistance and families currently receiving child care
5.32 assistance must be assisted and required to cooperate in establishment of paternity and

6.1 enforcement of child support obligations for all children in the family at application and
6.2 redetermination as a condition of program eligibility. For purposes of this section, a family
6.3 is considered to meet the requirement for cooperation when the family complies with the
6.4 requirements of section 256.741.

6.5 (d) All applicants for child care assistance and families currently receiving child care
6.6 assistance must pay the co-payment fee under section 119B.12, subdivision 2, as a condition
6.7 of eligibility. The co-payment fee may include additional recoupment fees due to a child
6.8 care assistance program overpayment.

6.9 Sec. 3. Minnesota Statutes 2018, section 119B.09, subdivision 4, is amended to read:

6.10 Subd. 4. **Eligibility; annual income; calculation.** (a) Annual income of the applicant
6.11 family is the current monthly income of the family multiplied by 12 or the income for the
6.12 12-month period immediately preceding the date of application, or income calculated by
6.13 the method which provides the most accurate assessment of income available to the family.

6.14 (b) Self-employment income must be calculated based on gross receipts less operating
6.15 expenses authorized by the Internal Revenue Service.

6.16 (c) Income changes are processed under section 119B.025, subdivision 4. Included lump
6.17 sums counted as income under section 256P.06, subdivision 3, must be annualized over 12
6.18 months. Income includes all deposits into accounts owned or controlled by the applicant,
6.19 including amounts spent on personal expenses including rent, mortgage, automobile-related
6.20 expenses, utilities, and food and amounts received as salary or draws from business accounts.
6.21 Income does not include a deposit specifically identified by the applicant as a loan or gift,
6.22 for which the applicant provides the source, date, amount, and repayment terms. Income
6.23 and assets must be verified with documentary evidence. If the applicant does not have
6.24 sufficient evidence of income or assets, verification must be obtained from the source of
6.25 the income or assets.

6.26 Sec. 4. Minnesota Statutes 2018, section 119B.09, subdivision 7, is amended to read:

6.27 Subd. 7. **Date of eligibility for assistance.** (a) The date of eligibility for child care
6.28 assistance under this chapter is the later of the date the application was received by the
6.29 county; the beginning date of employment, education, or training; the date the infant is born
6.30 for applicants to the at-home infant care program; or the date a determination has been made
6.31 that the applicant is a participant in employment and training services under Minnesota
6.32 Rules, part 3400.0080, or chapter 256J.

7.1 (b) Payment ceases for a family under the at-home infant child care program when a
7.2 family has used a total of 12 months of assistance as specified under section 119B.035.
7.3 Payment of child care assistance for employed persons on MFIP is effective the date of
7.4 employment or the date of MFIP eligibility, whichever is later. Payment of child care
7.5 assistance for MFIP or DWP participants in employment and training services is effective
7.6 the date of commencement of the services or the date of MFIP or DWP eligibility, whichever
7.7 is later. Payment of child care assistance for transition year child care must be made
7.8 retroactive to the date of eligibility for transition year child care.

7.9 (c) Notwithstanding paragraph (b), payment of child care assistance for participants
7.10 eligible under section 119B.05 may only be made retroactive for a maximum of ~~six~~ zero
7.11 months from the date of application for child care assistance.

7.12 **EFFECTIVE DATE.** This section is effective for applications processed on or after
7.13 July 1, 2019.

7.14 Sec. 5. Minnesota Statutes 2018, section 119B.09, subdivision 9, is amended to read:

7.15 Subd. 9. **Licensed and legal nonlicensed family child care providers; assistance.** This
7.16 subdivision applies to any provider providing care in a setting other than a licensed or
7.17 license-exempt child care center. Licensed and legal nonlicensed family child care providers
7.18 and their employees are not eligible to receive child care assistance subsidies under this
7.19 chapter for their own children or children in their family during the hours they are providing
7.20 child care or being paid to provide child care. Child care providers and their employees are
7.21 eligible to receive child care assistance subsidies for their children when they are engaged
7.22 in other activities that meet the requirements of this chapter and for which child care
7.23 assistance can be paid. The hours for which the provider or their employee receives a child
7.24 care subsidy for their own children must not overlap with the hours the provider provides
7.25 child care services.

7.26 Sec. 6. Minnesota Statutes 2018, section 119B.09, subdivision 9a, is amended to read:

7.27 Subd. 9a. **Child care centers authorizations; assistance dependents of employees**
7.28 **and controlling individuals.** (a) A licensed or license-exempt child care center ~~may~~ must
7.29 not receive authorizations for ~~25 or fewer children~~ more than seven children who are
7.30 dependents of the center's employees or controlling individuals. ~~If a child care center is~~
7.31 ~~authorized for more than 25 children who are dependents of center employees, the county~~
7.32 ~~cannot authorize additional dependents of an employee until the number of children falls~~
7.33 ~~below 25.~~

8.1 ~~(b) Funds paid to providers during the period of time when a center is authorized for~~
8.2 ~~more than 25 children who are dependents of center employees must not be treated as~~
8.3 ~~overpayments under section 119B.11, subdivision 2a, due to noncompliance with this~~
8.4 ~~subdivision.~~

8.5 ~~(e)~~ (b) Nothing in this subdivision precludes the commissioner from conducting fraud
8.6 investigations relating to child care assistance, imposing sanctions, and obtaining monetary
8.7 recovery as otherwise provided by law.

8.8 Sec. 7. Minnesota Statutes 2018, section 119B.125, subdivision 6, is amended to read:

8.9 Subd. 6. **Record-keeping requirement.** (a) As a condition of payment, all providers
8.10 receiving child care assistance payments must keep accurate and legible daily attendance
8.11 records at the site where services are delivered for children receiving child care assistance
8.12 and must make those records available immediately to the county or the commissioner upon
8.13 request. The attendance records must be completed daily and include the date, the first and
8.14 last name of each child in attendance, and the times when each child is dropped off and
8.15 picked up. To the extent possible, the times that the child was dropped off to and picked up
8.16 from the child care provider must be entered by the person dropping off or picking up the
8.17 child. The daily attendance records must be retained at the site where services are delivered
8.18 for six years after the date of service.

8.19 (b) Records that are not produced immediately under paragraph (a), unless a delay is
8.20 agreed upon by the commissioner and provider, shall not be valid for purposes of establishing
8.21 a child's attendance and shall result in an overpayment under paragraph (d).

8.22 (c) A county or the commissioner may deny or revoke a provider's authorization as a
8.23 child care provider to any applicant, rescind authorization of any provider, to receive child
8.24 care assistance payments under section 119B.13, subdivision 6, paragraph (d), pursue a
8.25 fraud disqualification under section 256.98, take an action against the provider under chapter
8.26 245E, or establish an attendance record overpayment claim in the system under paragraph
8.27 (d) against a current or former provider, when the county or the commissioner knows or
8.28 has reason to believe that the provider has not complied with the record-keeping requirement
8.29 in this subdivision. A provider's failure to produce attendance records as requested on more
8.30 than one occasion constitutes grounds for disqualification as a provider.

8.31 (d) To calculate an attendance record overpayment under this subdivision, the
8.32 commissioner or county agency subtracts the maximum daily rate from the total amount
8.33 paid to a provider for each day that a child's attendance record is missing, unavailable,
8.34 incomplete, illegible, inaccurate, or otherwise inadequate.

9.1 (e) The commissioner shall develop criteria to direct a county when the county must
9.2 establish an attendance overpayment under this subdivision.

9.3 Sec. 8. Minnesota Statutes 2018, section 119B.125, is amended by adding a subdivision
9.4 to read:

9.5 Subd. 10. **Proof of surety bond coverage.** All licensed child care centers authorized
9.6 for reimbursement under this chapter that received child care assistance program revenue
9.7 equal to or greater than \$250,000 in the previous calendar year must provide to the
9.8 commissioner at least once per year proof of surety bond coverage of \$100,000 in a format
9.9 determined by the commissioner. The surety bond must be in a form approved by the
9.10 commissioner, be renewed annually, and allow for recovery of costs and fees in pursuing
9.11 a claim on the bond.

9.12 **EFFECTIVE DATE.** This section is effective January 1, 2020.

9.13 Sec. 9. Minnesota Statutes 2018, section 119B.125, is amended by adding a subdivision
9.14 to read:

9.15 Subd. 11. **Financial misconduct.** (a) County agencies may conduct investigations of
9.16 financial misconduct by child care providers as described in section 245E.02, subdivisions
9.17 1 and 2, only after receiving verification that the department is not investigating a provider
9.18 under chapter 245E.

9.19 (b) If, upon investigation, a preponderance of evidence shows financial misconduct by
9.20 a provider, the county may immediately suspend the provider's authorization to receive
9.21 child care assistance payments under section 119B.13, subdivision 6, paragraph (d), prior
9.22 to pursuing other available remedies.

9.23 (c) The county shall give immediate notice in writing to a provider and any affected
9.24 families of any suspension of the provider's child care authorization under paragraph (b).
9.25 The notice shall state:

9.26 (1) the factual basis for the county's determination;

9.27 (2) the date of the suspension;

9.28 (3) the length of the suspension;

9.29 (4) the requirements and procedures for reinstatement;

9.30 (5) the right to dispute the county's determination and to provide evidence; and

9.31 (6) the right to appeal the county's determination.

10.1 (d) The county's determination under paragraph (b) is subject to the fair hearing
10.2 requirements under section 119B.16, subdivisions 1a, 1b, and 2. A provider that requests a
10.3 fair hearing is entitled to a hearing within ten days of the request.

10.4 Sec. 10. Minnesota Statutes 2018, section 119B.13, subdivision 6, is amended to read:

10.5 Subd. 6. **Provider payments.** (a) A provider shall bill only for services documented
10.6 according to section 119B.125, subdivision 6. The provider shall bill for services provided
10.7 within ten days of the end of the service period. Payments under the child care fund shall
10.8 be made within 21 days of receiving a complete bill from the provider. Counties or the state
10.9 may establish policies that make payments on a more frequent basis.

10.10 (b) If a provider has received an authorization of care and been issued a billing form for
10.11 an eligible family, the bill must be submitted within 60 days of the last date of service on
10.12 the bill. A bill submitted more than 60 days after the last date of service must be paid if the
10.13 county determines that the provider has shown good cause why the bill was not submitted
10.14 within 60 days. Good cause must be defined in the county's child care fund plan under
10.15 section 119B.08, subdivision 3, and the definition of good cause must include county error.
10.16 Any bill submitted more than a year after the last date of service on the bill must not be
10.17 paid.

10.18 (c) If a provider provided care for a time period without receiving an authorization of
10.19 care and a billing form for an eligible family, payment of child care assistance may only be
10.20 made retroactively for a maximum of six months from the date the provider is issued an
10.21 authorization of care and billing form.

10.22 (d) A county or the commissioner may refuse to issue a child care authorization to a
10.23 licensed or legal nonlicensed provider, revoke an existing child care authorization to a
10.24 licensed or legal nonlicensed provider, stop payment issued to a licensed or legal nonlicensed
10.25 provider, or refuse to pay a bill submitted by a licensed or legal nonlicensed provider if:

10.26 (1) the provider admits to intentionally giving the county materially false information
10.27 on the provider's billing forms;

10.28 (2) a county or the commissioner finds by a preponderance of the evidence that the
10.29 provider intentionally gave the county materially false information on the provider's billing
10.30 forms, or provided false attendance records to a county or the commissioner;

10.31 (3) the provider is in violation of child care assistance program rules, until the agency
10.32 determines those violations have been corrected;

10.33 (4) the provider is operating after:

11.1 (i) an order of suspension of the provider's license issued by the commissioner;

11.2 (ii) an order of revocation of the provider's license; or

11.3 (iii) a final order of conditional license issued by the commissioner for as long as the
11.4 conditional license is in effect;

11.5 (5) the provider submits false attendance reports or refuses to provide documentation
11.6 of the child's attendance upon request; or

11.7 (6) the provider gives false child care price information; or

11.8 (7) the provider fails to report decreases in a child's attendance, as required under section
11.9 119B.125, subdivision 9.

11.10 (e) For purposes of paragraph (d), clauses (3), (5), ~~and (6)~~, and (7), the county or the
11.11 commissioner may withhold the provider's authorization or payment for a period of time
11.12 not to exceed three months beyond the time the condition has been corrected.

11.13 (f) A county's payment policies must be included in the county's child care plan under
11.14 section 119B.08, subdivision 3. If payments are made by the state, in addition to being in
11.15 compliance with this subdivision, the payments must be made in compliance with section
11.16 16A.124.

11.17 **EFFECTIVE DATE.** This section is effective July 1, 2019.

11.18 Sec. 11. Minnesota Statutes 2018, section 119B.13, subdivision 7, is amended to read:

11.19 Subd. 7. **Absent days.** (a) Licensed child care providers and license-exempt centers
11.20 must not be reimbursed for more than 25 full-day absent days per child, excluding holidays,
11.21 in a ~~fiscal~~ calendar year, or for more than ten consecutive full-day absent days. "Absent
11.22 day" means any day that the child is authorized and scheduled to be in care with a licensed
11.23 provider or license exempt center and the child is absent from the care for the entire day.

11.24 Legal nonlicensed family child care providers must not be reimbursed for absent days. If a
11.25 child attends for part of the time authorized to be in care in a day, but is absent for part of
11.26 the time authorized to be in care in that same day, the absent time must be reimbursed but
11.27 the time must not count toward the absent days limit. Child care providers must only be
11.28 reimbursed for absent days if the provider has a written policy for child absences and charges
11.29 all other families in care for similar absences.

11.30 (b) Notwithstanding paragraph (a), children with documented medical conditions that
11.31 cause more frequent absences may exceed the 25 absent days limit, or ten consecutive
11.32 full-day absent days limit. Absences due to a documented medical condition of a parent or

12.1 sibling who lives in the same residence as the child receiving child care assistance do not
12.2 count against the absent days limit in a ~~fiscal~~ calendar year. Documentation of medical
12.3 conditions must be on the forms and submitted according to the timelines established by
12.4 the commissioner. A public health nurse or school nurse may verify the illness in lieu of a
12.5 medical practitioner. If a provider sends a child home early due to a medical reason,
12.6 including, but not limited to, fever or contagious illness, the child care center director or
12.7 lead teacher may verify the illness in lieu of a medical practitioner.

12.8 (c) Notwithstanding paragraph (a), children in families may exceed the absent days limit
12.9 if at least one parent: (1) is under the age of 21; (2) does not have a high school diploma or
12.10 commissioner of education-selected high school equivalency certification; and (3) is a
12.11 student in a school district or another similar program that provides or arranges for child
12.12 care, parenting support, social services, career and employment supports, and academic
12.13 support to achieve high school graduation, upon request of the program and approval of the
12.14 county. If a child attends part of an authorized day, payment to the provider must be for the
12.15 full amount of care authorized for that day.

12.16 (d) Child care providers must be reimbursed for up to ten federal or state holidays or
12.17 designated holidays per year when the provider charges all families for these days and the
12.18 holiday or designated holiday falls on a day when the child is authorized to be in attendance.
12.19 Parents may substitute other cultural or religious holidays for the ten recognized state and
12.20 federal holidays. Holidays do not count toward the absent days limit.

12.21 (e) A family or child care provider must not be assessed an overpayment for an absent
12.22 day payment unless (1) there was an error in the amount of care authorized for the family,
12.23 (2) all of the allowed full-day absent payments for the child have been paid, or (3) the family
12.24 or provider did not timely report a change as required under law.

12.25 (f) The provider and family shall receive notification of the number of absent days used
12.26 upon initial provider authorization for a family and ongoing notification of the number of
12.27 absent days used as of the date of the notification.

12.28 (g) For purposes of this subdivision, "absent days limit" means 25 full-day absent days
12.29 per child, excluding holidays, in a ~~fiscal~~ calendar year; and ten consecutive full-day absent
12.30 days.

12.31 (h) For purposes of this subdivision, "holidays limit" means ten full-day holidays per
12.32 child, excluding absent days, in a calendar year.

12.33 (i) If a day meets the criteria of an absent day or a holiday under this subdivision, the
12.34 provider must bill that day as an absent day or holiday. A provider's failure to properly bill

13.1 an absent day or a holiday results in an overpayment, regardless of whether the child reached,
13.2 or is exempt from, the absent days limit or holidays limit for the calendar year.

13.3 **EFFECTIVE DATE.** This section is effective July 1, 2019.

13.4 Sec. 12. Minnesota Statutes 2018, section 144A.479, is amended by adding a subdivision
13.5 to read:

13.6 Subd. 8. **Labor market reporting.** A home care provider shall comply with the labor
13.7 market reporting requirements described in section 256B.4912, subdivision 1a.

13.8 Sec. 13. Minnesota Statutes 2018, section 245.095, is amended to read:

13.9 **245.095 LIMITS ON RECEIVING PUBLIC FUNDS.**

13.10 Subdivision 1. **Prohibition.** (a) If a provider, vendor, or individual enrolled, licensed,
13.11 ~~or~~ receiving funds under a grant contract, or registered in any program administered by the
13.12 commissioner, including under the commissioner's powers and authorities in section 256.01,
13.13 is excluded from any that program administered by the commissioner, including under the
13.14 commissioner's powers and authorities in section 256.01, the commissioner shall:

13.15 (1) prohibit the excluded provider, vendor, or individual from enrolling ~~or~~ becoming
13.16 licensed, receiving grant funds, or registering in any other program administered by the
13.17 commissioner; and

13.18 (2) disenroll, revoke or suspend a license, disqualify, or debar the excluded provider,
13.19 vendor, or individual in any other program administered by the commissioner.

13.20 (b) The duration of this prohibition, disenrollment, revocation, suspension,
13.21 disqualification, or debarment must last for the longest applicable sanction or disqualifying
13.22 period in effect for the provider, vendor, or individual permitted by state or federal law.

13.23 Subd. 2. **Definitions.** (a) For purposes of this section, the following definitions have the
13.24 meanings given them.

13.25 (b) "Excluded" means disenrolled, ~~subject to license revocation or suspension,~~
13.26 ~~disqualified, or subject to vendor debarment~~ disqualified, has a license that has been revoked
13.27 or suspended under chapter 245A, has been debarred or suspended under Minnesota Rules,
13.28 part 1230.1150, or terminated from participation in medical assistance under section
13.29 256B.064.

13.30 (c) "Individual" means a natural person providing products or services as a provider or
13.31 vendor.

14.1 (d) "Provider" means an owner, controlling individual, license holder, director, or
14.2 managerial official.

14.3 Sec. 14. [245A.24] MANDATORY REPORTING.

14.4 All licensors employed by a county or the Department of Human Services must
14.5 immediately report any suspected fraud to county human services investigators or the
14.6 Department of Human Services Office of the Inspector General.

14.7 Sec. 15. Minnesota Statutes 2018, section 245E.02, is amended by adding a subdivision
14.8 to read:

14.9 Subd. 1a. **Provider definitions.** For the purposes of this section, "provider" includes:

14.10 (1) individuals or entities meeting the definition of provider in section 245E.01,
14.11 subdivision 12; and

14.12 (2) owners and controlling individuals of entities identified in clause (1).

14.13 Sec. 16. Minnesota Statutes 2018, section 256.98, subdivision 1, is amended to read:

14.14 Subdivision 1. **Wrongfully obtaining assistance.** A person who commits any of the
14.15 following acts or omissions with intent to defeat the purposes of sections 145.891 to 145.897,
14.16 the MFIP program formerly codified in sections 256.031 to 256.0361, the AFDC program
14.17 formerly codified in sections 256.72 to 256.871, chapter 256B, 256D, 256I, 256J, 256K, or
14.18 256L, child care assistance programs, and emergency assistance programs under section
14.19 256D.06, is guilty of theft and shall be sentenced under section 609.52, subdivision 3, clauses
14.20 (1) to (5):

14.21 (1) obtains or attempts to obtain, or aids or abets any person to obtain by means of a
14.22 willfully false statement or representation, by intentional concealment of any material fact,
14.23 or by impersonation or other fraudulent device, assistance or the continued receipt of
14.24 assistance, to include child care assistance or vouchers produced according to sections
14.25 145.891 to 145.897 and MinnesotaCare services according to sections 256.9365, 256.94,
14.26 and 256L.01 to 256L.15, to which the person is not entitled or assistance greater than that
14.27 to which the person is entitled;

14.28 (2) knowingly aids or abets in buying or in any way disposing of the property of a
14.29 recipient or applicant of assistance without the consent of the county agency; or

15.1 (3) obtains or attempts to obtain, alone or in collusion with others, the receipt of payments
15.2 to which the individual is not entitled as a provider of subsidized child care, or by furnishing
15.3 or concurring in a willfully false claim for child care assistance.

15.4 The continued receipt of assistance to which the person is not entitled or greater than
15.5 that to which the person is entitled as a result of any of the acts, failure to act, or concealment
15.6 described in this subdivision shall be deemed to be continuing offenses from the date that
15.7 the first act or failure to act occurred.

15.8 Sec. 17. Minnesota Statutes 2018, section 256.98, subdivision 8, is amended to read:

15.9 Subd. 8. **Disqualification from program.** (a) Any person found to be guilty of
15.10 wrongfully obtaining assistance by a federal or state court or by an administrative hearing
15.11 determination, or waiver thereof, through a disqualification consent agreement, or as part
15.12 of any approved diversion plan under section 401.065, or any court-ordered stay which
15.13 carries with it any probationary or other conditions, in the Minnesota family investment
15.14 program and any affiliated program to include the diversionary work program and the work
15.15 participation cash benefit program, the food stamp or food support program, the general
15.16 assistance program, housing support under chapter 256I, or the Minnesota supplemental
15.17 aid program shall be disqualified from that program. The disqualification based on a finding
15.18 or action by a federal or state court is a permanent disqualification. The disqualification
15.19 based on an administrative hearing, or waiver thereof, through a disqualification consent
15.20 agreement, or as part of any approved diversion plan under section 401.065, or any
15.21 court-ordered stay which carries with it any probationary or other conditions must be for a
15.22 period of two years for the first offense and a permanent disqualification for the second
15.23 offense. In addition, any person disqualified from the Minnesota family investment program
15.24 shall also be disqualified from the food stamp or food support program. The needs of that
15.25 individual shall not be taken into consideration in determining the grant level for that
15.26 assistance unit:.

15.27 ~~(1) for one year after the first offense;~~

15.28 ~~(2) for two years after the second offense; and~~

15.29 ~~(3) permanently after the third or subsequent offense.~~

15.30 The period of program disqualification shall begin on the date stipulated on the advance
15.31 notice of disqualification without possibility of postponement for administrative stay or
15.32 administrative hearing and shall continue through completion unless and until the findings
15.33 upon which the sanctions were imposed are reversed by a court of competent jurisdiction.

16.1 The period for which sanctions are imposed is not subject to review. The sanctions provided
16.2 under this subdivision are in addition to, and not in substitution for, any other sanctions that
16.3 may be provided for by law for the offense involved. A disqualification established through
16.4 hearing or waiver shall result in the disqualification period beginning immediately unless
16.5 the person has become otherwise ineligible for assistance. If the person is ineligible for
16.6 assistance, the disqualification period begins when the person again meets the eligibility
16.7 criteria of the program from which they were disqualified and makes application for that
16.8 program.

16.9 (b) A family receiving assistance through child care assistance programs under chapter
16.10 119B with a family member who is found to be guilty of wrongfully obtaining child care
16.11 assistance by a federal court, state court, or an administrative hearing determination or
16.12 waiver, through a disqualification consent agreement, as part of an approved diversion plan
16.13 under section 401.065, or a court-ordered stay with probationary or other conditions, is
16.14 disqualified from child care assistance programs. The disqualifications ~~must be for periods~~
16.15 ~~of one year and two years for the first and second offenses, respectively. Subsequent~~
16.16 ~~violations must result in~~ based on a finding or action by a federal or state court is a permanent
16.17 disqualification. The disqualification based on an administrative hearing determination or
16.18 waiver, through a disqualification consent agreement, as part of an approved diversion plan
16.19 under section 401.065, or a court-ordered stay with probationary or other conditions must
16.20 be for a period of two years for the first offense and a permanent disqualification for the
16.21 second offense. During the disqualification period, disqualification from any child care
16.22 program must extend to all child care programs and must be immediately applied.

16.23 (c) A provider caring for children receiving assistance through child care assistance
16.24 programs under chapter 119B is disqualified from receiving payment for child care services
16.25 from the child care assistance program under chapter 119B when the provider is found to
16.26 have wrongfully obtained child care assistance by a federal court, state court, or an
16.27 administrative hearing determination or waiver under section 256.046, through a
16.28 disqualification consent agreement, as part of an approved diversion plan under section
16.29 401.065, or a court-ordered stay with probationary or other conditions. The disqualification
16.30 ~~must be for a period of one year for the first offense and two years for the second offense.~~
16.31 ~~Any subsequent violation must result in~~ based on a finding or action by a federal or state
16.32 court is a permanent disqualification. The disqualification based on an administrative hearing
16.33 determination or waiver under section 256.045, as part of an approved diversion plan under
16.34 section 401.065, or a court-ordered stay with probationary or other conditions must be for
16.35 a period of two years for the first offense and a permanent disqualification for the second

17.1 offense. The disqualification period must be imposed immediately after a determination is
17.2 made under this paragraph. During the disqualification period, the provider is disqualified
17.3 from receiving payment from any child care program under chapter 119B.

17.4 (d) Any person found to be guilty of wrongfully obtaining MinnesotaCare for adults
17.5 without children and upon federal approval, all categories of medical assistance and
17.6 remaining categories of MinnesotaCare, except for children through age 18, by a federal or
17.7 state court or by an administrative hearing determination, or waiver thereof, through a
17.8 disqualification consent agreement, or as part of any approved diversion plan under section
17.9 401.065, or any court-ordered stay which carries with it any probationary or other conditions,
17.10 is disqualified from that program. The period of disqualification is one year after the first
17.11 offense, two years after the second offense, and permanently after the third or subsequent
17.12 offense. The period of program disqualification shall begin on the date stipulated on the
17.13 advance notice of disqualification without possibility of postponement for administrative
17.14 stay or administrative hearing and shall continue through completion unless and until the
17.15 findings upon which the sanctions were imposed are reversed by a court of competent
17.16 jurisdiction. The period for which sanctions are imposed is not subject to review. The
17.17 sanctions provided under this subdivision are in addition to, and not in substitution for, any
17.18 other sanctions that may be provided for by law for the offense involved.

17.19 Sec. 18. Minnesota Statutes 2018, section 256.983, is amended by adding a subdivision
17.20 to read:

17.21 Subd. 5. **Financial misconduct.** (a) County agencies may conduct investigations of
17.22 financial misconduct by a license holder as defined in section 245A.02, subdivision 9, only
17.23 after receiving verification that the department is not investigating the license holder.

17.24 (b) If, upon investigation, a preponderance of evidence shows financial misconduct by
17.25 a license holder, the county may immediately suspend the license holder's authorization to
17.26 receive any available assistance payments prior to pursuing other available remedies.

17.27 (c) The county shall give immediate notice in writing to a license holder and any affected
17.28 families of any suspension of the license holder's assistance authorization under paragraph

17.29 (b). The notice shall state:

17.30 (1) the factual basis for the county's determination;

17.31 (2) the date of the suspension;

17.32 (3) the length of the suspension;

17.33 (4) the requirements and procedures for reinstatement;

18.1 (5) the right to dispute the county's determination and to provide evidence; and

18.2 (6) the right to appeal the county's determination.

18.3 (d) The county's determination under paragraph (b) is subject to the fair hearing
18.4 requirements under section 119B.16. A license holder that requests a fair hearing is entitled
18.5 to a hearing within ten days of the request.

18.6 Sec. 19. Minnesota Statutes 2018, section 256.987, subdivision 1, is amended to read:

18.7 Subdivision 1. **Electronic benefit transfer (EBT) card.** Cash benefits for the general
18.8 assistance and Minnesota supplemental aid programs under chapter 256D and programs
18.9 under chapter 256J must be issued on an EBT card ~~with~~. The name and photograph of the
18.10 head of household and a list of family members authorized to use the EBT card must be
18.11 printed on the card. The cardholder must show identification before making a purchase.
18.12 The card must include the following statement: "It is unlawful to use this card to purchase
18.13 tobacco products or alcoholic beverages." This card must be issued within 30 calendar days
18.14 of an eligibility determination. During the initial 30 calendar days of eligibility, a recipient
18.15 may have cash benefits issued on an EBT card without a name printed on the card. This
18.16 card may be the same card on which food support benefits are issued and does not need to
18.17 meet the requirements of this section.

18.18 Sec. 20. Minnesota Statutes 2018, section 256.987, subdivision 2, is amended to read:

18.19 Subd. 2. **Prohibited purchases and returns.** (a) An individual with an EBT card issued
18.20 for one of the programs listed under subdivision 1 is prohibited from using the EBT debit
18.21 card to purchase tobacco products and alcoholic beverages, as defined in section 340A.101,
18.22 subdivision 2. Any prohibited purchases made under this subdivision shall constitute unlawful
18.23 use and result in disqualification of the cardholder from the program as provided in
18.24 subdivision 4.

18.25 (b) An item purchased with an EBT card that is returned must be credited back to the
18.26 EBT card. It is prohibited to give the EBT cardholder cash for returned items purchased
18.27 with an EBT card.

18.28 Sec. 21. Minnesota Statutes 2018, section 256B.02, subdivision 7, is amended to read:

18.29 Subd. 7. **Vendor of medical care.** (a) "Vendor of medical care" means any person or
18.30 persons furnishing, within the scope of the vendor's respective license, any or all of the
18.31 following goods or services: medical, surgical, hospital, ambulatory surgical center services,
18.32 optical, visual, dental and nursing services; drugs and medical supplies; appliances;

19.1 laboratory, diagnostic, and therapeutic services; nursing home and convalescent care;
19.2 screening and health assessment services provided by public health nurses as defined in
19.3 section 145A.02, subdivision 18; health care services provided at the residence of the patient
19.4 if the services are performed by a public health nurse and the nurse indicates in a statement
19.5 submitted under oath that the services were actually provided; and such other medical
19.6 services or supplies provided or prescribed by persons authorized by state law to give such
19.7 services and supplies, including services under section 256B.4912. For purposes of this
19.8 chapter, the term includes a person or entity that furnishes a good or service eligible for
19.9 medical assistance or federally approved waiver plan payments under this chapter. The term
19.10 includes, but is not limited to, directors and officers of corporations or members of
19.11 partnerships who, either individually or jointly with another or others, have the legal control,
19.12 supervision, or responsibility of submitting claims for reimbursement to the medical
19.13 assistance program. The term only includes directors and officers of corporations who
19.14 personally receive a portion of the distributed assets upon liquidation or dissolution, and
19.15 their liability is limited to the portion of the claim that bears the same proportion to the total
19.16 claim as their share of the distributed assets bears to the total distributed assets.

19.17 (b) "Vendor of medical care" also includes any person who is credentialed as a health
19.18 professional under standards set by the governing body of a federally recognized Indian
19.19 tribe authorized under an agreement with the federal government according to United States
19.20 Code, title 25, section 450f, to provide health services to its members, and who through a
19.21 tribal facility provides covered services to American Indian people within a contract health
19.22 service delivery area of a Minnesota reservation, as defined under Code of Federal
19.23 Regulations, title 42, section 36.22.

19.24 (c) A federally recognized Indian tribe that intends to implement standards for
19.25 credentialing health professionals must submit the standards to the commissioner of human
19.26 services, along with evidence of meeting, exceeding, or being exempt from corresponding
19.27 state standards. The commissioner shall maintain a copy of the standards and supporting
19.28 evidence, and shall use those standards to enroll tribal-approved health professionals as
19.29 medical assistance providers. For purposes of this section, "Indian" and "Indian tribe" mean
19.30 persons or entities that meet the definition in United States Code, title 25, section 450b.

19.31 Sec. 22. Minnesota Statutes 2018, section 256B.02, is amended by adding a subdivision
19.32 to read:

19.33 Subd. 20. **Income.** Income is calculated using the adjusted gross income methodology
19.34 under the Affordable Care Act. Income includes funds in personal or business accounts

20.1 used to pay personal expenses including rent, mortgage, automobile-related expenses,
20.2 utilities, food, and other personal expenses not directly related to the business, unless the
20.3 funds are directly attributable to an exception to the income requirement specifically
20.4 identified by the applicant.

20.5 Sec. 23. Minnesota Statutes 2018, section 256B.04, subdivision 21, is amended to read:

20.6 Subd. 21. **Provider enrollment.** (a) The commissioner shall enroll providers and conduct
20.7 screening activities as required by Code of Federal Regulations, title 42, section 455, subpart
20.8 E, including database checks, unannounced pre- and post-enrollment site visits, fingerprinting,
20.9 and criminal background studies. A provider providing services from multiple licensed
20.10 locations must enroll each licensed location separately. The commissioner may deny a
20.11 provider's incomplete application for enrollment if a provider fails to respond to the
20.12 commissioner's request for additional information within 60 days of the request.

20.13 (b) The commissioner must revalidate each provider under this subdivision at least once
20.14 every five years. The commissioner may revalidate a personal care assistance agency under
20.15 this subdivision once every three years. The commissioner shall conduct revalidation as
20.16 follows:

20.17 (1) provide 30-day notice of revalidation due date to include instructions for revalidation
20.18 and a list of materials the provider must submit to revalidate;

20.19 (2) notify the provider that fails to completely respond within 30 days of any deficiencies
20.20 and allow an additional 30 days to comply; and

20.21 (3) give 60-day notice of termination and immediately suspend a provider's ability to
20.22 bill for failure to remedy any deficiencies within the 30-day time period. The commissioner's
20.23 decision to suspend the provider's ability to bill is not subject to an administrative appeal.

20.24 (c) The commissioner shall require that an individual rendering care to a recipient for
20.25 the following covered services enroll as an individual provider and be identified on claims:

20.26 (1) consumer directed community supports; and

20.27 (2) qualified professionals supervising personal care assistant services according to
20.28 section 256B.0659.

20.29 (d) The commissioner may suspend a provider's ability to bill for a failure to comply
20.30 with any individual provider requirements or conditions of participation until the provider
20.31 comes into compliance. The commissioner's decision to suspend the provider's ability to
20.32 bill is not subject to an administrative appeal.

21.1 (e) Notwithstanding any other provision to the contrary, all correspondence and
21.2 notifications, including notifications of termination and other actions, shall be delivered
21.3 electronically to a provider's MN-ITS mailbox. For a provider that does not have a MN-ITS
21.4 account and mailbox, notice shall be sent by first class mail.

21.5 (f) If the commissioner or the Centers for Medicare and Medicaid Services determines
21.6 that a provider is designated "high-risk," the commissioner may withhold payment from
21.7 providers within that category upon initial enrollment for a 90-day period. The withholding
21.8 for each provider must begin on the date of the first submission of a claim.

21.9 ~~(b)~~ (g) An enrolled provider that is also licensed by the commissioner under chapter
21.10 245A, or is licensed as a home care provider by the Department of Health under chapter
21.11 144A and has a home and community-based services designation on the home care license
21.12 under section 144A.484, must designate an individual as the entity's compliance officer.
21.13 The compliance officer must:

21.14 (1) develop policies and procedures to assure adherence to medical assistance laws and
21.15 regulations and to prevent inappropriate claims submissions;

21.16 (2) train the employees of the provider entity, and any agents or subcontractors of the
21.17 provider entity including billers, on the policies and procedures under clause (1);

21.18 (3) respond to allegations of improper conduct related to the provision or billing of
21.19 medical assistance services, and implement action to remediate any resulting problems;

21.20 (4) use evaluation techniques to monitor compliance with medical assistance laws and
21.21 regulations;

21.22 (5) promptly report to the commissioner any identified violations of medical assistance
21.23 laws or regulations; and

21.24 (6) within 60 days of discovery by the provider of a medical assistance reimbursement
21.25 overpayment, report the overpayment to the commissioner and make arrangements with
21.26 the commissioner for the commissioner's recovery of the overpayment.

21.27 The commissioner may require, as a condition of enrollment in medical assistance, that a
21.28 provider within a particular industry sector or category establish a compliance program that
21.29 contains the core elements established by the Centers for Medicare and Medicaid Services.

21.30 ~~(e)~~ (h) The commissioner may revoke the enrollment of an ordering or rendering provider
21.31 for a period of not more than one year, if the provider fails to maintain and, upon request
21.32 from the commissioner, provide access to documentation relating to written orders or requests
21.33 for payment for durable medical equipment, certifications for home health services, or

22.1 referrals for other items or services written or ordered by such provider, when the
22.2 commissioner has identified a pattern of a lack of documentation. A pattern means a failure
22.3 to maintain documentation or provide access to documentation on more than one occasion.
22.4 Nothing in this paragraph limits the authority of the commissioner to sanction a provider
22.5 under the provisions of section 256B.064.

22.6 ~~(d)~~ (i) The commissioner shall terminate or deny the enrollment of any individual or
22.7 entity if the individual or entity has been terminated from participation in Medicare or under
22.8 the Medicaid program or Children's Health Insurance Program of any other state.

22.9 ~~(e)~~ (j) As a condition of enrollment in medical assistance, the commissioner shall require
22.10 that a provider designated "moderate" or "high-risk" by the Centers for Medicare and
22.11 Medicaid Services or the commissioner permit the Centers for Medicare and Medicaid
22.12 Services, its agents, or its designated contractors and the state agency, its agents, or its
22.13 designated contractors to conduct unannounced on-site inspections of any provider location.
22.14 The commissioner shall publish in the Minnesota Health Care Program Provider Manual a
22.15 list of provider types designated "limited," "moderate," or "high-risk," based on the criteria
22.16 and standards used to designate Medicare providers in Code of Federal Regulations, title
22.17 42, section 424.518. The list and criteria are not subject to the requirements of chapter 14.
22.18 The commissioner's designations are not subject to administrative appeal.

22.19 ~~(f)~~ (k) As a condition of enrollment in medical assistance, the commissioner shall require
22.20 that a high-risk provider, or a person with a direct or indirect ownership interest in the
22.21 provider of five percent or higher, consent to criminal background checks, including
22.22 fingerprinting, when required to do so under state law or by a determination by the
22.23 commissioner or the Centers for Medicare and Medicaid Services that a provider is designated
22.24 high-risk for fraud, waste, or abuse.

22.25 ~~(g)~~ (l)(1) Upon initial enrollment, reenrollment, and notification of revalidation, all
22.26 durable medical equipment, prosthetics, orthotics, and supplies (DMEPOS) medical suppliers
22.27 meeting the durable medical equipment provider and supplier definition in clause (3),
22.28 operating in Minnesota and receiving Medicaid funds must purchase a surety bond that is
22.29 annually renewed and designates the Minnesota Department of Human Services as the
22.30 obligee, and must be submitted in a form approved by the commissioner. For purposes of
22.31 this clause, the following medical suppliers are not required to obtain a surety bond: a
22.32 federally qualified health center, a home health agency, the Indian Health Service, a
22.33 pharmacy, and a rural health clinic.

23.1 (2) At the time of initial enrollment or reenrollment, durable medical equipment providers
 23.2 and suppliers defined in clause (3) must purchase a surety bond of \$50,000. If a revalidating
 23.3 provider's Medicaid revenue in the previous calendar year is up to and including \$300,000,
 23.4 the provider agency must purchase a surety bond of \$50,000. If a revalidating provider's
 23.5 Medicaid revenue in the previous calendar year is over \$300,000, the provider agency must
 23.6 purchase a surety bond of \$100,000. The surety bond must be in a form approved by the
 23.7 commissioner, renewed annually, and must allow for recovery of costs and fees in pursuing
 23.8 a claim on the bond.

23.9 (3) "Durable medical equipment provider or supplier" means a medical supplier that can
 23.10 purchase medical equipment or supplies for sale or rental to the general public and is able
 23.11 to perform or arrange for necessary repairs to and maintenance of equipment offered for
 23.12 sale or rental.

23.13 ~~(h)~~ (m) The Department of Human Services may require a provider to purchase a surety
 23.14 bond as a condition of initial enrollment, reenrollment, reinstatement, or continued enrollment
 23.15 if: (1) the provider fails to demonstrate financial viability, (2) the department determines
 23.16 there is significant evidence of or potential for fraud and abuse by the provider, or (3) the
 23.17 provider or category of providers is designated high-risk pursuant to paragraph ~~(a)~~ (e) and
 23.18 as per Code of Federal Regulations, title 42, section 455.450. The surety bond must be in
 23.19 an amount of \$100,000 or ten percent of the provider's payments from Medicaid during the
 23.20 immediately preceding 12 months, whichever is greater. The surety bond must name the
 23.21 Department of Human Services as an obligee and must allow for recovery of costs and fees
 23.22 in pursuing a claim on the bond. This paragraph does not apply if the provider currently
 23.23 maintains a surety bond under the requirements in section 256B.0659 or 256B.85.

23.24 **EFFECTIVE DATE.** This section is effective July 1, 2019, with the exception that the
 23.25 amendments to paragraph (1), clause (2), are effective January 1, 2020.

23.26 Sec. 24. Minnesota Statutes 2018, section 256B.056, subdivision 3, is amended to read:

23.27 Subd. 3. **Asset limitations for certain individuals.** (a) To be eligible for medical
 23.28 assistance, a person must not individually own more than \$3,000 in assets, or if a member
 23.29 of a household with two family members, husband and wife, or parent and child, the
 23.30 household must not own more than \$6,000 in assets, plus \$200 for each additional legal
 23.31 dependent. In addition to these maximum amounts, an eligible individual or family may
 23.32 accrue interest on these amounts, but they must be reduced to the maximum at the time of
 23.33 an eligibility redetermination. The accumulation of the clothing and personal needs allowance
 23.34 according to section 256B.35 must also be reduced to the maximum at the time of the

24.1 eligibility redetermination. The value of assets that are not considered in determining
24.2 eligibility for medical assistance is the value of those assets excluded under the Supplemental
24.3 Security Income program for aged, blind, and disabled persons, with the following
24.4 exceptions:

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

24.6 (2) capital and operating assets of a trade or business that the local agency determines
24.7 are necessary to the person's ability to earn an income are not considered. A bank account
24.8 that contains personal income or assets or is used to pay personal expenses is not a capital
24.9 or operating asset of a trade or business;

24.10 (3) motor vehicles are excluded to the same extent excluded by the Supplemental Security
24.11 Income program;

24.12 (4) assets designated as burial expenses are excluded to the same extent excluded by the
24.13 Supplemental Security Income program. Burial expenses funded by annuity contracts or
24.14 life insurance policies must irrevocably designate the individual's estate as contingent
24.15 beneficiary to the extent proceeds are not used for payment of selected burial expenses;

24.16 (5) for a person who no longer qualifies as an employed person with a disability due to
24.17 loss of earnings, assets allowed while eligible for medical assistance under section 256B.057,
24.18 subdivision 9, are not considered for 12 months, beginning with the first month of ineligibility
24.19 as an employed person with a disability, to the extent that the person's total assets remain
24.20 within the allowed limits of section 256B.057, subdivision 9, paragraph (d);

24.21 (6) when a person enrolled in medical assistance under section 256B.057, subdivision
24.22 9, is age 65 or older and has been enrolled during each of the 24 consecutive months before
24.23 the person's 65th birthday, the assets owned by the person and the person's spouse must be
24.24 disregarded, up to the limits of section 256B.057, subdivision 9, paragraph (d), when
24.25 determining eligibility for medical assistance under section 256B.055, subdivision 7. The
24.26 income of a spouse of a person enrolled in medical assistance under section 256B.057,
24.27 subdivision 9, during each of the 24 consecutive months before the person's 65th birthday
24.28 must be disregarded when determining eligibility for medical assistance under section
24.29 256B.055, subdivision 7. Persons eligible under this clause are not subject to the provisions
24.30 in section 256B.059; and

24.31 (7) effective July 1, 2009, certain assets owned by American Indians are excluded as
24.32 required by section 5006 of the American Recovery and Reinvestment Act of 2009, Public
24.33 Law 111-5. For purposes of this clause, an American Indian is any person who meets the
24.34 definition of Indian according to Code of Federal Regulations, title 42, section 447.50.

25.1 (b) No asset limit shall apply to persons eligible under section 256B.055, subdivision
25.2 15.

25.3 Sec. 25. Minnesota Statutes 2018, section 256B.056, subdivision 4, is amended to read:

25.4 Subd. 4. **Income.** (a) To be eligible for medical assistance, a person eligible under section
25.5 256B.055, subdivisions 7, 7a, and 12, may have income up to 100 percent of the federal
25.6 poverty guidelines. Effective January 1, 2000, and each successive January, recipients of
25.7 Supplemental Security Income may have an income up to the Supplemental Security Income
25.8 standard in effect on that date.

25.9 (b) Effective January 1, 2014, to be eligible for medical assistance, under section
25.10 256B.055, subdivision 3a, a parent or caretaker relative may have an income up to 133
25.11 percent of the federal poverty guidelines for the household size.

25.12 (c) To be eligible for medical assistance under section 256B.055, subdivision 15, a
25.13 person may have an income up to 133 percent of federal poverty guidelines for the household
25.14 size.

25.15 (d) To be eligible for medical assistance under section 256B.055, subdivision 16, a child
25.16 age 19 to 20 may have an income up to 133 percent of the federal poverty guidelines for
25.17 the household size.

25.18 (e) To be eligible for medical assistance under section 256B.055, subdivision 3a, a child
25.19 under age 19 may have income up to 275 percent of the federal poverty guidelines for the
25.20 household size or an equivalent standard when converted using modified adjusted gross
25.21 income methodology as required under the Affordable Care Act. Children who are enrolled
25.22 in medical assistance as of December 31, 2013, and are determined ineligible for medical
25.23 assistance because of the elimination of income disregards under modified adjusted gross
25.24 income methodology as defined in subdivision 1a remain eligible for medical assistance
25.25 under the Children's Health Insurance Program Reauthorization Act of 2009, Public Law
25.26 111-3, until the date of their next regularly scheduled eligibility redetermination as required
25.27 in subdivision 7a.

25.28 (f) In computing income to determine eligibility of persons under paragraphs (a) to (e)
25.29 who are not residents of long-term care facilities, the commissioner shall: (1) disregard
25.30 increases in income as required by Public Laws 94-566, section 503; 99-272; and 99-509.
25.31 For persons eligible under paragraph (a), veteran aid and attendance benefits and Veterans
25.32 Administration unusual medical expense payments are considered income to the recipient;
25.33 and (2) include all assets available to the applicant that are considered income according to

26.1 the Internal Revenue Service. Income includes all deposits into accounts owned or controlled
26.2 by the applicant, including amounts spent on personal expenses, including rent, mortgage,
26.3 automobile-related expenses, utilities, and food and amounts received as salary or draws
26.4 from business accounts and not otherwise excluded by federal or state laws. Income does
26.5 not include a deposit specifically identified by the applicant as a loan or gift, for which the
26.6 applicant provides the source, date, amount, and repayment terms.

26.7 Sec. 26. Minnesota Statutes 2018, section 256B.056, subdivision 7a, is amended to read:

26.8 Subd. 7a. **Periodic renewal of eligibility.** (a) The commissioner shall make an annual
26.9 redetermination of eligibility ~~based on information contained in the enrollee's case file and~~
26.10 ~~other information available to the agency, including but not limited to information accessed~~
26.11 ~~through an electronic database, without requiring the enrollee to submit any information~~
26.12 ~~when sufficient data is available for the agency to renew eligibility.~~

26.13 (b) ~~If the commissioner cannot renew eligibility in accordance with paragraph (a),~~ The
26.14 commissioner must provide the enrollee with a prepopulated renewal form containing
26.15 eligibility information available to the agency and ~~permit~~ the enrollee to must submit the
26.16 form with any corrections or additional information to the agency and sign the renewal form
26.17 via any of the modes of submission specified in section 256B.04, subdivision 18.

26.18 (c) An enrollee who is terminated for failure to complete the renewal process may
26.19 subsequently submit the renewal form and required information within four months after
26.20 the date of termination and have coverage reinstated without a lapse, if otherwise eligible
26.21 under this chapter.

26.22 (d) Notwithstanding paragraph (a), individuals eligible under subdivision 5 shall be
26.23 required to renew eligibility every six months.

26.24 Sec. 27. Minnesota Statutes 2018, section 256B.0625, subdivision 17, is amended to read:

26.25 Subd. 17. **Transportation costs.** (a) "Nonemergency medical transportation service"
26.26 means motor vehicle transportation provided by a public or private person that serves
26.27 Minnesota health care program beneficiaries who do not require emergency ambulance
26.28 service, as defined in section 144E.001, subdivision 3, to obtain covered medical services.

26.29 (b) Medical assistance covers medical transportation costs incurred solely for obtaining
26.30 emergency medical care or transportation costs incurred by eligible persons in obtaining
26.31 emergency or nonemergency medical care when paid directly to an ambulance company,

27.1 nonemergency medical transportation company, or other recognized providers of
27.2 transportation services. Medical transportation must be provided by:

27.3 (1) nonemergency medical transportation providers who meet the requirements of this
27.4 subdivision;

27.5 (2) ambulances, as defined in section 144E.001, subdivision 2;

27.6 (3) taxicabs that meet the requirements of this subdivision;

27.7 (4) public transit, as defined in section 174.22, subdivision 7; or

27.8 (5) not-for-hire vehicles, including volunteer drivers.

27.9 (c) Medical assistance covers nonemergency medical transportation provided by
27.10 nonemergency medical transportation providers enrolled in the Minnesota health care
27.11 programs. All nonemergency medical transportation providers must comply with the
27.12 operating standards for special transportation service as defined in sections 174.29 to 174.30
27.13 and Minnesota Rules, chapter 8840, ~~and in consultation with the Minnesota Department of~~
27.14 ~~Transportation.~~ All drivers providing nonemergency medical transportation must be
27.15 individually enrolled with the commissioner if the driver is a subcontractor for or employed
27.16 by a provider that both has a base of operation located within a metropolitan county listed
27.17 in section 473.121, subdivision 4, and is listed in paragraph (b), clause (1) or (3). All
27.18 nonemergency medical transportation providers shall bill for nonemergency medical
27.19 transportation services in accordance with Minnesota health care programs criteria. Publicly
27.20 operated transit systems, volunteers, and not-for-hire vehicles are exempt from the
27.21 requirements outlined in this paragraph.

27.22 (d) An organization may be terminated, denied, or suspended from enrollment if:

27.23 (1) the provider has not initiated background studies on the individuals specified in
27.24 section 174.30, subdivision 10, paragraph (a), clauses (1) to (3); or

27.25 (2) the provider has initiated background studies on the individuals specified in section
27.26 174.30, subdivision 10, paragraph (a), clauses (1) to (3), and:

27.27 (i) the commissioner has sent the provider a notice that the individual has been
27.28 disqualified under section 245C.14; and

27.29 (ii) the individual has not received a disqualification set-aside specific to the special
27.30 transportation services provider under sections 245C.22 and 245C.23.

27.31 (e) The administrative agency of nonemergency medical transportation must:

28.1 (1) adhere to the policies defined by the commissioner in consultation with the
28.2 Nonemergency Medical Transportation Advisory Committee;

28.3 (2) pay nonemergency medical transportation providers for services provided to
28.4 Minnesota health care programs beneficiaries to obtain covered medical services;

28.5 (3) provide data monthly to the commissioner on appeals, complaints, no-shows, canceled
28.6 trips, and number of trips by mode; and

28.7 (4) by July 1, 2016, in accordance with subdivision 18e, utilize a web-based single
28.8 administrative structure assessment tool that meets the technical requirements established
28.9 by the commissioner, reconciles trip information with claims being submitted by providers,
28.10 and ensures prompt payment for nonemergency medical transportation services.

28.11 (f) Until the commissioner implements the single administrative structure and delivery
28.12 system under subdivision 18e, clients shall obtain their level-of-service certificate from the
28.13 commissioner or an entity approved by the commissioner that does not dispatch rides for
28.14 clients using modes of transportation under paragraph (i), clauses (4), (5), (6), and (7).

28.15 (g) The commissioner may use an order by the recipient's attending physician or a medical
28.16 or mental health professional to certify that the recipient requires nonemergency medical
28.17 transportation services. Nonemergency medical transportation providers shall perform
28.18 driver-assisted services for eligible individuals, when appropriate. Driver-assisted service
28.19 includes passenger pickup at and return to the individual's residence or place of business,
28.20 assistance with admittance of the individual to the medical facility, and assistance in
28.21 passenger securement or in securing of wheelchairs, child seats, or stretchers in the vehicle.

28.22 Nonemergency medical transportation providers must take clients to the health care
28.23 provider using the most direct route, and must not exceed 30 miles for a trip to a primary
28.24 care provider or 60 miles for a trip to a specialty care provider, unless the client receives
28.25 authorization from the local agency.

28.26 Nonemergency medical transportation providers may not bill for separate base rates for
28.27 the continuation of a trip beyond the original destination. Nonemergency medical
28.28 transportation providers must maintain trip logs, which include pickup and drop-off times,
28.29 signed by the medical provider or client, whichever is deemed most appropriate, attesting
28.30 to mileage traveled to obtain covered medical services. Clients requesting client mileage
28.31 reimbursement must sign the trip log attesting mileage traveled to obtain covered medical
28.32 services.

29.1 (h) The administrative agency shall use the level of service process established by the
29.2 commissioner in consultation with the Nonemergency Medical Transportation Advisory
29.3 Committee to determine the client's most appropriate mode of transportation. If public transit
29.4 or a certified transportation provider is not available to provide the appropriate service mode
29.5 for the client, the client may receive a onetime service upgrade.

29.6 (i) The covered modes of transportation are:

29.7 (1) client reimbursement, which includes client mileage reimbursement provided to
29.8 clients who have their own transportation, or to family or an acquaintance who provides
29.9 transportation to the client;

29.10 (2) volunteer transport, which includes transportation by volunteers using their own
29.11 vehicle;

29.12 (3) unassisted transport, which includes transportation provided to a client by a taxicab
29.13 or public transit. If a taxicab or public transit is not available, the client can receive
29.14 transportation from another nonemergency medical transportation provider;

29.15 (4) assisted transport, which includes transport provided to clients who require assistance
29.16 by a nonemergency medical transportation provider;

29.17 (5) lift-equipped/ramp transport, which includes transport provided to a client who is
29.18 dependent on a device and requires a nonemergency medical transportation provider with
29.19 a vehicle containing a lift or ramp;

29.20 (6) protected transport, which includes transport provided to a client who has received
29.21 a prescreening that has deemed other forms of transportation inappropriate and who requires
29.22 a provider: (i) with a protected vehicle that is not an ambulance or police car and has safety
29.23 locks, a video recorder, and a transparent thermoplastic partition between the passenger and
29.24 the vehicle driver; and (ii) who is certified as a protected transport provider; and

29.25 (7) stretcher transport, which includes transport for a client in a prone or supine position
29.26 and requires a nonemergency medical transportation provider with a vehicle that can transport
29.27 a client in a prone or supine position.

29.28 (j) The local agency shall be the single administrative agency and shall administer and
29.29 reimburse for modes defined in paragraph (i) according to paragraphs (m) and (n) when the
29.30 commissioner has developed, made available, and funded the web-based single administrative
29.31 structure, assessment tool, and level of need assessment under subdivision 18e. The local
29.32 agency's financial obligation is limited to funds provided by the state or federal government.

29.33 (k) The commissioner shall:

30.1 (1) in consultation with the Nonemergency Medical Transportation Advisory Committee,
30.2 verify that the mode and use of nonemergency medical transportation is appropriate;

30.3 (2) verify that the client is going to an approved medical appointment; and

30.4 (3) investigate all complaints and appeals.

30.5 (l) The administrative agency shall pay for the services provided in this subdivision and
30.6 seek reimbursement from the commissioner, if appropriate. As vendors of medical care,
30.7 local agencies are subject to the provisions in section 256B.041, the sanctions and monetary
30.8 recovery actions in section 256B.064, and Minnesota Rules, parts 9505.2160 to 9505.2245.

30.9 (m) Payments for nonemergency medical transportation must be paid based on the client's
30.10 assessed mode under paragraph (h), not the type of vehicle used to provide the service. The
30.11 medical assistance reimbursement rates for nonemergency medical transportation services
30.12 that are payable by or on behalf of the commissioner for nonemergency medical
30.13 transportation services are:

30.14 (1) \$0.22 per mile for client reimbursement;

30.15 (2) up to 100 percent of the Internal Revenue Service business deduction rate for volunteer
30.16 transport;

30.17 (3) equivalent to the standard fare for unassisted transport when provided by public
30.18 transit, and \$11 for the base rate and \$1.30 per mile when provided by a nonemergency
30.19 medical transportation provider;

30.20 (4) \$13 for the base rate and \$1.30 per mile for assisted transport;

30.21 (5) \$18 for the base rate and \$1.55 per mile for lift-equipped/ramp transport;

30.22 (6) \$75 for the base rate and \$2.40 per mile for protected transport; and

30.23 (7) \$60 for the base rate and \$2.40 per mile for stretcher transport, and \$9 per trip for
30.24 an additional attendant if deemed medically necessary.

30.25 (n) The base rate for nonemergency medical transportation services in areas defined
30.26 under RUCA to be super rural is equal to 111.3 percent of the respective base rate in
30.27 paragraph (m), clauses (1) to (7). The mileage rate for nonemergency medical transportation
30.28 services in areas defined under RUCA to be rural or super rural areas is:

30.29 (1) for a trip equal to 17 miles or less, equal to 125 percent of the respective mileage
30.30 rate in paragraph (m), clauses (1) to (7); and

31.1 (2) for a trip between 18 and 50 miles, equal to 112.5 percent of the respective mileage
31.2 rate in paragraph (m), clauses (1) to (7).

31.3 (o) For purposes of reimbursement rates for nonemergency medical transportation
31.4 services under paragraphs (m) and (n), the zip code of the recipient's place of residence
31.5 shall determine whether the urban, rural, or super rural reimbursement rate applies.

31.6 (p) For purposes of this subdivision, "rural urban commuting area" or "RUCA" means
31.7 a census-tract based classification system under which a geographical area is determined
31.8 to be urban, rural, or super rural.

31.9 (q) The commissioner, when determining reimbursement rates for nonemergency medical
31.10 transportation under paragraphs (m) and (n), shall exempt all modes of transportation listed
31.11 under paragraph (i) from Minnesota Rules, part 9505.0445, item R, subitem (2).

31.12 **EFFECTIVE DATE.** This section is effective January 1, 2020.

31.13 Sec. 28. Minnesota Statutes 2018, section 256B.0625, is amended by adding a subdivision
31.14 to read:

31.15 **Subd. 17d. Transportation services oversight.** The commissioner shall contract with
31.16 a vendor or dedicate staff for oversight of providers of nonemergency medical transportation
31.17 services pursuant to the commissioner's authority in section 256B.04 and Minnesota Rules,
31.18 parts 9505.2160 to 9505.2245.

31.19 **EFFECTIVE DATE.** This section is effective January 1, 2020.

31.20 Sec. 29. Minnesota Statutes 2018, section 256B.0625, is amended by adding a subdivision
31.21 to read:

31.22 **Subd. 17e. Transportation provider termination.** (a) A terminated nonemergency
31.23 medical transportation provider, including all named individuals on the current enrollment
31.24 disclosure form and known or discovered affiliates of the nonemergency medical
31.25 transportation provider, is not eligible to enroll as a nonemergency medical transportation
31.26 provider for five years following the termination.

31.27 (b) After the five-year period in paragraph (a), if a provider seeks to reenroll as a
31.28 nonemergency medical transportation provider, the nonemergency medical transportation
31.29 provider must be placed on a one-year probation period. During a provider's probation
31.30 period, the commissioner shall complete unannounced site visits and request documentation
31.31 to review compliance with program requirements.

32.1 Sec. 30. Minnesota Statutes 2018, section 256B.0625, is amended by adding a subdivision
32.2 to read:

32.3 Subd. 17f. **Transportation provider training.** The commissioner shall make available
32.4 to providers of nonemergency medical transportation and all drivers training materials and
32.5 online training opportunities regarding documentation requirements, documentation
32.6 procedures, and penalties for failing to meet documentation requirements.

32.7 Sec. 31. Minnesota Statutes 2018, section 256B.0625, subdivision 18h, is amended to
32.8 read:

32.9 Subd. 18h. **Managed care.** (a) The following subdivisions apply to managed care plans
32.10 and county-based purchasing plans:

32.11 (1) subdivision 17, paragraphs (a), (b), (c), (i), and (n);

32.12 (2) subdivision 18; and

32.13 (3) subdivision 18a.

32.14 ~~(b) A nonemergency medical transportation provider must comply with the operating~~
32.15 ~~standards for special transportation service specified in sections 174.29 to 174.30 and~~
32.16 ~~Minnesota Rules, chapter 8840. Publicly operated transit systems, volunteers, and not-for-hire~~
32.17 ~~vehicles are exempt from the requirements in this paragraph.~~

32.18 Sec. 32. Minnesota Statutes 2018, section 256B.0625, subdivision 43, is amended to read:

32.19 Subd. 43. **Mental health provider travel time.** (a) Medical assistance covers provider
32.20 travel time if a ~~recipient's individual treatment plan~~ recipient requires the provision of mental
32.21 health services outside of the provider's ~~normal~~ usual place of business. ~~This does not include~~
32.22 ~~any travel time which is included in other billable services, and is only covered when the~~
32.23 ~~mental health service being provided to a recipient is covered under medical assistance.~~

32.24 (b) Medical assistance covers under this subdivision the time a provider is in transit to
32.25 provide a covered mental health service to a recipient at a location that is not the provider's
32.26 usual place of business. A provider must travel the most direct route available. Mental health
32.27 provider travel time does not include time for scheduled or unscheduled stops, meal breaks,
32.28 or vehicle maintenance or repair, including refueling or vehicle emergencies. Recipient
32.29 transportation is not covered under this subdivision.

32.30 (c) Mental health provider travel time under this subdivision is only covered when the
32.31 mental health service being provided is covered under medical assistance and only when

33.1 the covered mental health service is delivered and billed. Mental health provider travel time
33.2 is not covered when the mental health service being provided otherwise includes provider
33.3 travel time or when the service is site based.

33.4 (d) A provider must document each trip for which the provider seeks reimbursement
33.5 under this subdivision in a compiled travel record. Required documentation may be collected
33.6 and maintained electronically or in paper form but must be made available and produced
33.7 upon request by the commissioner. The travel record must be written in English and must
33.8 be legible according to the standard of a reasonable person. The recipient's individual
33.9 identification number must be on each page of the record. The reason the provider must
33.10 travel to provide services must be included in the record, if not otherwise documented in
33.11 the recipient's individual treatment plan. Each entry in the record must document:

33.12 (1) start and stop time (with a.m. and p.m. notations);

33.13 (2) printed name of the recipient;

33.14 (3) date the entry is made;

33.15 (4) date the service is provided;

33.16 (5) origination site and destination site;

33.17 (6) who provided the service;

33.18 (7) the electronic source used to calculate driving directions and distance between
33.19 locations; and

33.20 (8) the medically necessary mental health service delivered.

33.21 (e) Mental health providers identified by the commissioner to have submitted a fraudulent
33.22 report may be excluded from participation in Minnesota health care programs.

33.23 Sec. 33. Minnesota Statutes 2018, section 256B.064, subdivision 1b, is amended to read:

33.24 Subd. 1b. **Sanctions available.** The commissioner may impose the following sanctions
33.25 for the conduct described in subdivision 1a: suspension or withholding of payments to a
33.26 vendor and suspending or terminating participation in the program, or imposition of a fine
33.27 under subdivision 2, paragraph (f). When imposing sanctions under this section, the
33.28 commissioner shall consider the nature, chronicity, or severity of the conduct and the effect
33.29 of the conduct on the health and safety of persons served by the vendor. The commissioner
33.30 shall suspend a vendor's participation in the program for a minimum of five years if the
33.31 vendor is convicted of a crime, received a stay of adjudication, or entered a court-ordered
33.32 diversion program for an offense related to a provision of a health service under medical

34.1 assistance or health care fraud. Regardless of imposition of sanctions, the commissioner
34.2 may make a referral to the appropriate state licensing board.

34.3 Sec. 34. Minnesota Statutes 2018, section 256B.064, subdivision 2, is amended to read:

34.4 Subd. 2. **Imposition of monetary recovery and sanctions.** (a) The commissioner shall
34.5 determine any monetary amounts to be recovered and sanctions to be imposed upon a vendor
34.6 of medical care under this section. Except as provided in paragraphs (b) and (d), neither a
34.7 monetary recovery nor a sanction will be imposed by the commissioner without prior notice
34.8 and an opportunity for a hearing, according to chapter 14, on the commissioner's proposed
34.9 action, provided that the commissioner may suspend or reduce payment to a vendor of
34.10 medical care, except a nursing home or convalescent care facility, after notice and prior to
34.11 the hearing if in the commissioner's opinion that action is necessary to protect the public
34.12 welfare and the interests of the program.

34.13 (b) Except when the commissioner finds good cause not to suspend payments under
34.14 Code of Federal Regulations, title 42, section 455.23 (e) or (f), the commissioner shall
34.15 withhold or reduce payments to a vendor of medical care without providing advance notice
34.16 of such withholding or reduction if either of the following occurs:

34.17 (1) the vendor is convicted of a crime involving the conduct described in subdivision
34.18 1a; or

34.19 (2) the commissioner determines there is a credible allegation of fraud for which an
34.20 investigation is pending under the program. A credible allegation of fraud is an allegation
34.21 which has been verified by the state, from any source, including but not limited to:

34.22 (i) fraud hotline complaints;

34.23 (ii) claims data mining; and

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

34.26 Allegations are considered to be credible when they have an indicia of reliability and
34.27 the state agency has reviewed all allegations, facts, and evidence carefully and acts
34.28 judiciously on a case-by-case basis.

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

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

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

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

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

35.7 (5) inform the vendor of the right to submit written evidence for consideration by the
35.8 commissioner.

35.9 The withholding or reduction of payments will not continue after the commissioner
35.10 determines there is insufficient evidence of fraud by the vendor, or after legal proceedings
35.11 relating to the alleged fraud are completed, unless the commissioner has sent notice of
35.12 intention to impose monetary recovery or sanctions under paragraph (a). Upon conviction
35.13 for a crime related to the provision, management, or administration of a health service under
35.14 medical assistance, a payment held pursuant to this section by the commissioner or a managed
35.15 care organization that contracts with the commissioner under section 256B.035 is forfeited
35.16 to the commissioner or managed care organization, regardless of the amount charged in the
35.17 criminal complaint or the amount of criminal restitution ordered.

35.18 (d) The commissioner shall suspend or terminate a vendor's participation in the program
35.19 without providing advance notice and an opportunity for a hearing when the suspension or
35.20 termination is required because of the vendor's exclusion from participation in Medicare.
35.21 Within five days of taking such action, the commissioner must send notice of the suspension
35.22 or termination. The notice must:

35.23 (1) state that suspension or termination is the result of the vendor's exclusion from
35.24 Medicare;

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

35.26 (3) inform the vendor of the need to be reinstated to Medicare before reapplying for
35.27 participation in the program.

35.28 (e) Upon receipt of a notice under paragraph (a) that a monetary recovery or sanction is
35.29 to be imposed, a vendor may request a contested case, as defined in section 14.02, subdivision
35.30 3, by filing with the commissioner a written request of appeal. The appeal request must be
35.31 received by the commissioner no later than 30 days after the date the notification of monetary
35.32 recovery or sanction was mailed to the vendor. The appeal request must specify:

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

36.3 (2) the computation that the vendor believes is correct;

36.4 (3) the authority in statute or rule upon which the vendor relies for each disputed item;

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

36.7 (5) other information required by the commissioner.

36.8 (f) The commissioner may order a vendor to forfeit a fine for failure to fully document
36.9 services according to standards in this chapter and Minnesota Rules, chapter 9505. The
36.10 commissioner may assess fines if specific required components of documentation are
36.11 missing. The fine for incomplete documentation shall equal 20 percent of the amount paid
36.12 on the claims for reimbursement submitted by the vendor, or up to \$5,000, whichever is
36.13 less. If the commissioner determines that a vendor repeatedly violated this chapter or
36.14 Minnesota Rules, chapter 9505, related to the provision of services to program recipients
36.15 and the submission of claims for payment, the commissioner may order a vendor to forfeit
36.16 a fine based on the nature, severity, and chronicity of the violations, in an amount of up to
36.17 \$5,000 or 20 percent of the value of the claims, whichever is greater.

36.18 (g) The vendor shall pay the fine assessed on or before the payment date specified. If
36.19 the vendor fails to pay the fine, the commissioner may withhold or reduce payments and
36.20 recover the amount of the fine. A timely appeal shall stay payment of the fine until the
36.21 commissioner issues a final order.

36.22 Sec. 35. Minnesota Statutes 2018, section 256B.064, is amended by adding a subdivision
36.23 to read:

36.24 Subd. 3. **Vendor mandates on prohibited hiring.** (a) The commissioner shall maintain
36.25 and publish a list of each excluded individual and entity that was convicted of a crime related
36.26 to the provision, management, or administration of a medical assistance health service, or
36.27 where participation in the program was suspended or terminated under subdivision 2. A
36.28 vendor that receives funding from medical assistance shall not: (1) employ an individual
36.29 or entity who is on the exclusion list; or (2) enter into or maintain a business relationship
36.30 with an individual or entity that is on the exclusion list.

36.31 (b) Before hiring or entering into a business transaction, a vendor shall check the
36.32 exclusion list. The vendor shall check the exclusion list on a monthly basis and document
36.33 the date and time with a.m. and p.m. designations that the exclusion list was checked and

37.1 the name and title of the person who checked the exclusion list. The vendor shall: (1)
37.2 immediately terminate a current employee on the exclusion list; and (2) immediately
37.3 terminate a business relationship with an individual or entity on the exclusion list.

37.4 (c) A vendor's requirement to check the exclusion list and to terminate an employee on
37.5 the exclusion list applies to each employee, even if the named employee is not responsible
37.6 for direct patient care or direct submission of a claim to medical assistance. A vendor's
37.7 requirement to check the exclusion list and terminate a business relationship with an
37.8 individual or entity on the exclusion list applies to each business relationship, even if the
37.9 named individual or entity is not responsible for direct patient care or direct submission of
37.10 a claim to medical assistance.

37.11 (d) A vendor that employs or enters into or maintains a business relationship with an
37.12 individual or entity on the exclusion list shall refund any payment related to a service
37.13 rendered by an individual or entity on the exclusion list from the date the individual is
37.14 employed or the date the individual is placed on the exclusion list, whichever is later, and
37.15 a vendor may be subject to:

37.16 (1) sanctions under subdivision 2;

37.17 (2) a civil monetary penalty of up to \$25,000 for each determination by the department
37.18 that the vendor employed or contracted with an individual or entity on the exclusion list;
37.19 and

37.20 (3) other fines or penalties allowed by law.

37.21 **Sec. 36. [256B.0646] CORRECTIVE ACTIONS FOR PEOPLE USING PERSONAL**
37.22 **CARE ASSISTANCE SERVICES; MINNESOTA RESTRICTED RECIPIENT**
37.23 **PROGRAM.**

37.24 (a) When there is abusive or fraudulent billing of personal care assistance services or
37.25 community first services and supports under section 256B.85, the commissioner may place
37.26 a recipient in the Minnesota restricted recipient program as defined in Minnesota Rules,
37.27 part 9505.2165. A recipient placed in the Minnesota restricted recipient program under this
37.28 section must:

37.29 (1) use a designated traditional personal care assistance provider agency;

37.30 (2) obtain a new assessment as described in section 256B.0911, including consultation
37.31 with a registered or public health nurse on the long-term care consultation team under section
37.32 256B.0911, subdivision 3, paragraph (b), clause (2); and

38.1 (3) comply with additional conditions for the use of personal care assistance services or
38.2 community first services and supports if the commissioner determines it is necessary to
38.3 prevent future misuse of personal care assistance services or abusive or fraudulent billing
38.4 related to personal care assistance services. These additional conditions may include, but
38.5 are not limited to:

38.6 (i) the restriction of service authorizations to a duration of no more than one month; and

38.7 (ii) requiring a qualified professional to monitor and report services on a monthly basis.

38.8 (b) Placement in the Minnesota restricted recipient program under this section is subject
38.9 to appeal according to section 256B.045.

38.10 Sec. 37. Minnesota Statutes 2018, section 256B.0651, subdivision 17, is amended to read:

38.11 Subd. 17. **Recipient protection.** (a) Providers of home care services must provide each
38.12 recipient with a copy of the home care bill of rights under section 144A.44 at least 30 days
38.13 prior to terminating services to a recipient, if the termination results from provider sanctions
38.14 under section 256B.064, such as a payment withhold, a suspension of participation, or a
38.15 termination of participation. If a home care provider determines it is unable to continue
38.16 providing services to a recipient, the provider must notify the recipient, the recipient's
38.17 responsible party, and the commissioner 30 days prior to terminating services to the recipient
38.18 because of an action under section 256B.064, and must assist the commissioner and lead
38.19 agency in supporting the recipient in transitioning to another home care provider of the
38.20 recipient's choice.

38.21 (b) In the event of a payment withhold from a home care provider, a suspension of
38.22 participation, or a termination of participation of a home care provider under section
38.23 256B.064, the commissioner may inform the Office of Ombudsman for Long-Term Care
38.24 and the lead agencies for all recipients with active service agreements with the provider. At
38.25 the commissioner's request, the lead agencies must contact recipients to ensure that the
38.26 recipients are continuing to receive needed care, and that the recipients have been given
38.27 free choice of provider if they transfer to another home care provider. In addition, the
38.28 commissioner or the commissioner's delegate may directly notify recipients who receive
38.29 care from the provider that payments have been or will be withheld or that the provider's
38.30 participation in medical assistance has been or will be suspended or terminated, if the
38.31 commissioner determines that notification is necessary to protect the welfare of the recipients.
38.32 For purposes of this subdivision, "lead agencies" means counties, tribes, and managed care
38.33 organizations.

39.1 Sec. 38. Minnesota Statutes 2018, section 256B.0659, subdivision 3, is amended to read:

39.2 Subd. 3. ~~Nonecovered~~ **Personal care assistance services not covered**. (a) Personal care
39.3 assistance services are not eligible for medical assistance payment under this section when
39.4 provided:

39.5 (1) by the recipient's spouse, parent of a recipient under the age of 18, paid legal guardian,
39.6 licensed foster provider, except as allowed under section 256B.0652, subdivision 10, or
39.7 responsible party;

39.8 (2) in order to meet staffing or license requirements in a residential or child care setting;

39.9 (3) solely as a child care or babysitting service; ~~or~~

39.10 (4) without authorization by the commissioner or the commissioner's designee; or

39.11 (5) on dates not within the frequency requirements of subdivision 14, paragraph (c), and
39.12 subdivision 19, paragraph (a).

39.13 (b) The following personal care services are not eligible for medical assistance payment
39.14 under this section when provided in residential settings:

39.15 (1) when the provider of home care services who is not related by blood, marriage, or
39.16 adoption owns or otherwise controls the living arrangement, including licensed or unlicensed
39.17 services; or

39.18 (2) when personal care assistance services are the responsibility of a residential or
39.19 program license holder under the terms of a service agreement and administrative rules.

39.20 (c) Other specific tasks not covered under paragraph (a) or (b) that are not eligible for
39.21 medical assistance reimbursement for personal care assistance services under this section
39.22 include:

39.23 (1) sterile procedures;

39.24 (2) injections of fluids and medications into veins, muscles, or skin;

39.25 (3) home maintenance or chore services;

39.26 (4) homemaker services not an integral part of assessed personal care assistance services
39.27 needed by a recipient;

39.28 (5) application of restraints or implementation of procedures under section 245.825;

39.29 (6) instrumental activities of daily living for children under the age of 18, except when
39.30 immediate attention is needed for health or hygiene reasons integral to the personal care
39.31 services and the need is listed in the service plan by the assessor; and

40.1 (7) assessments for personal care assistance services by personal care assistance provider
40.2 agencies or by independently enrolled registered nurses.

40.3 Sec. 39. Minnesota Statutes 2018, section 256B.0659, subdivision 12, is amended to read:

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

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

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

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

40.15 (2) provider name and telephone numbers;

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

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

40.20 (5) signatures of recipient or the responsible party;

40.21 (6) personal signature of the personal care assistant;

40.22 (7) any shared care provided, if applicable;

40.23 (8) a statement that it is a federal crime to provide false information on personal care
40.24 service billings for medical assistance payments; and

40.25 (9) dates and location of recipient stays in a hospital, care facility, or incarceration.

40.26 Sec. 40. Minnesota Statutes 2018, section 256B.0659, subdivision 13, is amended to read:

40.27 Subd. 13. **Qualified professional; qualifications.** (a) The qualified professional must
40.28 work for a personal care assistance provider agency ~~and~~, meet the definition of qualified
40.29 professional under section 256B.0625, subdivision 19c, and enroll with the department as
40.30 a qualified professional after clearing a background study. Before a qualified professional

41.1 provides services, the personal care assistance provider agency must initiate a background
41.2 study on the qualified professional under chapter 245C, and the personal care assistance
41.3 provider agency must have received a notice from the commissioner that the qualified
41.4 professional:

41.5 (1) is not disqualified under section 245C.14; or

41.6 (2) is disqualified, but the qualified professional has received a set aside of the
41.7 disqualification under section 245C.22.

41.8 (b) The qualified professional shall perform the duties of training, supervision, and
41.9 evaluation of the personal care assistance staff and evaluation of the effectiveness of personal
41.10 care assistance services. The qualified professional shall:

41.11 (1) develop and monitor with the recipient a personal care assistance care plan based on
41.12 the service plan and individualized needs of the recipient;

41.13 (2) develop and monitor with the recipient a monthly plan for the use of personal care
41.14 assistance services;

41.15 (3) review documentation of personal care assistance services provided;

41.16 (4) provide training and ensure competency for the personal care assistant in the individual
41.17 needs of the recipient; and

41.18 (5) document all training, communication, evaluations, and needed actions to improve
41.19 performance of the personal care assistants.

41.20 (c) Effective July 1, 2011, the qualified professional shall complete the provider training
41.21 with basic information about the personal care assistance program approved by the
41.22 commissioner. Newly hired qualified professionals must complete the training within six
41.23 months of the date hired by a personal care assistance provider agency. Qualified
41.24 professionals who have completed the required training as a worker from a personal care
41.25 assistance provider agency do not need to repeat the required training if they are hired by
41.26 another agency, if they have completed the training within the last three years. The required
41.27 training must be available with meaningful access according to title VI of the Civil Rights
41.28 Act and federal regulations adopted under that law or any guidance from the United States
41.29 Health and Human Services Department. The required training must be available online or
41.30 by electronic remote connection. The required training must provide for competency testing
41.31 to demonstrate an understanding of the content without attending in-person training. A
41.32 qualified professional is allowed to be employed and is not subject to the training requirement
41.33 until the training is offered online or through remote electronic connection. A qualified

42.1 professional employed by a personal care assistance provider agency certified for
42.2 participation in Medicare as a home health agency is exempt from the training required in
42.3 this subdivision. When available, the qualified professional working for a Medicare-certified
42.4 home health agency must successfully complete the competency test. The commissioner
42.5 shall ensure there is a mechanism in place to verify the identity of persons completing the
42.6 competency testing electronically.

42.7 Sec. 41. Minnesota Statutes 2018, section 256B.0659, subdivision 14, is amended to read:

42.8 Subd. 14. **Qualified professional; duties.** (a) Effective January 1, ~~2010~~ 2020, all personal
42.9 care assistants must be supervised by a qualified professional who is enrolled as an individual
42.10 provider with the commissioner under section 256B.04, subdivision 21, paragraph (c).

42.11 (b) Through direct training, observation, return demonstrations, and consultation with
42.12 the staff and the recipient, the qualified professional must ensure and document that the
42.13 personal care assistant is:

42.14 (1) capable of providing the required personal care assistance services;

42.15 (2) knowledgeable about the plan of personal care assistance services before services
42.16 are performed; and

42.17 (3) able to identify conditions that should be immediately brought to the attention of the
42.18 qualified professional.

42.19 (c) The qualified professional shall evaluate the personal care assistant within the first
42.20 14 days of starting to provide regularly scheduled services for a recipient, or sooner as
42.21 determined by the qualified professional, except for the personal care assistance choice
42.22 option under subdivision 19, paragraph (a), clause (4). For the initial evaluation, the qualified
42.23 professional shall evaluate the personal care assistance services for a recipient through direct
42.24 observation of a personal care assistant's work. The qualified professional may conduct
42.25 additional training and evaluation visits, based upon the needs of the recipient and the
42.26 personal care assistant's ability to meet those needs. Subsequent visits to evaluate the personal
42.27 care assistance services provided to a recipient do not require direct observation of each
42.28 personal care assistant's work and shall occur:

42.29 (1) at least every 90 days thereafter for the first year of a recipient's services;

42.30 (2) every 120 days after the first year of a recipient's service or whenever needed for
42.31 response to a recipient's request for increased supervision of the personal care assistance
42.32 staff; and

43.1 (3) after the first 180 days of a recipient's service, supervisory visits may alternate
43.2 between unscheduled phone or Internet technology and in-person visits, unless the in-person
43.3 visits are needed according to the care plan.

43.4 (d) Communication with the recipient is a part of the evaluation process of the personal
43.5 care assistance staff.

43.6 (e) At each supervisory visit, the qualified professional shall evaluate personal care
43.7 assistance services including the following information:

43.8 (1) satisfaction level of the recipient with personal care assistance services;

43.9 (2) review of the month-to-month plan for use of personal care assistance services;

43.10 (3) review of documentation of personal care assistance services provided;

43.11 (4) whether the personal care assistance services are meeting the goals of the service as
43.12 stated in the personal care assistance care plan and service plan;

43.13 (5) a written record of the results of the evaluation and actions taken to correct any
43.14 deficiencies in the work of a personal care assistant; and

43.15 (6) revision of the personal care assistance care plan as necessary in consultation with
43.16 the recipient or responsible party, to meet the needs of the recipient.

43.17 (f) The qualified professional shall complete the required documentation in the agency
43.18 recipient and employee files and the recipient's home, including the following documentation:

43.19 (1) the personal care assistance care plan based on the service plan and individualized
43.20 needs of the recipient;

43.21 (2) a month-to-month plan for use of personal care assistance services;

43.22 (3) changes in need of the recipient requiring a change to the level of service and the
43.23 personal care assistance care plan;

43.24 (4) evaluation results of supervision visits and identified issues with personal care
43.25 assistance staff with actions taken;

43.26 (5) all communication with the recipient and personal care assistance staff; and

43.27 (6) hands-on training or individualized training for the care of the recipient.

43.28 (g) The documentation in paragraph (f) must be done on agency templates.

43.29 (h) The services that are not eligible for payment as qualified professional services
43.30 include:

44.1 (1) direct professional nursing tasks that could be assessed and authorized as skilled
44.2 nursing tasks;

44.3 (2) agency administrative activities;

44.4 (3) training other than the individualized training required to provide care for a recipient;
44.5 and

44.6 (4) any other activity that is not described in this section.

44.7 (i) The qualified professional shall notify the commissioner on a form prescribed by the
44.8 commissioner, within 30 days of when a qualified professional is no longer employed by
44.9 or otherwise affiliated with the personal care assistance agency for whom the qualified
44.10 professional previously provided qualified professional services.

44.11 Sec. 42. Minnesota Statutes 2018, section 256B.0659, subdivision 19, is amended to read:

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

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

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

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

44.21 (4) effective January 1, 2010, supervise and evaluate the personal care assistant with the
44.22 qualified professional, who is required to visit the recipient at least every 180 days;

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

44.25 (6) engage in an annual face-to-face reassessment to determine continuing eligibility
44.26 and service authorization; and

44.27 (7) use the same personal care assistance choice provider agency if shared personal
44.28 assistance care is being used.

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

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

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

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

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

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

45.8 (1) be the employer of the personal care assistant and the qualified professional for
45.9 employment law and related regulations including, but not limited to, purchasing and
45.10 maintaining workers' compensation, unemployment insurance, surety and fidelity bonds,
45.11 and liability insurance, and submit any or all necessary documentation including, but not
45.12 limited to, workers' compensation ~~and~~₂ unemployment insurance, and labor market data
45.13 required under section 256B.4912, subdivision 1a;

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

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

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

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

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

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

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

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

45.29 Sec. 43. Minnesota Statutes 2018, section 256B.0659, subdivision 21, is amended to read:

45.30 Subd. 21. **Requirements for provider enrollment of personal care assistance provider**
45.31 **agencies.** (a) All personal care assistance provider agencies must provide, at the time of

46.1 enrollment, reenrollment, and revalidation as a personal care assistance provider agency in
46.2 a format determined by the commissioner, information and documentation that includes,
46.3 but is not limited to, the following:

46.4 (1) the personal care assistance provider agency's current contact information including
46.5 address, telephone number, and e-mail address;

46.6 (2) proof of surety bond coverage. Upon new enrollment, or if the provider's Medicaid
46.7 revenue in the previous calendar year is up to and including \$300,000, the provider agency
46.8 must purchase a surety bond of \$50,000. If the Medicaid revenue in the previous year is
46.9 over \$300,000, the provider agency must purchase a surety bond of \$100,000. The surety
46.10 bond must be in a form approved by the commissioner, must be renewed annually, and must
46.11 allow for recovery of costs and fees in pursuing a claim on the bond;

46.12 (3) proof of fidelity bond coverage in the amount of \$20,000;

46.13 (4) proof of workers' compensation insurance coverage;

46.14 (5) proof of liability insurance;

46.15 (6) a description of the personal care assistance provider agency's organization identifying
46.16 the names of all owners, managing employees, staff, board of directors, and the affiliations
46.17 of the directors, owners, or staff to other service providers;

46.18 (7) a copy of the personal care assistance provider agency's written policies and
46.19 procedures including: hiring of employees; training requirements; service delivery;
46.20 identification, prevention, detection, and reporting of fraud or any billing, record-keeping,
46.21 or other administrative noncompliance; and employee and consumer safety including process
46.22 for notification and resolution of consumer grievances, identification and prevention of
46.23 communicable diseases, and employee misconduct;

46.24 (8) copies of all other forms the personal care assistance provider agency uses in the
46.25 course of daily business including, but not limited to:

46.26 (i) a copy of the personal care assistance provider agency's time sheet if the time sheet
46.27 varies from the standard time sheet for personal care assistance services approved by the
46.28 commissioner, and a letter requesting approval of the personal care assistance provider
46.29 agency's nonstandard time sheet;

46.30 (ii) the personal care assistance provider agency's template for the personal care assistance
46.31 care plan; and

47.1 (iii) the personal care assistance provider agency's template for the written agreement
47.2 in subdivision 20 for recipients using the personal care assistance choice option, if applicable;

47.3 (9) a list of all training and classes that the personal care assistance provider agency
47.4 requires of its staff providing personal care assistance services;

47.5 (10) documentation that the personal care assistance provider agency and staff have
47.6 successfully completed all the training required by this section;

47.7 (11) documentation of the agency's marketing practices;

47.8 (12) disclosure of ownership, leasing, or management of all residential properties that
47.9 is used or could be used for providing home care services;

47.10 (13) documentation that the agency will use the following percentages of revenue
47.11 generated from the medical assistance rate paid for personal care assistance services for
47.12 employee personal care assistant wages and benefits: 72.5 percent of revenue in the personal
47.13 care assistance choice option and 72.5 percent of revenue from other personal care assistance
47.14 providers. The revenue generated by the qualified professional and the reasonable costs
47.15 associated with the qualified professional shall not be used in making this calculation; ~~and~~

47.16 (14) effective May 15, 2010, documentation that the agency does not burden recipients'
47.17 free exercise of their right to choose service providers by requiring personal care assistants
47.18 to sign an agreement not to work with any particular personal care assistance recipient or
47.19 for another personal care assistance provider agency after leaving the agency and that the
47.20 agency is not taking action on any such agreements or requirements regardless of the date
47.21 signed; and

47.22 (15) a copy of the personal care assistance provider agency's self-auditing policy and
47.23 other materials demonstrating the personal care assistance provider agency's internal program
47.24 integrity procedures.

47.25 (b) Personal care assistance provider agencies enrolling for the first time must also
47.26 provide, at the time of enrollment as a personal care assistance provider agency in a format
47.27 determined by the commissioner, information and documentation that includes proof of
47.28 sufficient initial operating capital to support the infrastructure necessary to allow for ongoing
47.29 compliance with the requirements of this section. Sufficient operating capital can be
47.30 demonstrated as follows:

47.31 (1) copies of business bank account statements with at least \$5,000 in cash reserves;

47.32 (2) proof of a cash reserve or business line of credit sufficient to equal three payrolls of
47.33 the agency's current or projected business; and

48.1 (3) any other manner proscribed by the commissioner.

48.2 (c) Personal care assistance provider agencies shall provide the information specified
48.3 in paragraph (a) to the commissioner at the time the personal care assistance provider agency
48.4 enrolls as a vendor or upon request from the commissioner. The commissioner shall collect
48.5 the information specified in paragraph (a) from all personal care assistance providers
48.6 beginning July 1, 2009.

48.7 ~~(e)~~ (d) All personal care assistance provider agencies shall require all employees in
48.8 management and supervisory positions and owners of the agency who are active in the
48.9 day-to-day management and operations of the agency to complete mandatory training as
48.10 determined by the commissioner before enrollment of the agency as a provider. Employees
48.11 in management and supervisory positions and owners who are active in the day-to-day
48.12 operations of an agency who have completed the required training as an employee with a
48.13 personal care assistance provider agency do not need to repeat the required training if they
48.14 are hired by another agency, if they have completed the training within the past three years.
48.15 By September 1, 2010, the required training must be available with meaningful access
48.16 according to title VI of the Civil Rights Act and federal regulations adopted under that law
48.17 or any guidance from the United States Health and Human Services Department. The
48.18 required training must be available online or by electronic remote connection. The required
48.19 training must provide for competency testing. Personal care assistance provider agency
48.20 billing staff shall complete training about personal care assistance program financial
48.21 management. This training is effective July 1, 2009. Any personal care assistance provider
48.22 agency enrolled before that date shall, if it has not already, complete the provider training
48.23 within 18 months of July 1, 2009. Any new owners or employees in management and
48.24 supervisory positions involved in the day-to-day operations are required to complete
48.25 mandatory training as a requisite of working for the agency. Personal care assistance provider
48.26 agencies certified for participation in Medicare as home health agencies are exempt from
48.27 the training required in this subdivision. When available, Medicare-certified home health
48.28 agency owners, supervisors, or managers must successfully complete the competency test.

48.29 (e) All personal care assistance provider agencies must provide, at the time of revalidation
48.30 as a personal care assistance provider agency in a format determined by the commissioner,
48.31 information and documentation that includes, but is not limited to, the following:

48.32 (1) documentation of the payroll paid for the preceding 12 months or other period as
48.33 proscribed by the commissioner; and

48.34 (2) financial statements demonstrating compliance with paragraph (a), clause (13).

49.1 Sec. 44. Minnesota Statutes 2018, section 256B.0659, subdivision 24, is amended to read:

49.2 Subd. 24. **Personal care assistance provider agency; general duties.** A personal care
49.3 assistance provider agency shall:

49.4 (1) enroll as a Medicaid provider meeting all provider standards, including completion
49.5 of the required provider training;

49.6 (2) comply with general medical assistance coverage requirements;

49.7 (3) demonstrate compliance with law and policies of the personal care assistance program
49.8 to be determined by the commissioner;

49.9 (4) comply with background study requirements;

49.10 (5) verify and keep records of hours worked by the personal care assistant and qualified
49.11 professional;

49.12 (6) not engage in any agency-initiated direct contact or marketing in person, by phone,
49.13 or other electronic means to potential recipients, guardians, or family members;

49.14 (7) pay the personal care assistant and qualified professional based on actual hours of
49.15 services provided;

49.16 (8) withhold and pay all applicable federal and state taxes;

49.17 (9) effective January 1, 2010, document that the agency uses a minimum of 72.5 percent
49.18 of the revenue generated by the medical assistance rate for personal care assistance services
49.19 for employee personal care assistant wages and benefits. The revenue generated by the
49.20 qualified professional and the reasonable costs associated with the qualified professional
49.21 shall not be used in making this calculation;

49.22 (10) make the arrangements and pay unemployment insurance, taxes, workers'
49.23 compensation, liability insurance, and other benefits, if any;

49.24 (11) enter into a written agreement under subdivision 20 before services are provided;

49.25 (12) report suspected neglect and abuse to the common entry point according to section
49.26 256B.0651;

49.27 (13) provide the recipient with a copy of the home care bill of rights at start of service;
49.28 ~~and~~

49.29 (14) request reassessments at least 60 days prior to the end of the current authorization
49.30 for personal care assistance services, on forms provided by the commissioner; and

50.1 (15) comply with the labor market reporting requirements described in section 256B.4912,
50.2 subdivision 1a.

50.3 Sec. 45. Minnesota Statutes 2018, section 256B.27, subdivision 3, is amended to read:

50.4 Subd. 3. **Access to medical records.** The commissioner of human services, with the
50.5 written consent of the recipient, on file with the local welfare agency, shall be allowed
50.6 access to all personal medical records of medical assistance recipients solely for the purposes
50.7 of investigating whether or not: (a) a vendor of medical care has submitted a claim for
50.8 reimbursement, a cost report or a rate application which is duplicative, erroneous, or false
50.9 in whole or in part, or which results in the vendor obtaining greater compensation than the
50.10 vendor is legally entitled to; or (b) the medical care was medically necessary. ~~The vendor~~
50.11 ~~of medical care shall receive notification from the commissioner at least 24 hours before~~
50.12 ~~the commissioner gains access to such records.~~ When the commissioner is investigating a
50.13 suspected overpayment of Medicaid funds, only after first conferring with the department's
50.14 Office of Inspector General, and documenting the evidentiary basis for any decision to
50.15 demand immediate access to medical records, the commissioner must be given immediate
50.16 access without prior notice to the vendor's office during regular business hours and to
50.17 documentation and records related to services provided and submission of claims for services
50.18 provided. Denying the commissioner access to records is cause for the vendor's immediate
50.19 suspension of payment or termination according to section 256B.064. The determination
50.20 of provision of services not medically necessary shall be made by the commissioner.
50.21 Notwithstanding any other law to the contrary, a vendor of medical care shall not be subject
50.22 to any civil or criminal liability for providing access to medical records to the commissioner
50.23 of human services pursuant to this section.

50.24 Sec. 46. Minnesota Statutes 2018, section 256B.4912, is amended by adding a subdivision
50.25 to read:

50.26 Subd. 1a. **Annual labor market reporting.** (a) As determined by the commissioner, a
50.27 provider of home and community-based services for the elderly under sections 256B.0913
50.28 and 256B.0915, home and community-based services for people with developmental
50.29 disabilities under section 256B.092, and home and community-based services for people
50.30 with disabilities under section 256B.49 shall submit data to the commissioner on the
50.31 following:

50.32 (1) number of direct-care staff;

50.33 (2) wages of direct-care staff;

- 51.1 (3) hours worked by direct-care staff;
- 51.2 (4) overtime wages of direct-care staff;
- 51.3 (5) overtime hours worked by direct-care staff;
- 51.4 (6) benefits paid and accrued by direct-care staff;
- 51.5 (7) direct-care staff retention rates;
- 51.6 (8) direct-care staff job vacancies;
- 51.7 (9) amount of travel time paid;
- 51.8 (10) program vacancy rates; and
- 51.9 (11) other related data requested by the commissioner.
- 51.10 (b) The commissioner may adjust reporting requirements for a self-employed direct-care
51.11 staff.
- 51.12 (c) For the purposes of this subdivision, "direct-care staff" means employees, including
51.13 self-employed individuals and individuals directly employed by a participant in a
51.14 consumer-directed service delivery option, providing direct service provision to people
51.15 receiving services under this section. Direct-care staff does not include executive, managerial,
51.16 or administrative staff.
- 51.17 (d) This subdivision also applies to a provider of personal care assistance services under
51.18 section 256B.0625, subdivision 19a; community first services and supports under section
51.19 256B.85; nursing services and home health services under section 256B.0625, subdivision
51.20 6a; home care nursing services under section 256B.0625, subdivision 7; or day training and
51.21 habilitation services for residents of intermediate care facilities for persons with
51.22 developmental disabilities under section 256B.501.
- 51.23 (e) This subdivision also applies to financial management services providers for
51.24 participants who directly employ direct-care staff through consumer support grants under
51.25 section 256.476; the personal care assistance choice program under section 256B.0657,
51.26 subdivisions 18 to 20; community first services and supports under section 256B.85; and
51.27 the consumer-directed community supports option available under the alternative care
51.28 program, the brain injury waiver, the community alternative care waiver, the community
51.29 alternatives for disabled individuals waiver, the developmental disabilities waiver, the
51.30 elderly waiver, and the Minnesota senior health option, except financial management services
51.31 providers are not required to submit the data listed in paragraph (a), clauses (7) to (11).

52.1 (f) The commissioner shall ensure that data submitted under this subdivision is not
52.2 duplicative of data submitted under any other section of this chapter or any other chapter.

52.3 (g) A provider shall submit the data annually on a date specified by the commissioner.
52.4 The commissioner shall give a provider at least 30 calendar days to submit the data. If a
52.5 provider fails to submit the requested data by the date specified by the commissioner, the
52.6 commissioner may delay medical assistance reimbursement until the requested data is
52.7 submitted.

52.8 (h) Individually identifiable data submitted to the commissioner in this section are
52.9 considered private data on an individual, as defined by section 13.02, subdivision 12.

52.10 (i) The commissioner shall analyze data annually for workforce assessments and how
52.11 the data impact service access.

52.12 **EFFECTIVE DATE.** This section is effective January 1, 2020.

52.13 Sec. 47. Minnesota Statutes 2018, section 256B.4912, is amended by adding a subdivision
52.14 to read:

52.15 Subd. 11. **Home and community-based service billing requirements.** (a) A home and
52.16 community-based service is eligible for reimbursement if:

52.17 (1) it is a service provided as specified in a federally approved waiver plan, as authorized
52.18 under sections 256B.0913, 256B.0915, 256B.092, and 256B.49;

52.19 (2) if applicable, it is provided on days and times during the days and hours of operation
52.20 specified on any license that is required under chapter 245A or 245D; or

52.21 (3) the home and community-based service provider has met the documentation
52.22 requirements under subdivision 12, 13, 14, or 15.

52.23 A service that does not meet the criteria in this subdivision may be recovered by the
52.24 department according to section 256B.064 and Minnesota Rules, parts 9505.2160 to
52.25 9505.2245.

52.26 (b) The provider must maintain documentation that all individuals providing service
52.27 have attested to reviewing and understanding the following statement upon employment
52.28 and annually thereafter.

52.29 "It is a federal crime to provide materially false information on service billings for
52.30 medical assistance or services provided under a federally approved waiver plan, as authorized
52.31 under Minnesota Statutes, sections 256B.0913, 256B.0915, 256B.092, and 256B.49."

53.1 Sec. 48. Minnesota Statutes 2018, section 256B.4912, is amended by adding a subdivision
53.2 to read:

53.3 Subd. 12. Home and community-based service documentation requirements. (a)
53.4 Documentation may be collected and maintained electronically or in paper form by providers,
53.5 but must be made available and produced upon the request of the commissioner.
53.6 Documentation of delivered services that comply with the electronic visit verification
53.7 requirements under Laws 2017, First Special Session chapter 6, article 3, section 49, satisfy
53.8 the requirements of this subdivision.

53.9 (b) Documentation of a delivered service must be in English and must be legible according
53.10 to the standard of a reasonable person.

53.11 (c) If the service is reimbursed at an hourly or specified minute-based rate, each
53.12 documentation of the provision of a service, unless otherwise specified, must include:

53.13 (1) the date the documentation occurred;

53.14 (2) the day, month, and year when the service was provided;

53.15 (3) the start and stop times with a.m. and p.m. designations, except for case management
53.16 services as defined under sections 256B.0913, subdivision 7, 256B.0915, subdivision 1a,
53.17 256B.092, subdivision 1a, and 256B.49, subdivision 13;

53.18 (4) the service name or description of the service provided; and

53.19 (5) the name, signature, and title, if any, of the provider of service. If the service is
53.20 provided by multiple staff members, the provider may designate a staff member responsible
53.21 for verifying services and completing the documentation required by this paragraph.

53.22 (d) If the service is reimbursed at a daily rate or does not meet the requirements of
53.23 paragraph (c), each documentation of the provision of a service, unless otherwise specified,
53.24 must include:

53.25 (1) the date the documentation occurred;

53.26 (2) the day, month, and year when the service was provided;

53.27 (3) the service name or description of the service provided; and

53.28 (4) the name, signature, and title, if any, of the person providing the service. If the service
53.29 is provided by multiple staff, the provider may designate a staff person responsible for
53.30 verifying services and completing the documentation required by this paragraph.

54.1 Sec. 49. Minnesota Statutes 2018, section 256B.4912, is amended by adding a subdivision
54.2 to read:

54.3 Subd. 13. **Waiver transportation documentation and billing requirements.** (a) A
54.4 waiver transportation service must meet the billing requirements under section 256B.4912,
54.5 subdivision 11, to be eligible for reimbursement and must:

54.6 (1) be a waiver transportation service that is not covered by medical transportation under
54.7 the Medicaid state plan; and

54.8 (2) be a waiver transportation service that is not included as a component of another
54.9 waiver service.

54.10 (b) A waiver transportation service provider must meet the documentation requirements
54.11 under subdivision 12 and must maintain:

54.12 (1) odometer and other records as provided in section 256B.0625, subdivision 17b,
54.13 paragraph (b), clause (3), sufficient to distinguish an individual trip with a specific vehicle
54.14 and driver for a waiver transportation service that is billed directly by the mile, except if
54.15 the provider is a common carrier as defined by Minnesota Rules, part 9505.0315, subpart
54.16 1, item B, or a publicly operated transit system; and

54.17 (2) documentation demonstrating that a vehicle and a driver meets the standards
54.18 determined by the Department of Human Services on vehicle and driver qualifications as
54.19 described in section 256B.0625, subdivision 17, paragraph (c).

54.20 Sec. 50. Minnesota Statutes 2018, section 256B.4912, is amended by adding a subdivision
54.21 to read:

54.22 Subd. 14. **Equipment and supply documentation requirements.** (a) An equipment
54.23 and supply services provider must meet the documentation requirements under subdivision
54.24 12 and must, for each documentation of the provision of a service, include:

54.25 (1) the recipient's assessed need for the equipment or supply and the reason the equipment
54.26 or supply is not covered by the Medicaid state plan;

54.27 (2) the type and brand name of the equipment or supply delivered to or purchased by
54.28 the recipient, including whether the equipment or supply was rented or purchased;

54.29 (3) the quantity of the equipment or supplies delivered or purchased; and

54.30 (4) the cost of equipment or supplies if the amount paid for the service depends on the
54.31 cost.

55.1 (b) A provider must maintain a copy of the shipping invoice or a delivery service tracking
55.2 log or other documentation showing the date of delivery that proves the equipment or supply
55.3 was delivered to the recipient or a receipt if the equipment or supply was purchased by the
55.4 recipient.

55.5 Sec. 51. Minnesota Statutes 2018, section 256B.4912, is amended by adding a subdivision
55.6 to read:

55.7 Subd. 15. **Adult day service documentation and billing requirements.** (a) A service
55.8 defined as "adult day care" under section 245A.02, subdivision 2a, and licensed under
55.9 Minnesota Rules, parts 9555.9600 to 9555.9730, must meet the documentation requirements
55.10 under subdivision 12 and must maintain documentation of:

55.11 (1) a needs assessment and current plan of care according to section 245A.143,
55.12 subdivisions 4 to 7, or Minnesota Rules, part 9555.9700, if applicable, for each recipient;

55.13 (2) attendance records as specified under section 245A.14, subdivision 14, paragraph
55.14 (c); the date of attendance must be documented on the attendance record with the day,
55.15 month, and year; and the pickup and drop-off time must be noted on the attendance record
55.16 in hours and minutes with a.m. and p.m. designations;

55.17 (3) the monthly and quarterly program requirements in Minnesota Rules, part 9555.9710,
55.18 subparts 1, items E and H, 3, 4, and 6, if applicable;

55.19 (4) the names and qualifications of the registered physical therapists, registered nurses,
55.20 and registered dietitians who provide services to the adult day care or nonresidential program;
55.21 and

55.22 (5) the location where the service was provided and, if the location is an alternate location
55.23 from the primary place of service, the address, or if an address is not available, a description
55.24 of both the origin and destination location, the length of time at the alternate location with
55.25 a.m. and p.m. designations, and a list of participants who went to the alternate location.

55.26 (b) A provider cannot exceed its licensed capacity; if licensed capacity is exceeded, all
55.27 Minnesota health care program payments for that date shall be recovered by the department.

55.28 **EFFECTIVE DATE.** This section is effective August 1, 2019.

56.1 Sec. 52. Minnesota Statutes 2018, section 256B.5014, is amended to read:

56.2 **256B.5014 FINANCIAL REPORTING REQUIREMENTS.**

56.3 **Subdivision 1. Financial reporting.** All facilities shall maintain financial records and
56.4 shall provide annual income and expense reports to the commissioner of human services
56.5 on a form prescribed by the commissioner no later than April 30 of each year in order to
56.6 receive medical assistance payments. The reports for the reporting year ending December
56.7 31 must include:

56.8 (1) salaries and related expenses, including program salaries, administrative salaries,
56.9 other salaries, payroll taxes, and fringe benefits;

56.10 (2) general operating expenses, including supplies, training, repairs, purchased services
56.11 and consultants, utilities, food, licenses and fees, real estate taxes, insurance, and working
56.12 capital interest;

56.13 (3) property related costs, including depreciation, capital debt interest, rent, and leases;
56.14 and

56.15 (4) total annual resident days.

56.16 **Subd. 2. Labor market reporting.** All intermediate care facilities shall comply with
56.17 the labor market reporting requirements described in section 256B.4912, subdivision 1a.

56.18 Sec. 53. Minnesota Statutes 2018, section 256B.85, subdivision 10, is amended to read:

56.19 **Subd. 10. Agency-provider and FMS provider qualifications and duties.** (a)
56.20 Agency-providers identified in subdivision 11 and FMS providers identified in subdivision
56.21 13a shall:

56.22 (1) enroll as a medical assistance Minnesota health care programs provider and meet all
56.23 applicable provider standards and requirements;

56.24 (2) demonstrate compliance with federal and state laws and policies for CFSS as
56.25 determined by the commissioner;

56.26 (3) comply with background study requirements under chapter 245C and maintain
56.27 documentation of background study requests and results;

56.28 (4) verify and maintain records of all services and expenditures by the participant,
56.29 including hours worked by support workers;

57.1 (5) not engage in any agency-initiated direct contact or marketing in person, by telephone,
57.2 or other electronic means to potential participants, guardians, family members, or participants'
57.3 representatives;

57.4 (6) directly provide services and not use a subcontractor or reporting agent;

57.5 (7) meet the financial requirements established by the commissioner for financial
57.6 solvency;

57.7 (8) have never had a lead agency contract or provider agreement discontinued due to
57.8 fraud, or have never had an owner, board member, or manager fail a state or FBI-based
57.9 criminal background check while enrolled or seeking enrollment as a Minnesota health care
57.10 programs provider; and

57.11 (9) have an office located in Minnesota.

57.12 (b) In conducting general duties, agency-providers and FMS providers shall:

57.13 (1) pay support workers based upon actual hours of services provided;

57.14 (2) pay for worker training and development services based upon actual hours of services
57.15 provided or the unit cost of the training session purchased;

57.16 (3) withhold and pay all applicable federal and state payroll taxes;

57.17 (4) make arrangements and pay unemployment insurance, taxes, workers' compensation,
57.18 liability insurance, and other benefits, if any;

57.19 (5) enter into a written agreement with the participant, participant's representative, or
57.20 legal representative that assigns roles and responsibilities to be performed before services,
57.21 supports, or goods are provided;

57.22 (6) report maltreatment as required under sections 626.556 and 626.557; ~~and~~

57.23 (7) comply with the labor market reporting requirements described in section 256B.4912,
57.24 subdivision 1a; and

57.25 (8) comply with any data requests from the department consistent with the Minnesota
57.26 Government Data Practices Act under chapter 13.

57.27 Sec. 54. Minnesota Statutes 2018, section 256D.024, subdivision 3, is amended to read:

57.28 Subd. 3. **Fleeing felons offenders.** An individual who is fleeing to avoid prosecution,
57.29 or custody, or confinement after conviction for a crime ~~that is a felony~~ under the laws of
57.30 the jurisdiction from which the individual flees, ~~or in the case of New Jersey, is a high~~
57.31 ~~misdemeanor,~~ is ineligible to receive benefits under this chapter.

58.1 Sec. 55. **[256D.0245] DRUG TESTING INFORMATION FROM PROBATION**
58.2 **OFFICERS.**

58.3 The local probation agency shall regularly provide a list of probationers who tested
58.4 positive for an illegal controlled substance to the local social services agency, specifically
58.5 the welfare fraud division, for purposes of section 256D.024.

58.6 Sec. 56. Minnesota Statutes 2018, section 256D.0515, is amended to read:

58.7 **256D.0515 ASSET LIMITATIONS FOR FOOD STAMP HOUSEHOLDS.**

58.8 All food stamp households must be determined eligible for the benefit discussed under
58.9 section 256.029. Food stamp households must demonstrate that: (1) their gross income is
58.10 equal to or less than 165 percent of the federal poverty guidelines for the same family size;
58.11 and (2) they have financial resources, excluding vehicles, of less than \$100,000.

58.12 Sec. 57. Minnesota Statutes 2018, section 256D.0516, subdivision 2, is amended to read:

58.13 Subd. 2. **Food support reporting requirements.** The commissioner of human services
58.14 shall implement simplified reporting as permitted under the Food Stamp Act of 1977, as
58.15 amended, and the food stamp regulations in Code of Federal Regulations, title 7, part 273.
58.16 Food support recipient households are required to report periodically shall not be required
58.17 to report more often than one time every six months, and must report any changes in income,
58.18 assets, or employment that affects eligibility within ten days of the date the change occurs.
58.19 This provision shall not apply to households receiving food benefits under the Minnesota
58.20 family investment program waiver.

58.21 Sec. 58. Minnesota Statutes 2018, section 256J.08, subdivision 47, is amended to read:

58.22 Subd. 47. **Income.** "Income" means cash or in-kind benefit, whether earned or unearned,
58.23 received by or available to an applicant or participant that is not property under section
58.24 256P.02. An applicant must document that the property is not available to the applicant.

58.25 Sec. 59. Minnesota Statutes 2018, section 256J.21, subdivision 2, is amended to read:

58.26 Subd. 2. **Income exclusions.** The following must be excluded in determining a family's
58.27 available income:

58.28 (1) payments for basic care, difficulty of care, and clothing allowances received for
58.29 providing family foster care to children or adults under Minnesota Rules, parts 9555.5050
58.30 to 9555.6265, 9560.0521, and 9560.0650 to 9560.0654, payments for family foster care for

- 59.1 children under section 260C.4411 or chapter 256N, and payments received and used for
59.2 care and maintenance of a third-party beneficiary who is not a household member;
- 59.3 (2) reimbursements for employment training received through the Workforce Investment
59.4 Act of 1998, United States Code, title 20, chapter 73, section 9201;
- 59.5 (3) reimbursement for out-of-pocket expenses incurred while performing volunteer
59.6 services, jury duty, employment, or informal carpooling arrangements directly related to
59.7 employment;
- 59.8 (4) all educational assistance, except the county agency must count graduate student
59.9 teaching assistantships, fellowships, and other similar paid work as earned income and,
59.10 after allowing deductions for any unmet and necessary educational expenses, shall count
59.11 scholarships or grants awarded to graduate students that do not require teaching or research
59.12 as unearned income;
- 59.13 (5) loans, regardless of purpose, from public or private lending institutions, governmental
59.14 lending institutions, or governmental agencies;
- 59.15 (6) loans from private individuals, regardless of purpose, provided an applicant or
59.16 participant ~~documents that the lender expects repayment~~ provides documentation of the
59.17 source of the loan, dates, amount of the loan, and terms of repayment;
- 59.18 (7)(i) state income tax refunds; and
- 59.19 (ii) federal income tax refunds;
- 59.20 (8)(i) federal earned income credits;
- 59.21 (ii) Minnesota working family credits;
- 59.22 (iii) state homeowners and renters credits under chapter 290A; and
- 59.23 (iv) federal or state tax rebates;
- 59.24 (9) funds received for reimbursement, replacement, or rebate of personal or real property
59.25 when these payments are made by public agencies, awarded by a court, solicited through
59.26 public appeal, or made as a grant by a federal agency, state or local government, or disaster
59.27 assistance organizations, subsequent to a presidential declaration of disaster;
- 59.28 (10) the portion of an insurance settlement that is used to pay medical, funeral, and burial
59.29 expenses, or to repair or replace insured property;
- 59.30 (11) reimbursements for medical expenses that cannot be paid by medical assistance;

- 60.1 (12) payments by a vocational rehabilitation program administered by the state under
60.2 chapter 268A, except those payments that are for current living expenses;
- 60.3 (13) in-kind income, including any payments directly made by a third party to a provider
60.4 of goods and services. In-kind income does not include in-kind payments of living expenses;
- 60.5 (14) assistance payments to correct underpayments, but only for the month in which the
60.6 payment is received;
- 60.7 (15) payments for short-term emergency needs under section 256J.626, subdivision 2;
- 60.8 (16) funeral and cemetery payments as provided by section 256.935;
- 60.9 (17) nonrecurring cash gifts of \$30 or less, not exceeding \$30 per participant in a calendar
60.10 month;
- 60.11 (18) any form of energy assistance payment made through Public Law 97-35,
60.12 Low-Income Home Energy Assistance Act of 1981, payments made directly to energy
60.13 providers by other public and private agencies, and any form of credit or rebate payment
60.14 issued by energy providers;
- 60.15 (19) Supplemental Security Income (SSI), including retroactive SSI payments and other
60.16 income of an SSI recipient;
- 60.17 (20) Minnesota supplemental aid, including retroactive payments;
- 60.18 (21) proceeds from the sale of real or personal property;
- 60.19 (22) adoption or kinship assistance payments under chapter 256N or 259A and Minnesota
60.20 permanency demonstration title IV-E waiver payments;
- 60.21 (23) state-funded family subsidy program payments made under section 252.32 to help
60.22 families care for children with developmental disabilities, consumer support grant funds
60.23 under section 256.476, and resources and services for a disabled household member under
60.24 one of the home and community-based waiver services programs under chapter 256B;
- 60.25 (24) interest payments and dividends from property that is not excluded from and that
60.26 does not exceed the asset limit;
- 60.27 (25) rent rebates;
- 60.28 (26) income earned by a minor caregiver, minor child through age 6, or a minor child
60.29 who is at least a half-time student in an approved elementary or secondary education program;
- 60.30 (27) income earned by a caregiver under age 20 who is at least a half-time student in an
60.31 approved elementary or secondary education program;

- 61.1 (28) MFIP child care payments under section 119B.05;
- 61.2 (29) all other payments made through MFIP to support a caregiver's pursuit of greater
61.3 economic stability;
- 61.4 (30) income a participant receives related to shared living expenses;
- 61.5 (31) reverse mortgages;
- 61.6 (32) benefits provided by the Child Nutrition Act of 1966, United States Code, title 42,
61.7 chapter 13A, sections 1771 to 1790;
- 61.8 (33) benefits provided by the women, infants, and children (WIC) nutrition program,
61.9 United States Code, title 42, chapter 13A, section 1786;
- 61.10 (34) benefits from the National School Lunch Act, United States Code, title 42, chapter
61.11 13, sections 1751 to 1769e;
- 61.12 (35) relocation assistance for displaced persons under the Uniform Relocation Assistance
61.13 and Real Property Acquisition Policies Act of 1970, United States Code, title 42, chapter
61.14 61, subchapter II, section 4636, or the National Housing Act, United States Code, title 12,
61.15 chapter 13, sections 1701 to 1750jj;
- 61.16 (36) benefits from the Trade Act of 1974, United States Code, title 19, chapter 12, part
61.17 2, sections 2271 to 2322;
- 61.18 (37) war reparations payments to Japanese Americans and Aleuts under United States
61.19 Code, title 50, sections 1989 to 1989d;
- 61.20 (38) payments to veterans or their dependents as a result of legal settlements regarding
61.21 Agent Orange or other chemical exposure under Public Law 101-239, section 10405,
61.22 paragraph (a)(2)(E);
- 61.23 (39) income that is otherwise specifically excluded from MFIP consideration in federal
61.24 law, state law, or federal regulation;
- 61.25 (40) security and utility deposit refunds;
- 61.26 (41) American Indian tribal land settlements excluded under Public Laws 98-123, 98-124,
61.27 and 99-377 to the Mississippi Band Chippewa Indians of White Earth, Leech Lake, and
61.28 Mille Lacs reservations and payments to members of the White Earth Band, under United
61.29 States Code, title 25, chapter 9, section 331, and chapter 16, section 1407;

62.1 (42) all income of the minor parent's parents and stepparents when determining the grant
62.2 for the minor parent in households that include a minor parent living with parents or
62.3 stepparents on MFIP with other children;

62.4 (43) income of the minor parent's parents and stepparents equal to 200 percent of the
62.5 federal poverty guideline for a family size not including the minor parent and the minor
62.6 parent's child in households that include a minor parent living with parents or stepparents
62.7 not on MFIP when determining the grant for the minor parent. The remainder of income is
62.8 deemed as specified in section 256J.37, subdivision 1b;

62.9 (44) payments made to children eligible for relative custody assistance under section
62.10 257.85;

62.11 (45) vendor payments for goods and services made on behalf of a client unless the client
62.12 has the option of receiving the payment in cash;

62.13 (46) the principal portion of a contract for deed payment;

62.14 (47) cash payments to individuals enrolled for full-time service as a volunteer under
62.15 AmeriCorps programs including AmeriCorps VISTA, AmeriCorps State, AmeriCorps
62.16 National, and AmeriCorps NCCC;

62.17 (48) housing assistance grants under section 256J.35, paragraph (a); and

62.18 (49) child support payments of up to \$100 for an assistance unit with one child and up
62.19 to \$200 for an assistance unit with two or more children.

62.20 Sec. 60. Minnesota Statutes 2018, section 256J.26, subdivision 3, is amended to read:

62.21 Subd. 3. **Fleeing felons offenders.** An individual who is fleeing to avoid prosecution,
62.22 or custody, or confinement after conviction for a crime ~~that is a felony~~ under the laws of
62.23 the jurisdiction from which the individual flees, ~~or in the case of New Jersey, is a high~~
62.24 ~~misdemeanor~~, is disqualified from receiving MFIP.

62.25 Sec. 61. **[256J.265] DRUG TESTING INFORMATION FROM PROBATION**
62.26 **OFFICERS.**

62.27 The local probation agency shall regularly provide a list of probationers who tested
62.28 positive for an illegal controlled substance to the local social services agency, specifically
62.29 the welfare fraud division, for purposes of section 256J.26.

63.1 Sec. 62. Minnesota Statutes 2018, section 256L.01, subdivision 5, is amended to read:

63.2 Subd. 5. **Income.** "Income" has the meaning given for modified adjusted gross income,
63.3 as defined in Code of Federal Regulations, title 26, section 1.36B-1, and means a household's
63.4 current income, or if income fluctuates month to month, the income for the 12-month
63.5 eligibility period. Income includes amounts deposited into checking and savings accounts
63.6 for personal expenses including rent, mortgage, automobile-related expenses, utilities, and
63.7 food.

63.8 Sec. 63. Minnesota Statutes 2018, section 256P.04, subdivision 4, is amended to read:

63.9 Subd. 4. **Factors to be verified.** (a) The agency shall verify the following at application:

63.10 (1) identity of adults;

63.11 (2) age, if necessary to determine eligibility;

63.12 (3) immigration status;

63.13 (4) income;

63.14 (5) spousal support and child support payments made to persons outside the household;

63.15 (6) vehicles;

63.16 (7) checking and savings accounts; Verification of checking and savings accounts must
63.17 include the source of deposits into accounts; identification of any loans, including the date,
63.18 source, amount, and terms of repayment; identification of deposits for personal expenses
63.19 including rent, mortgage, automobile-related expenses, utilities, and food;

63.20 (8) inconsistent information, if related to eligibility;

63.21 (9) residence;

63.22 (10) Social Security number; ~~and~~

63.23 (11) use of nonrecurring income under section 256P.06, subdivision 3, clause (2), item
63.24 (ix), for the intended purpose for which it was given and received;

63.25 (12) loans. Verification of loans must include the source, the full amount, and repayment
63.26 terms; and

63.27 (13) direct or indirect gifts of money.

63.28 (b) Applicants who are qualified noncitizens and victims of domestic violence as defined
63.29 under section 256J.08, subdivision 73, clause (7), are not required to verify the information
63.30 in paragraph (a), clause (10). When a Social Security number is not provided to the agency

64.1 for verification, this requirement is satisfied when each member of the assistance unit
64.2 cooperates with the procedures for verification of Social Security numbers, issuance of
64.3 duplicate cards, and issuance of new numbers which have been established jointly between
64.4 the Social Security Administration and the commissioner.

64.5 Sec. 64. Minnesota Statutes 2018, section 256P.06, subdivision 3, is amended to read:

64.6 Subd. 3. **Income inclusions.** The following must be included in determining the income
64.7 of an assistance unit:

64.8 (1) earned income:

64.9 (i) calculated according to Minnesota Rules, part 3400.0170, subpart 7, for earned income
64.10 from self-employment, except if the participant is drawing a salary, taking a draw from the
64.11 business, or using the business account to pay personal expenses including rent, mortgage,
64.12 automobile-related expenses, utilities, or food, not directly related to the business, the salary
64.13 or payment must be treated as earned income; and

64.14 (ii) excluding expenses listed in Minnesota Rules, part 3400.0170, subpart 8, items A
64.15 to I and M to P; and

64.16 (2) unearned income, which includes:

64.17 (i) interest and dividends from investments and savings;

64.18 (ii) capital gains as defined by the Internal Revenue Service from any sale of real property;

64.19 (iii) proceeds from rent and contract for deed payments in excess of the principal and
64.20 interest portion owed on property;

64.21 (iv) income from trusts, excluding special needs and supplemental needs trusts;

64.22 (v) interest income from loans made by the participant or household;

64.23 (vi) cash prizes and winnings;

64.24 (vii) unemployment insurance income;

64.25 (viii) retirement, survivors, and disability insurance payments;

64.26 (ix) nonrecurring income over \$60 per quarter unless earmarked and used for the purpose
64.27 for which it is intended. Income and use of this income is subject to verification requirements
64.28 under section 256P.04;

64.29 (x) retirement benefits;

65.1 (xi) cash assistance benefits, as defined by each program in chapters 119B, 256D, 256I,
65.2 and 256J;

65.3 (xii) tribal per capita payments unless excluded by federal and state law;

65.4 (xiii) income and payments from service and rehabilitation programs that meet or exceed
65.5 the state's minimum wage rate;

65.6 (xiv) income from members of the United States armed forces unless excluded from
65.7 income taxes according to federal or state law;

65.8 (xv) all child support payments for programs under chapters 119B, 256D, and 256I;

65.9 (xvi) the amount of child support received that exceeds \$100 for assistance units with
65.10 one child and \$200 for assistance units with two or more children for programs under chapter
65.11 256J; and

65.12 (xvii) spousal support.

65.13 Sec. 65. Laws 2017, First Special Session chapter 6, article 3, section 49, is amended to
65.14 read:

65.15 Sec. 49. ~~ELECTRONIC SERVICE DELIVERY DOCUMENTATION SYSTEM~~
65.16 VISIT VERIFICATION.

65.17 Subdivision 1. **Documentation; establishment.** The commissioner of human services
65.18 shall establish implementation requirements and standards for an electronic ~~service delivery~~
65.19 ~~documentation system~~ visit verification to comply with the 21st Century Cures Act, Public
65.20 Law 114-255. Within available appropriations, the commissioner shall take steps to comply
65.21 with the electronic visit verification requirements in the 21st Century Cures Act, Public
65.22 Law 114-255.

65.23 Subd. 2. **Definitions.** (a) For purposes of this section, the terms in this subdivision have
65.24 the meanings given them.

65.25 (b) "Electronic ~~service delivery documentation~~ visit verification" means the electronic
65.26 documentation of the:

65.27 (1) type of service performed;

65.28 (2) individual receiving the service;

65.29 (3) date of the service;

65.30 (4) location of the service delivery;

66.1 (5) individual providing the service; and

66.2 (6) time the service begins and ends.

66.3 (c) "~~Electronic service delivery documentation~~ visit verification system" means a system
66.4 that provides ~~electronic service delivery documentation~~ verification of services that complies
66.5 with the 21st Century Cures Act, Public Law 114-255, and the requirements of subdivision
66.6 3.

66.7 (d) "Service" means one of the following:

66.8 (1) personal care assistance services as defined in Minnesota Statutes, section 256B.0625,
66.9 subdivision 19a, and provided according to Minnesota Statutes, section 256B.0659; ~~or~~

66.10 (2) community first services and supports under Minnesota Statutes, section 256B.85;

66.11 (3) home health services under Minnesota Statutes, section 256B.0625, subdivision 6a;
66.12 or

66.13 (4) other medical supplies and equipment or home and community-based services that
66.14 are required to be electronically verified by the 21st Century Cures Act, Public Law 114-255.

66.15 Subd. 3. **System requirements.** (a) In developing implementation requirements for ~~an~~
66.16 ~~electronic service delivery documentation system~~ visit verification, the commissioner shall
66.17 ~~consider electronic visit verification systems and other electronic service delivery~~
66.18 ~~documentation methods. The commissioner shall convene stakeholders that will be impacted~~
66.19 ~~by an electronic service delivery system, including service providers and their representatives,~~
66.20 ~~service recipients and their representatives, and, as appropriate, those with expertise in the~~
66.21 ~~development and operation of an electronic service delivery documentation system, to ensure~~
66.22 that the requirements:

66.23 (1) are minimally administratively and financially burdensome to a provider;

66.24 (2) are minimally burdensome to the service recipient and the least disruptive to the
66.25 service recipient in receiving and maintaining allowed services;

66.26 (3) consider existing best practices and use of ~~electronic service delivery documentation~~
66.27 visit verification;

66.28 (4) are conducted according to all state and federal laws;

66.29 (5) are effective methods for preventing fraud when balanced against the requirements
66.30 of clauses (1) and (2); and

67.1 (6) are consistent with the Department of Human Services' policies related to covered
67.2 services, flexibility of service use, and quality assurance.

67.3 (b) The commissioner shall make training available to providers on the electronic ~~service~~
67.4 ~~delivery documentation~~ visit verification system requirements.

67.5 (c) The commissioner shall establish baseline measurements related to preventing fraud
67.6 and establish measures to determine the effect of electronic ~~service-delivery documentation~~
67.7 visit verification requirements on program integrity.

67.8 (d) The commissioner shall make a state-selected electronic visit verification system
67.9 available to providers of services.

67.10 Subd. 3a. **Provider requirements.** (a) Providers of services may select their own
67.11 electronic visit verification system that meets the requirements established by the
67.12 commissioner.

67.13 (b) All electronic visit verification systems used by providers to comply with the
67.14 requirements established by the commissioner must provide data to the commissioner in a
67.15 format and at a frequency to be established by the commissioner.

67.16 (c) Providers must implement the electronic visit verification systems required under
67.17 this section by January 1, 2020, for personal care services and by January 1, 2023, for home
67.18 health services in accordance with the 21st Century Cures Act, Public Law 114-255, and
67.19 the Centers for Medicare and Medicaid Services guidelines. For the purposes of this
67.20 paragraph, "personal care services" and "home health services" have the meanings given
67.21 in United States Code, title 42, section 1396b(l)(5). Reimbursement rates for providers must
67.22 not be reduced as a result of federal action to reduce the federal medical assistance percentage
67.23 under the 21st Century Cures Act, Public Law 114.255, Code of Federal Regulations, title
67.24 32, section 310.32.

67.25 ~~Subd. 4. **Legislative report.** (a) The commissioner shall submit a report by January 15,~~
67.26 ~~2018, to the chairs and ranking minority members of the legislative committees with~~
67.27 ~~jurisdiction over human services with recommendations, based on the requirements of~~
67.28 ~~subdivision 3, to establish electronic service-delivery documentation system requirements~~
67.29 ~~and standards. The report shall identify:~~

67.30 ~~(1) the essential elements necessary to operationalize a base-level electronic service~~
67.31 ~~delivery documentation system to be implemented by January 1, 2019; and~~

68.1 ~~(2) enhancements to the base-level electronic service delivery documentation system to~~
68.2 ~~be implemented by January 1, 2019, or after, with projected operational costs and the costs~~
68.3 ~~and benefits for system enhancements.~~

68.4 ~~(b) The report must also identify current regulations on service providers that are either~~
68.5 ~~inefficient, minimally effective, or will be unnecessary with the implementation of an~~
68.6 ~~electronic service delivery documentation system.~~

68.7 **Sec. 66. DIRECTIONS TO COMMISSIONER; NEMT DRIVER ENROLLMENT**
68.8 **IMPACT.**

68.9 By August 1, 2021, the commissioner of human services shall issue a report to the chairs
68.10 and ranking minority members of the house of representatives and senate committees with
68.11 jurisdiction over health and human services. The commissioner must include in the report
68.12 the commissioner's findings regarding the impact of driver enrollment under Minnesota
68.13 Statutes, section 256B.0625, subdivision 17, paragraph (c), on the program integrity of the
68.14 nonemergency medical transportation program. The commissioner must include a
68.15 recommendation, based on the findings in the report, regarding expanding the driver
68.16 enrollment requirement.

68.17 **Sec. 67. UNIVERSAL IDENTIFICATION NUMBER FOR CHILDREN IN EARLY**
68.18 **CHILDHOOD PROGRAMS.**

68.19 By July 1, 2020, the commissioners of the Departments of Education, Health, and Human
68.20 Services shall identify a process to establish and implement a universal identification number
68.21 for children participating in early childhood programs to eliminate potential duplication in
68.22 programs. The commissioners shall report the identified process and any associated fiscal
68.23 cost to the chairs and ranking minority members of the legislative committees with
68.24 jurisdiction over health, human services, and education. A universal identification number
68.25 established and implemented under this section is private data on individuals, as defined in
68.26 Minnesota Statutes, section 13.02, subdivision 12, except that the commissioners of
68.27 education, health, and human services may share the universal identification number with
68.28 each other pursuant to their data sharing authority under Minnesota Statutes, section 13.46,
68.29 subdivision 2, clause (9), and Minnesota Statutes, section 145A.17, subdivision 3, paragraph
68.30 (e).

69.1 Sec. 68. **DIRECTION TO COMMISSIONER; FEDERAL WAIVER FOR MEDICAL**
69.2 **ASSISTANCE SELF-ATTESTATION REMOVAL.**

69.3 The commissioner of human services shall seek all necessary federal waivers to
69.4 implement the removal of the self-attestation when establishing eligibility for medical
69.5 assistance.

69.6 Sec. 69. **REVISOR'S INSTRUCTION.**

69.7 The revisor of statutes shall codify Laws 2017, First Special Session chapter 6, article
69.8 3, section 49, as amended in this act, in Minnesota Statutes, chapter 256B.

69.9 Sec. 70. **REPEALER.**

69.10 Minnesota Statutes 2018, section 256B.0705, is repealed.

69.11 **EFFECTIVE DATE.** This section is effective January 1, 2020.

69.12 **ARTICLE 2**

69.13 **CHILDREN AND FAMILIES SERVICES**

69.14 Section 1. Minnesota Statutes 2018, section 13.46, subdivision 2, is amended to read:

69.15 Subd. 2. **General.** (a) Data on individuals collected, maintained, used, or disseminated
69.16 by the welfare system are private data on individuals, and shall not be disclosed except:

69.17 (1) according to section 13.05;

69.18 (2) according to court order;

69.19 (3) according to a statute specifically authorizing access to the private data;

69.20 (4) to an agent of the welfare system and an investigator acting on behalf of a county,
69.21 the state, or the federal government, including a law enforcement person or attorney in the
69.22 investigation or prosecution of a criminal, civil, or administrative proceeding relating to the
69.23 administration of a program;

69.24 (5) to personnel of the welfare system who require the data to verify an individual's
69.25 identity; determine eligibility, amount of assistance, and the need to provide services to an
69.26 individual or family across programs; coordinate services for an individual or family;
69.27 evaluate the effectiveness of programs; assess parental contribution amounts; and investigate
69.28 suspected fraud;

69.29 (6) to administer federal funds or programs;

70.1 (7) between personnel of the welfare system working in the same program;

70.2 (8) to the Department of Revenue to assess parental contribution amounts for purposes
70.3 of section 252.27, subdivision 2a, administer and evaluate tax refund or tax credit programs
70.4 and to identify individuals who may benefit from these programs. The following information
70.5 may be disclosed under this paragraph: an individual's and their dependent's names, dates
70.6 of birth, Social Security numbers, income, addresses, and other data as required, upon
70.7 request by the Department of Revenue. Disclosures by the commissioner of revenue to the
70.8 commissioner of human services for the purposes described in this clause are governed by
70.9 section 270B.14, subdivision 1. Tax refund or tax credit programs include, but are not limited
70.10 to, the dependent care credit under section 290.067, the Minnesota working family credit
70.11 under section 290.0671, the property tax refund and rental credit under section 290A.04,
70.12 and the Minnesota education credit under section 290.0674;

70.13 (9) between the Department of Human Services, the Department of Employment and
70.14 Economic Development, and when applicable, the Department of Education, for the following
70.15 purposes:

70.16 (i) to monitor the eligibility of the data subject for unemployment benefits, for any
70.17 employment or training program administered, supervised, or certified by that agency;

70.18 (ii) to administer any rehabilitation program or child care assistance program, whether
70.19 alone or in conjunction with the welfare system;

70.20 (iii) to monitor and evaluate the Minnesota family investment program or the child care
70.21 assistance program by exchanging data on recipients and former recipients of food support,
70.22 cash assistance under chapter 256, 256D, 256J, or 256K, child care assistance under chapter
70.23 119B, medical programs under chapter 256B or 256L, or a medical program formerly
70.24 codified under chapter 256D; and

70.25 (iv) to analyze public assistance employment services and program utilization, cost,
70.26 effectiveness, and outcomes as implemented under the authority established in Title II,
70.27 Sections 201-204 of the Ticket to Work and Work Incentives Improvement Act of 1999.
70.28 Health records governed by sections 144.291 to 144.298 and "protected health information"
70.29 as defined in Code of Federal Regulations, title 45, section 160.103, and governed by Code
70.30 of Federal Regulations, title 45, parts 160-164, including health care claims utilization
70.31 information, must not be exchanged under this clause;

70.32 (10) to appropriate parties in connection with an emergency if knowledge of the
70.33 information is necessary to protect the health or safety of the individual or other individuals
70.34 or persons;

71.1 (11) data maintained by residential programs as defined in section 245A.02 may be
71.2 disclosed to the protection and advocacy system established in this state according to Part
71.3 C of Public Law 98-527 to protect the legal and human rights of persons with developmental
71.4 disabilities or other related conditions who live in residential facilities for these persons if
71.5 the protection and advocacy system receives a complaint by or on behalf of that person and
71.6 the person does not have a legal guardian or the state or a designee of the state is the legal
71.7 guardian of the person;

71.8 (12) to the county medical examiner or the county coroner for identifying or locating
71.9 relatives or friends of a deceased person;

71.10 (13) data on a child support obligor who makes payments to the public agency may be
71.11 disclosed to the Minnesota Office of Higher Education to the extent necessary to determine
71.12 eligibility under section 136A.121, subdivision 2, clause (5);

71.13 (14) participant Social Security numbers and names collected by the telephone assistance
71.14 program may be disclosed to the Department of Revenue to conduct an electronic data
71.15 match with the property tax refund database to determine eligibility under section 237.70,
71.16 subdivision 4a;

71.17 (15) the current address of a Minnesota family investment program participant may be
71.18 disclosed to law enforcement officers who provide the name of the participant and notify
71.19 the agency that:

71.20 (i) the participant:

71.21 (A) is a fugitive felon fleeing to avoid prosecution, or custody or confinement after
71.22 conviction, for a crime or attempt to commit a crime that is a felony under the laws of the
71.23 jurisdiction from which the individual is fleeing; or

71.24 (B) is violating a condition of probation or parole imposed under state or federal law;

71.25 (ii) the location or apprehension of the felon is within the law enforcement officer's
71.26 official duties; and

71.27 (iii) the request is made in writing and in the proper exercise of those duties;

71.28 (16) the current address of a recipient of general assistance may be disclosed to probation
71.29 officers and corrections agents who are supervising the recipient and to law enforcement
71.30 officers who are investigating the recipient in connection with a felony level offense;

71.31 (17) information obtained from food support applicant or recipient households may be
71.32 disclosed to local, state, or federal law enforcement officials, upon their written request, for

72.1 the purpose of investigating an alleged violation of the Food Stamp Act, according to Code
72.2 of Federal Regulations, title 7, section 272.1(c);

72.3 (18) the address, Social Security number, and, if available, photograph of any member
72.4 of a household receiving food support shall be made available, on request, to a local, state,
72.5 or federal law enforcement officer if the officer furnishes the agency with the name of the
72.6 member and notifies the agency that:

72.7 (i) the member:

72.8 (A) is fleeing to avoid prosecution, or custody or confinement after conviction, for a
72.9 crime or attempt to commit a crime that is a felony in the jurisdiction the member is fleeing;

72.10 (B) is violating a condition of probation or parole imposed under state or federal law;
72.11 or

72.12 (C) has information that is necessary for the officer to conduct an official duty related
72.13 to conduct described in subitem (A) or (B);

72.14 (ii) locating or apprehending the member is within the officer's official duties; and

72.15 (iii) the request is made in writing and in the proper exercise of the officer's official duty;

72.16 (19) the current address of a recipient of Minnesota family investment program, general
72.17 assistance, or food support may be disclosed to law enforcement officers who, in writing,
72.18 provide the name of the recipient and notify the agency that the recipient is a person required
72.19 to register under section 243.166, but is not residing at the address at which the recipient is
72.20 registered under section 243.166;

72.21 (20) certain information regarding child support obligors who are in arrears may be
72.22 made public according to section 518A.74;

72.23 (21) data on child support payments made by a child support obligor and data on the
72.24 distribution of those payments excluding identifying information on obligees may be
72.25 disclosed to all obligees to whom the obligor owes support, and data on the enforcement
72.26 actions undertaken by the public authority, the status of those actions, and data on the income
72.27 of the obligor or obligee may be disclosed to the other party;

72.28 (22) data in the work reporting system may be disclosed under section 256.998,
72.29 subdivision 7;

72.30 (23) to the Department of Education for the purpose of matching Department of Education
72.31 student data with public assistance data to determine students eligible for free and
72.32 reduced-price meals, meal supplements, and free milk according to United States Code,

73.1 title 42, sections 1758, 1761, 1766, 1766a, 1772, and 1773; to allocate federal and state
73.2 funds that are distributed based on income of the student's family; and to verify receipt of
73.3 energy assistance for the telephone assistance plan;

73.4 (24) the current address and telephone number of program recipients and emergency
73.5 contacts may be released to the commissioner of health or a community health board as
73.6 defined in section 145A.02, subdivision 5, when the commissioner or community health
73.7 board has reason to believe that a program recipient is a disease case, carrier, suspect case,
73.8 or at risk of illness, and the data are necessary to locate the person;

73.9 (25) to other state agencies, statewide systems, and political subdivisions of this state,
73.10 including the attorney general, and agencies of other states, interstate information networks,
73.11 federal agencies, and other entities as required by federal regulation or law for the
73.12 administration of the child support enforcement program;

73.13 (26) to personnel of public assistance programs as defined in section 256.741, for access
73.14 to the child support system database for the purpose of administration, including monitoring
73.15 and evaluation of those public assistance programs;

73.16 (27) to monitor and evaluate the Minnesota family investment program by exchanging
73.17 data between the Departments of Human Services and Education, on recipients and former
73.18 recipients of food support, cash assistance under chapter 256, 256D, 256J, or 256K, child
73.19 care assistance under chapter 119B, medical programs under chapter 256B or 256L, or a
73.20 medical program formerly codified under chapter 256D;

73.21 (28) to evaluate child support program performance and to identify and prevent fraud
73.22 in the child support program by exchanging data between the Department of Human Services,
73.23 Department of Revenue under section 270B.14, subdivision 1, paragraphs (a) and (b),
73.24 without regard to the limitation of use in paragraph (c), Department of Health, Department
73.25 of Employment and Economic Development, and other state agencies as is reasonably
73.26 necessary to perform these functions;

73.27 (29) counties and the Department of Human Services operating child care assistance
73.28 programs under chapter 119B may disseminate data on program participants, applicants,
73.29 and providers to the commissioner of education;

73.30 (30) child support data on the child, the parents, and relatives of the child may be
73.31 disclosed to agencies administering programs under titles IV-B and IV-E of the Social
73.32 Security Act, as authorized by federal law;

74.1 (31) to a health care provider governed by sections 144.291 to 144.298, to the extent
74.2 necessary to coordinate services;

74.3 (32) to the chief administrative officer of a school to coordinate services for a student
74.4 and family; data that may be disclosed under this clause are limited to name, date of birth,
74.5 gender, and address; or

74.6 (33) to county correctional agencies to the extent necessary to coordinate services and
74.7 diversion programs; data that may be disclosed under this clause are limited to name, client
74.8 demographics, program, case status, and county worker information.

74.9 (b) Information on persons who have been treated for drug or alcohol abuse may only
74.10 be disclosed according to the requirements of Code of Federal Regulations, title 42, sections
74.11 2.1 to 2.67.

74.12 (c) Data provided to law enforcement agencies under paragraph (a), clause (15), (16),
74.13 (17), or (18), or paragraph (b), are investigative data and are confidential or protected
74.14 nonpublic while the investigation is active. The data are private after the investigation
74.15 becomes inactive under section 13.82, subdivision 5, paragraph (a) or (b).

74.16 (d) Mental health data shall be treated as provided in subdivisions 7, 8, and 9, but are
74.17 not subject to the access provisions of subdivision 10, paragraph (b).

74.18 For the purposes of this subdivision, a request will be deemed to be made in writing if
74.19 made through a computer interface system.

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

74.21 Sec. 2. Minnesota Statutes 2018, section 13.46, subdivision 4, is amended to read:

74.22 Subd. 4. **Licensing data.** (a) As used in this subdivision:

74.23 (1) "licensing data" are all data collected, maintained, used, or disseminated by the
74.24 welfare system pertaining to persons licensed or registered or who apply for licensure or
74.25 registration or who formerly were licensed or registered under the authority of the
74.26 commissioner of human services;

74.27 (2) "client" means a person who is receiving services from a licensee or from an applicant
74.28 for licensure; and

74.29 (3) "personal and personal financial data" are Social Security numbers, identity of and
74.30 letters of reference, insurance information, reports from the Bureau of Criminal
74.31 Apprehension, health examination reports, and social/home studies.

75.1 (b)(1)(i) Except as provided in paragraph (c), the following data on applicants, license
75.2 holders, and former licensees are public: name, address, telephone number of licensees,
75.3 date of receipt of a completed application, dates of licensure, licensed capacity, type of
75.4 client preferred, variances granted, record of training and education in child care and child
75.5 development, type of dwelling, name and relationship of other family members, previous
75.6 license history, class of license, the existence and status of complaints, and the number of
75.7 serious injuries to or deaths of individuals in the licensed program as reported to the
75.8 commissioner of human services, the local social services agency, or any other county
75.9 welfare agency. For purposes of this clause, a serious injury is one that is treated by a
75.10 physician.

75.11 (ii) Except as provided in item (v), when a correction order, an order to forfeit a fine,
75.12 an order of license suspension, an order of temporary immediate suspension, an order of
75.13 license revocation, an order of license denial, or an order of conditional license has been
75.14 issued, or a complaint is resolved, the following data on current and former licensees and
75.15 applicants are public: the general nature of the complaint or allegations leading to the
75.16 temporary immediate suspension; the substance and investigative findings of the licensing
75.17 or maltreatment complaint, licensing violation, or substantiated maltreatment; the existence
75.18 of settlement negotiations; the record of informal resolution of a licensing violation; orders
75.19 of hearing; findings of fact; conclusions of law; specifications of the final correction order,
75.20 fine, suspension, temporary immediate suspension, revocation, denial, or conditional license
75.21 contained in the record of licensing action; whether a fine has been paid; and the status of
75.22 any appeal of these actions.

75.23 (iii) When a license denial under section 245A.05 or a sanction under section 245A.07
75.24 is based on a determination that a license holder, applicant, or controlling individual is
75.25 responsible for maltreatment under section 626.556 or 626.557, the identity of the applicant,
75.26 license holder, or controlling individual as the individual responsible for maltreatment is
75.27 public data at the time of the issuance of the license denial or sanction.

75.28 (iv) When a license denial under section 245A.05 or a sanction under section 245A.07
75.29 is based on a determination that a license holder, applicant, or controlling individual is
75.30 disqualified under chapter 245C, the identity of the license holder, applicant, or controlling
75.31 individual as the disqualified individual and the reason for the disqualification are public
75.32 data at the time of the issuance of the licensing sanction or denial. If the applicant, license
75.33 holder, or controlling individual requests reconsideration of the disqualification and the
75.34 disqualification is affirmed, the reason for the disqualification and the reason to not set aside
75.35 the disqualification are public data.

76.1 (v) A correction order or fine issued to a child care provider for a licensing violation is
76.2 private data on individuals under section 13.02, subdivision 12, or nonpublic data under
76.3 section 13.02, subdivision 9, if the correction order or fine is seven years old or older.

76.4 (2) For applicants who withdraw their application prior to licensure or denial of a license,
76.5 the following data are public: the name of the applicant, the city and county in which the
76.6 applicant was seeking licensure, the dates of the commissioner's receipt of the initial
76.7 application and completed application, the type of license sought, and the date of withdrawal
76.8 of the application.

76.9 (3) For applicants who are denied a license, the following data are public: the name and
76.10 address of the applicant, the city and county in which the applicant was seeking licensure,
76.11 the dates of the commissioner's receipt of the initial application and completed application,
76.12 the type of license sought, the date of denial of the application, the nature of the basis for
76.13 the denial, the existence of settlement negotiations, the record of informal resolution of a
76.14 denial, orders of hearings, findings of fact, conclusions of law, specifications of the final
76.15 order of denial, and the status of any appeal of the denial.

76.16 (4) When maltreatment is substantiated under section 626.556 or 626.557 and the victim
76.17 and the substantiated perpetrator are affiliated with a program licensed under chapter 245A,
76.18 the commissioner of human services, local social services agency, or county welfare agency
76.19 may inform the license holder where the maltreatment occurred of the identity of the
76.20 substantiated perpetrator and the victim.

76.21 (5) Notwithstanding clause (1), for child foster care, only the name of the license holder
76.22 and the status of the license are public if the county attorney has requested that data otherwise
76.23 classified as public data under clause (1) be considered private data based on the best interests
76.24 of a child in placement in a licensed program.

76.25 (c) The following are private data on individuals under section 13.02, subdivision 12,
76.26 or nonpublic data under section 13.02, subdivision 9: personal and personal financial data
76.27 on family day care program and family foster care program applicants and licensees and
76.28 their family members who provide services under the license.

76.29 (d) The following are private data on individuals: the identity of persons who have made
76.30 reports concerning licensees or applicants that appear in inactive investigative data, and the
76.31 records of clients or employees of the licensee or applicant for licensure whose records are
76.32 received by the licensing agency for purposes of review or in anticipation of a contested
76.33 matter. The names of reporters of complaints or alleged violations of licensing standards
76.34 under chapters 245A, 245B, 245C, and 245D, and applicable rules and alleged maltreatment

77.1 under sections 626.556 and 626.557, are confidential data and may be disclosed only as
77.2 provided in section 626.556, subdivision 11, or 626.557, subdivision 12b.

77.3 (e) Data classified as private, confidential, nonpublic, or protected nonpublic under this
77.4 subdivision become public data if submitted to a court or administrative law judge as part
77.5 of a disciplinary proceeding in which there is a public hearing concerning a license which
77.6 has been suspended, immediately suspended, revoked, or denied.

77.7 (f) Data generated in the course of licensing investigations that relate to an alleged
77.8 violation of law are investigative data under subdivision 3.

77.9 (g) Data that are not public data collected, maintained, used, or disseminated under this
77.10 subdivision that relate to or are derived from a report as defined in section 626.556,
77.11 subdivision 2, or 626.5572, subdivision 18, are subject to the destruction provisions of
77.12 sections 626.556, subdivision 11c, and 626.557, subdivision 12b.

77.13 (h) Upon request, not public data collected, maintained, used, or disseminated under
77.14 this subdivision that relate to or are derived from a report of substantiated maltreatment as
77.15 defined in section 626.556 or 626.557 may be exchanged with the Department of Health
77.16 for purposes of completing background studies pursuant to section 144.057 and with the
77.17 Department of Corrections for purposes of completing background studies pursuant to
77.18 section 241.021.

77.19 (i) Data on individuals collected according to licensing activities under chapters 245A
77.20 and 245C, data on individuals collected by the commissioner of human services according
77.21 to investigations under chapters 245A, 245B, 245C, and 245D, and sections 626.556 and
77.22 626.557 may be shared with the Department of Human Rights, the Department of Health,
77.23 the Department of Corrections, the ombudsman for mental health and developmental
77.24 disabilities, and the individual's professional regulatory board when there is reason to believe
77.25 that laws or standards under the jurisdiction of those agencies may have been violated or
77.26 the information may otherwise be relevant to the board's regulatory jurisdiction. Background
77.27 study data on an individual who is the subject of a background study under chapter 245C
77.28 for a licensed service for which the commissioner of human services is the license holder
77.29 may be shared with the commissioner and the commissioner's delegate by the licensing
77.30 division. Unless otherwise specified in this chapter, the identity of a reporter of alleged
77.31 maltreatment or licensing violations may not be disclosed.

77.32 (j) In addition to the notice of determinations required under section 626.556, subdivision
77.33 10f, if the commissioner or the local social services agency has determined that an individual
77.34 is a substantiated perpetrator of maltreatment of a child based on sexual abuse, as defined

78.1 in section 626.556, subdivision 2, and the commissioner or local social services agency
78.2 knows that the individual is a person responsible for a child's care in another facility, the
78.3 commissioner or local social services agency shall notify the head of that facility of this
78.4 determination. The notification must include an explanation of the individual's available
78.5 appeal rights and the status of any appeal. If a notice is given under this paragraph, the
78.6 government entity making the notification shall provide a copy of the notice to the individual
78.7 who is the subject of the notice.

78.8 (k) All not public data collected, maintained, used, or disseminated under this subdivision
78.9 and subdivision 3 may be exchanged between the Department of Human Services, Licensing
78.10 Division, and the Department of Corrections for purposes of regulating services for which
78.11 the Department of Human Services and the Department of Corrections have regulatory
78.12 authority.

78.13 **EFFECTIVE DATE.** This section is effective August 1, 2019.

78.14 Sec. 3. Minnesota Statutes 2018, section 13.461, subdivision 28, is amended to read:

78.15 Subd. 28. **Child care assistance program.** (a) Data collected, maintained, used, or
78.16 disseminated by the welfare system pertaining to persons selected as legal nonlicensed child
78.17 care providers by families receiving child care assistance are classified under section 119B.02,
78.18 subdivision 6, paragraph (a). Child care assistance program payment data is classified under
78.19 section 119B.02, subdivision 6, paragraph (b).

78.20 (b) Data relating to child care assistance program disqualification is governed by section
78.21 124D.165, subdivision 4a.

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

78.23 Sec. 4. Minnesota Statutes 2018, section 119B.02, subdivision 6, is amended to read:

78.24 Subd. 6. **Data.** (a) Data collected, maintained, used, or disseminated by the welfare
78.25 system pertaining to persons selected as legal nonlicensed child care providers by families
78.26 receiving child care assistance shall be treated as licensing data as provided in section 13.46,
78.27 subdivision 4.

78.28 (b) For purposes of this paragraph, "child care assistance program payment data" means
78.29 data for a specified time period showing (1) that a child care assistance program payment
78.30 under this chapter was made, and (2) the amount of child care assistance payments made
78.31 to a child care center. Child care assistance program payment data may include the number
78.32 of families and children on whose behalf payments were made for the specified time period.

79.1 Any child care assistance program payment data that may identify a specific child care
79.2 assistance recipient or benefit paid on behalf of a specific child care assistance recipient,
79.3 as determined by the commissioner, is private data on individuals as defined in section
79.4 13.02, subdivision 12. Data related to a child care assistance payment is public if the data
79.5 relates to a child care assistance payment made to a licensed child care center or a child
79.6 care center exempt from licensure and:

79.7 (1) the child care center receives payment of more than \$100,000 from the child care
79.8 assistance program under this chapter in a period of one year or less; or

79.9 (2) when the commissioner or county agency either:

79.10 (i) disqualified the center from receipt of a payment from the child care assistance
79.11 program under this chapter for wrongfully obtaining child care assistance under section
79.12 256.98, subdivision 8, paragraph (c);

79.13 (ii) refused a child care authorization, revoked a child care authorization, stopped
79.14 payment, or denied payment for a bill for the center under section 119B.13, subdivision 6,
79.15 paragraph (d); or

79.16 (iii) made a finding of financial misconduct under section 245E.02.

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

79.18 Sec. 5. Minnesota Statutes 2018, section 124D.142, is amended to read:

79.19 **124D.142 QUALITY RATING AND IMPROVEMENT SYSTEM.**

79.20 Subdivision 1. **Establishment.** (a) There is established a quality rating and improvement
79.21 system (QRIS) framework to ensure that Minnesota's children have access to high-quality
79.22 early learning and care programs in a range of settings so that they are fully ready for
79.23 kindergarten by 2020. Creation of a standards-based voluntary quality rating and
79.24 improvement system includes:

79.25 (1) quality opportunities in order to improve the educational outcomes of children so
79.26 that they are ready for school. The framework shall be based on the Minnesota quality rating
79.27 system rating tool and a common set of child outcome and program standards and informed
79.28 by evaluation results;

79.29 (2) a tool to increase the number of publicly funded and regulated early learning and
79.30 care services in both public and private market programs that are high quality. If a program
79.31 or provider chooses to participate, the program or provider will be rated and may receive
79.32 public funding associated with the rating. The state shall develop a plan to link future early

80.1 learning and care state funding to the framework in a manner that complies with federal
80.2 requirements; and

80.3 (3) tracking progress toward statewide access to high-quality early learning and care
80.4 programs, progress toward the number of low-income children whose parents can access
80.5 quality programs, and progress toward increasing the number of children who are fully
80.6 prepared to enter kindergarten.

80.7 (b) In planning a statewide quality rating and improvement system framework in
80.8 paragraph (a), the state shall use evaluation results of the Minnesota quality rating system
80.9 rating tool in use in fiscal year 2008 to recommend:

80.10 (1) a framework of a common set of child outcome and program standards for a voluntary
80.11 statewide quality rating and improvement system;

80.12 (2) a plan to link future funding to the framework described in paragraph (a), clause (2);
80.13 and

80.14 (3) a plan for how the state will realign existing state and federal administrative resources
80.15 to implement the voluntary quality rating and improvement system framework. The state
80.16 shall provide the recommendation in this paragraph to the early childhood education finance
80.17 committees of the legislature by March 15, 2011.

80.18 (c) Prior to the creation of a statewide quality rating and improvement system in paragraph
80.19 (a), the state shall employ the Minnesota quality rating system rating tool in use in fiscal
80.20 year 2008 in the original Minnesota Early Learning Foundation pilot areas and additional
80.21 pilot areas supported by private or public funds with its modification as a result of the
80.22 evaluation results of the pilot project.

80.23 Subd. 2. **Ratings.** (a) All providers that choose to participate in the quality rating and
80.24 improvement system shall be rated through a formal process that evaluates a common set
80.25 of child outcome and program standards. No provider shall receive a rating without being
80.26 evaluated through the formal rating process.

80.27 (b) Failure to comply with licensing requirements for completing training and background
80.28 studies may result in a one-star reduction of a provider's rating.

80.29 (c) Failure to comply with technical requirements that do not affect the quality of care
80.30 or early learning programming shall not reduce a provider's rating.

80.31 Sec. 6. Minnesota Statutes 2018, section 245A.03, subdivision 2, is amended to read:

80.32 Subd. 2. **Exclusion from licensure.** (a) This chapter does not apply to:

81.1 (1) residential or nonresidential programs that are provided to a person by an individual
81.2 who is related unless the residential program is a child foster care placement made by a
81.3 local social services agency or a licensed child-placing agency, except as provided in
81.4 subdivision 2a;

81.5 (2) nonresidential programs that are provided by an unrelated individual to persons from
81.6 a single related family;

81.7 (3) residential or nonresidential programs that are provided to adults who do not misuse
81.8 substances or have a substance use disorder, a mental illness, a developmental disability, a
81.9 functional impairment, or a physical disability;

81.10 (4) sheltered workshops or work activity programs that are certified by the commissioner
81.11 of employment and economic development;

81.12 (5) programs operated by a public school for children 33 months or older;

81.13 (6) nonresidential programs primarily for children that provide care or supervision for
81.14 periods of less than three hours a day while the child's parent or legal guardian is in the
81.15 same building as the nonresidential program or present within another building that is
81.16 directly contiguous to the building in which the nonresidential program is located;

81.17 (7) nursing homes or hospitals licensed by the commissioner of health except as specified
81.18 under section 245A.02;

81.19 (8) board and lodge facilities licensed by the commissioner of health that do not provide
81.20 children's residential services under Minnesota Rules, chapter 2960, mental health or chemical
81.21 dependency treatment;

81.22 (9) homes providing programs for persons placed by a county or a licensed agency for
81.23 legal adoption, unless the adoption is not completed within two years;

81.24 (10) programs licensed by the commissioner of corrections;

81.25 (11) recreation programs for children or adults that are operated or approved by a park
81.26 and recreation board whose primary purpose is to provide social and recreational activities;

81.27 (12) programs operated by a school as defined in section 120A.22, subdivision 4; YMCA
81.28 as defined in section 315.44; YWCA as defined in section 315.44; or JCC as defined in
81.29 section 315.51, whose primary purpose is to provide child care or services to school-age
81.30 children;

81.31 (13) Head Start nonresidential programs which operate for less than 45 days in each
81.32 calendar year;

82.1 (14) noncertified boarding care homes unless they provide services for five or more
82.2 persons whose primary diagnosis is mental illness or a developmental disability;

82.3 (15) programs for children such as scouting, boys clubs, girls clubs, and sports and art
82.4 programs, and nonresidential programs for children provided for a cumulative total of less
82.5 than 30 days in any 12-month period;

82.6 (16) residential programs for persons with mental illness, that are located in hospitals;

82.7 (17) the religious instruction of school-age children; Sabbath or Sunday schools; or the
82.8 congregate care of children by a church, congregation, or religious society during the period
82.9 used by the church, congregation, or religious society for its regular worship;

82.10 (18) camps licensed by the commissioner of health under Minnesota Rules, chapter
82.11 4630;

82.12 (19) mental health outpatient services for adults with mental illness or children with
82.13 emotional disturbance;

82.14 (20) residential programs serving school-age children whose sole purpose is cultural or
82.15 educational exchange, until the commissioner adopts appropriate rules;

82.16 (21) community support services programs as defined in section 245.462, subdivision
82.17 6, and family community support services as defined in section 245.4871, subdivision 17;

82.18 (22) the placement of a child by a birth parent or legal guardian in a preadoptive home
82.19 for purposes of adoption as authorized by section 259.47;

82.20 (23) settings registered under chapter 144D which provide home care services licensed
82.21 by the commissioner of health to fewer than seven adults;

82.22 (24) substance use disorder treatment activities of licensed professionals in private
82.23 practice as defined in section 245G.01, subdivision 17;

82.24 (25) consumer-directed community support service funded under the Medicaid waiver
82.25 for persons with developmental disabilities when the individual who provided the service
82.26 is:

82.27 (i) the same individual who is the direct payee of these specific waiver funds or paid by
82.28 a fiscal agent, fiscal intermediary, or employer of record; and

82.29 (ii) not otherwise under the control of a residential or nonresidential program that is
82.30 required to be licensed under this chapter when providing the service;

83.1 (26) a program serving only children who are age 33 months or older, that is operated
83.2 by a nonpublic school, for no more than four hours per day per child, with no more than 20
83.3 children at any one time, and that is accredited by:

83.4 (i) an accrediting agency that is formally recognized by the commissioner of education
83.5 as a nonpublic school accrediting organization; or

83.6 (ii) an accrediting agency that requires background studies and that receives and
83.7 investigates complaints about the services provided.

83.8 A program that asserts its exemption from licensure under item (ii) shall, upon request
83.9 from the commissioner, provide the commissioner with documentation from the accrediting
83.10 agency that verifies: that the accreditation is current; that the accrediting agency investigates
83.11 complaints about services; and that the accrediting agency's standards require background
83.12 studies on all people providing direct contact services;

83.13 (27) a program operated by a nonprofit organization incorporated in Minnesota or another
83.14 state that serves youth in kindergarten through grade 12; provides structured, supervised
83.15 youth development activities; and has learning opportunities take place before or after
83.16 school, on weekends, or during the summer or other seasonal breaks in the school calendar.
83.17 A program exempt under this clause is not eligible for child care assistance under chapter
83.18 119B. A program exempt under this clause must:

83.19 (i) have a director or supervisor on site who is responsible for overseeing written policies
83.20 relating to the management and control of the daily activities of the program, ensuring the
83.21 health and safety of program participants, and supervising staff and volunteers;

83.22 (ii) have obtained written consent from a parent or legal guardian for each youth
83.23 participating in activities at the site; and

83.24 (iii) have provided written notice to a parent or legal guardian for each youth at the site
83.25 that the program is not licensed or supervised by the state of Minnesota and is not eligible
83.26 to receive child care assistance payments;

83.27 (28) a county that is an eligible vendor under section 254B.05 to provide care coordination
83.28 and comprehensive assessment services; ~~or~~

83.29 (29) a recovery community organization that is an eligible vendor under section 254B.05
83.30 to provide peer recovery support services; or

83.31 (30) family child care that is provided by an unrelated individual to families that do not
83.32 receive child care assistance if the number of children served does not exceed six children,

84.1 of which there are no more than a combined total of two infants and toddlers that includes
84.2 no more than one infant.

84.3 (b) For purposes of paragraph (a), clause (6), a building is directly contiguous to a
84.4 building in which a nonresidential program is located if it shares a common wall with the
84.5 building in which the nonresidential program is located or is attached to that building by
84.6 skyway, tunnel, atrium, or common roof.

84.7 (c) Except for the home and community-based services identified in section 245D.03,
84.8 subdivision 1, nothing in this chapter shall be construed to require licensure for any services
84.9 provided and funded according to an approved federal waiver plan where licensure is
84.10 specifically identified as not being a condition for the services and funding.

84.11 Sec. 7. Minnesota Statutes 2018, section 245A.04, subdivision 4, is amended to read:

84.12 Subd. 4. **Inspections; waiver.** (a) Before issuing an initial license, the commissioner
84.13 shall conduct an inspection of the program. The inspection must include but is not limited
84.14 to:

84.15 (1) an inspection of the physical plant;

84.16 (2) an inspection of records and documents;

84.17 (3) an evaluation of the program by consumers of the program;

84.18 (4) observation of the program in operation; and

84.19 (5) an inspection for the health, safety, and fire standards in licensing requirements for
84.20 a child care license holder.

84.21 For the purposes of this subdivision, "consumer" means a person who receives the
84.22 services of a licensed program, the person's legal guardian, or the parent or individual having
84.23 legal custody of a child who receives the services of a licensed program.

84.24 (b) The evaluation required in paragraph (a), clause (3), or the observation in paragraph
84.25 (a), clause (4), is not required prior to issuing an initial license under subdivision 7. If the
84.26 commissioner issues an initial license under subdivision 7, these requirements must be
84.27 completed within one year after the issuance of an initial license.

84.28 (c) Before completing a licensing inspection in a family child care program or child care
84.29 center, the licensing agency must offer the license holder an exit interview to discuss all
84.30 violations of law or rule observed during the inspection and offer technical assistance on
84.31 how to comply with applicable laws and rules. The commissioner shall not issue a correction
84.32 order or negative action for violations of law or rule not discussed in an exit interview.

85.1 Nothing in this paragraph limits the ability of the commissioner to issue a correction order
85.2 or negative action for violations of law or rule ~~not discussed in an exit interview~~ or in the
85.3 event that a license holder chooses not to participate in an exit interview.

85.4 (d) The commissioner or the county shall inspect at least annually a child care provider
85.5 licensed under this chapter and Minnesota Rules, chapter 9502 or 9503, for compliance
85.6 with applicable licensing standards. Inspections of family child care providers shall be
85.7 conducted in accordance with section 245A.055. It shall not constitute a violation of rule
85.8 or statute for an individual who is related to a licensed family child care provider as defined
85.9 in section 245A.02, subdivision 13, to be present in the residence during business hours,
85.10 unless the individual provides sufficient hours or days of child care services for statutory
85.11 training requirements to apply, or the spouse is designated to be a caregiver, helper, or
85.12 substitute in the family child care program.

85.13 (e) ~~No later than November 19, 2017,~~ The commissioner shall make publicly available
85.14 on the department's website the results of inspection reports of all child care providers
85.15 licensed under this chapter and under Minnesota Rules, chapter 9502 or 9503, and the
85.16 number of deaths, serious injuries, and instances of substantiated child maltreatment that
85.17 occurred in licensed child care settings each year. The results of inspection reports shall not
85.18 be displayed on the department's website for longer than the minimum required time under
85.19 federal law.

85.20 **EFFECTIVE DATE.** This section is effective the day following final enactment, with
85.21 the exception that the amendments to paragraph (e) are effective August 1, 2019, and the
85.22 requirement for inspections of family child care centers to be conducted in accordance with
85.23 section 245A.055 is effective July 1, 2020.

85.24 Sec. 8. Minnesota Statutes 2018, section 245A.04, is amended by adding a subdivision to
85.25 read:

85.26 **Subd. 18. Plain-language handbook.** By January 1, 2020, the commissioner of human
85.27 services shall, following consultation with family child care license holders, parents, and
85.28 county agencies, develop a plain-language handbook that describes the process and
85.29 requirements to become a licensed family child care provider. The handbook shall include
85.30 a list of the applicable statutory provisions and rules that apply to licensed family child care
85.31 providers. The commissioner shall electronically publish the handbook on the Department
85.32 of Human Services website, available at no charge to the public. Each county human services
85.33 office and the Department of Human Services shall maintain physical copies of the handbook
85.34 for public use.

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

86.2 Sec. 9. **[245A.055] FAMILY CHILD CARE PROVIDER INSPECTIONS.**

86.3 Subdivision 1. **Inspections.** The commissioner shall conduct inspections of each family
86.4 child care provider pursuant to section 245A.04, subdivision 4, paragraph (d).

86.5 Subd. 2. **Types of child care licensing inspections.** (a) "Initial inspection" means an
86.6 inspection before issuing an initial license under section 245A.04, subdivision 4, paragraph
86.7 (a).

86.8 (b) "Full inspection" means the inspection of a family child care provider to determine
86.9 ongoing compliance with all applicable legal requirements for family child care providers.
86.10 A full inspection shall be conducted for temporary provisional licensees and for providers
86.11 who do not meet the requirements needed for an abbreviated inspection.

86.12 (c) "Abbreviated inspection" means the inspection of a family child care provider to
86.13 determine ongoing compliance with key indicators that statistically predict compliance with
86.14 all applicable legal requirements for family child care providers. Abbreviated inspections
86.15 are available for family child care providers who have been licensed for at least three years
86.16 with the latest inspection finding no Level 4 violations. Providers must also not have had
86.17 any substantiated licensing complaints that amount to a Level 4 violation, substantiated
86.18 complaints of maltreatment, or sanctions under section 245A.07 in the past three years. If
86.19 a county licensor finds that the provider has failed to comply with any key indicator during
86.20 an abbreviated inspection, the county licensor shall immediately conduct a full inspection.

86.21 (d) "Follow-up inspection" means a full inspection conducted following an inspection
86.22 that found more than one Level 4 violation.

86.23 Subd. 3. **Enforcement actions.** (a) Except where required by federal law, enforcement
86.24 actions under this subdivision may be taken based on the risk level of the violation as follows:

86.25 (1) Level 1: a violation that presents no risk of harm or minimal risk of harm, warranting
86.26 verbal technical assistance under section 245A.066, subdivision 1;

86.27 (2) Level 2: a violation that presents a low risk of harm, warranting issuance of a technical
86.28 assistance notice under section 245A.066, subdivision 2;

86.29 (3) Level 3: a violation that presents a moderate risk of harm, warranting issuance of a
86.30 fix-it ticket under section 245A.065; and

86.31 (4) Level 4: a violation that presents a substantial risk of harm, warranting issuance of
86.32 a correction order or conditional license under section 245A.06.

87.1 (b) The commissioner shall, following consultation with family child care license holders,
87.2 parents, and county agencies, issue a report by January 1, 2020, that identifies the violations
87.3 of this chapter and Minnesota Rules, chapter 9502, that constitute Level 1, Level 2, Level
87.4 3, or Level 4 violations based on the schedule in paragraph (a). The commissioner shall
87.5 also identify the rules and statutes that may be violated at more than one risk level, such
87.6 that the county licensor may assign the violation a risk level according to the licensor's
87.7 discretion during an inspection. The report shall also identify all rules and statutory provisions
87.8 that must be enforced in accordance with federal law. The commissioner shall provide the
87.9 report to county agencies and the chairs and ranking minority members of the legislative
87.10 committees with jurisdiction over child care, and shall post the report to the department's
87.11 website. By July 1, 2020, the commissioner shall develop, distribute, and provide training
87.12 on guidelines on the use of the risk-based violation levels in paragraph (a) during family
87.13 child care provider inspections.

87.14 Subd. 4. **Follow-up inspections.** If, upon inspection, the commissioner finds more than
87.15 one Level 4 violation, the commissioner shall conduct a follow-up inspection within six
87.16 months. The date of the follow-up inspection does not alter the provider's annual inspection
87.17 date.

87.18 **EFFECTIVE DATE.** This section is effective July 1, 2020, with the exception that
87.19 subdivision 3, paragraph (b), is effective the day following final enactment.

87.20 Sec. 10. Minnesota Statutes 2018, section 245A.06, subdivision 1, is amended to read:

87.21 Subdivision 1. **Contents of correction orders and conditional licenses.** (a) Except as
87.22 provided in paragraph (c), if the commissioner finds that the applicant or license holder has
87.23 failed to comply with an applicable law or rule and this failure does not imminently endanger
87.24 the health, safety, or rights of the persons served by the program, the commissioner may
87.25 issue a correction order and an order of conditional license to the applicant or license holder.
87.26 When issuing a conditional license, the commissioner shall consider the nature, chronicity,
87.27 or severity of the violation of law or rule and the effect of the violation on the health, safety,
87.28 or rights of persons served by the program. The correction order or conditional license must
87.29 state the following in plain language:

87.30 (1) the conditions that constitute a violation of the law or rule;

87.31 (2) the specific law or rule violated;

87.32 (3) the time allowed to correct each violation; and

88.1 (4) if a license is made conditional, the length and terms of the conditional license, and
88.2 the reasons for making the license conditional.

88.3 (b) Nothing in this section prohibits the commissioner from proposing a sanction as
88.4 specified in section 245A.07, prior to issuing a correction order or conditional license.

88.5 (c) For family child care license holders, the commissioner may issue a correction order
88.6 or conditional license as provided in this section if, upon inspection, the commissioner finds
88.7 a Level 4 violation as provided in section 245A.055, subdivision 3, or if a child care provider
88.8 fails to correct a Level 3 violation as required under section 245A.065, paragraph (e).

88.9 **EFFECTIVE DATE.** This section is effective July 1, 2020.

88.10 Sec. 11. Minnesota Statutes 2018, section 245A.06, is amended by adding a subdivision
88.11 to read:

88.12 **Subd. 10. Licensing interpretation disputes.** When a county licensor and child care
88.13 provider dispute the interpretation of a licensing requirement, a county licensor must seek
88.14 clarification from the Department of Human Services in writing before issuing a correction
88.15 order related to the disputed interpretation. The license holder must be included in all
88.16 correspondence between the county and the Department of Human Services regarding the
88.17 dispute. The provider must be given the opportunity to contribute pertinent information that
88.18 may impact the decision by the Department of Human Services.

88.19 Sec. 12. Minnesota Statutes 2018, section 245A.065, is amended to read:

88.20 **245A.065 CHILD CARE FIX-IT TICKET.**

88.21 **Subdivision 1. Contents of fix-it tickets.** ~~(a) In lieu of a correction order under section~~
88.22 ~~245A.06,~~ The commissioner ~~shall~~ may issue a fix-it ticket to a family child care or child
88.23 care center license holder if, upon inspection, the commissioner finds that:

88.24 (1) the license holder has failed to comply with a requirement in this chapter or Minnesota
88.25 Rules, chapter 9502 or 9503, ~~that the commissioner determines to be eligible for a fix-it~~
88.26 ~~ticket;~~

88.27 (2) the violation does not imminently endanger the health, safety, or rights of the persons
88.28 served by the program;

88.29 (3) the license holder did not receive a fix-it ticket or correction order for the violation
88.30 at the license holder's last licensing inspection; and

89.1 (4) the violation ~~can~~ cannot be corrected at the time of inspection ~~or within 48 hours,~~
89.2 ~~excluding Saturdays, Sundays, and holidays; and~~

89.3 ~~(5) the license holder corrects the violation at the time of inspection or agrees to correct~~
89.4 ~~the violation within 48 hours, excluding Saturdays, Sundays, and holidays.~~

89.5 (b) The commissioner shall not issue a fix-it ticket for violations that are corrected at
89.6 the time of the inspection.

89.7 (c) The fix-it ticket must state:

89.8 (1) the conditions that constitute a violation of the law or rule;

89.9 (2) the specific law or rule violated; and

89.10 (3) that the violation ~~was corrected at the time of inspection or~~ must be corrected within
89.11 48 hours, excluding Saturdays, Sundays, and holidays.

89.12 ~~(e)~~ (d) The commissioner shall not publicly publish a fix-it ticket on the department's
89.13 website, unless required by federal law. Any publicly published fix-it ticket shall identify
89.14 the federal law requiring publication.

89.15 ~~(d)~~ (e) Within 48 hours, excluding Saturdays, Sundays, and holidays, of receiving a fix-it
89.16 ticket, the license holder must correct the violation and within one week submit evidence
89.17 to the licensing agency that the violation was corrected.

89.18 ~~(e)~~ (f) If the violation is not corrected ~~at the time of inspection or~~ within 48 hours,
89.19 excluding Saturdays, Sundays, and holidays, or the evidence submitted is insufficient to
89.20 establish that the license holder corrected the violation, the commissioner ~~must~~ may issue
89.21 a correction order, according to section 245A.06, for the violation of Minnesota law or rule
89.22 identified in the fix-it ticket ~~according to section 245A.06.~~

89.23 ~~(f) The commissioner shall, following consultation with family child care license holders,~~
89.24 ~~child care center license holders, and county agencies, issue a report by October 1, 2017,~~
89.25 ~~that identifies the violations of this chapter and Minnesota Rules, chapters 9502 and 9503,~~
89.26 ~~that are eligible for a fix-it ticket. The commissioner shall provide the report to county~~
89.27 ~~agencies and the chairs and ranking minority members of the legislative committees with~~
89.28 ~~jurisdiction over child care, and shall post the report to the department's website.~~ (g) Beginning
89.29 July 1, 2020, the commissioner may issue a fix-it ticket to a family child care license holder
89.30 if, upon inspection, the commissioner finds a Level 3 violation as provided in section
89.31 245A.055, subdivision 3.

90.1 Subd. 2. **Fix-it ticket laws and rules.** (a) For family child care license holders, violations
90.2 of the following laws and rules may qualify only for a fix-it ticket: 9502.0335, subpart 10;
90.3 9502.0375, subpart 2; 9502.0395; 9502.0405, subpart 3; 9502.0405, subpart 4, item A;
90.4 9502.0415, subpart 3; 9502.0425, subpart 2 (outdoor play spaces must be free from litter,
90.5 rubbish, unlocked vehicles, or human or animal waste); 9502.0425, subpart 3 (wading pools
90.6 must be kept clean); 9502.0425, subpart 5; 9502.0425, subpart 7, item F (screens on exterior
90.7 doors and windows when biting insects are prevalent); 9502.0425, subpart 8; 9502.0425,
90.8 subpart 10; 9502.0425, subpart 11 (decks free of splinters); 9502.0425, subpart 13 (toilets
90.9 flush thoroughly); 9502.0425, subpart 16; 9502.0435, subpart 1; 9502.0435, subpart 3;
90.10 9502.0435, subpart 7; 9502.0435, subpart 8, item B; 9502.0435, subpart 8, item E; 9502.0435,
90.11 subpart 12, items A through E; 9502.0435, subpart 13; 9502.0435, subpart 14; 9502.0435,
90.12 subpart 15; 9502.0435, subpart 15, items A and B; 9502.0445, subpart 1, item B; 9502.0445,
90.13 subpart 3, items B through D; 9502.0445, subpart 4, items A through C; 245A.04, subdivision
90.14 14, paragraph (c); 245A.06, subdivision 8; 245A.07, subdivision 5; 245A.146, subdivision
90.15 3, paragraph (c); 245A.148; 245A.152; 245A.50, subdivision 7; 245A.51, subdivision 3,
90.16 paragraph (d) (emergency preparedness plan available for review and posted in prominent
90.17 location).

90.18 (b) For child care center license holders, violations of the following laws and rules may
90.19 qualify only for a fix-it ticket: 9503.0120, item B; 9503.0120, item E; 9503.0125, item E;
90.20 9503.0125, item F; 9503.0125, item I; 9503.0125, item M; 9503.0140, subpart 2; 9503.0140,
90.21 subpart 7, item D; 9503.0140, subpart 9; 9503.0140, subpart 10; 9503.0140, subpart 13;
90.22 9503.0140, subpart 14; 9503.0140, subpart 15; 9503.0140, subpart 16 (item missing from
90.23 first-aid kit); 9503.0140, subpart 18; 9503.0140, subpart 19; 9503.0140, subpart 20;
90.24 9503.0140, subpart 21 (emergency plan not posted in prominent place); 9503.0145, subpart
90.25 2; 9503.0145, subpart 3; 9503.0145, subpart 4, item D; 9503.0145, subpart 8 (drinking water
90.26 provided in single service cups or at an accessible drinking fountain); 9503.0155, subpart
90.27 7, item D; 9503.0155, subpart 13; 9503.0155, subpart 16; 9503.0155, subpart 17; 9503.0155,
90.28 subpart 18, item D; 9503.0170, subpart 3; 9503.0145, subpart 7, item D; 245A.04, subdivision
90.29 14, paragraph (c); 245A.06, subdivision 8; 245A.07, subdivision 5; 245A.14, subdivision
90.30 8, paragraph (b) (experienced aide identification posting); 245A.146, subdivision 3, paragraph
90.31 (c); 245A.152; 245A.41, subdivision 3, paragraph (d); 245A.41, subdivision 3, paragraph
90.32 (e); 245A.41, subdivision 3, paragraph (f).

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

91.1 Sec. 13. **[245A.066] CHILD CARE TECHNICAL ASSISTANCE.**

91.2 Subdivision 1. **Verbal technical assistance.** The commissioner may provide verbal
91.3 technical assistance to a family child care license holder if, upon inspection, the commissioner
91.4 finds a Level 1 violation as provided in section 245A.055, subdivision 3.

91.5 Subd. 2. **Technical assistance notice.** (a) The commissioner may issue a written technical
91.6 assistance notice to a family child care license holder if, upon inspection, the commissioner
91.7 finds a Level 2 violation as provided in section 245A.055, subdivision 3.

91.8 (b) The technical assistance notice must state:

91.9 (1) the conditions that constitute a violation of the law or rule;

91.10 (2) the specific law or rule violated; and

91.11 (3) examples of how to correct the violation.

91.12 (c) The commissioner shall not publicly publish a written technical assistance notice on
91.13 the department's website, unless required by federal law.

91.14 **EFFECTIVE DATE.** This section is effective July 1, 2020.

91.15 Sec. 14. Minnesota Statutes 2018, section 245A.14, subdivision 4, is amended to read:

91.16 Subd. 4. **Special family day care homes.** Nonresidential child care programs serving
91.17 14 or fewer children that are conducted at a location other than the license holder's own
91.18 residence shall be licensed under this section and the rules governing family day care or
91.19 group family day care if:

91.20 (a) The license holder is the primary provider of care and the nonresidential child care
91.21 program is conducted in a dwelling that is located on a residential lot;

91.22 (b) The license holder is an employer who may or may not be the primary provider of
91.23 care, and the purpose for the child care program is to provide child care services to children
91.24 of the license holder's employees;

91.25 (c) The license holder is a church or religious organization;

91.26 (d) The license holder is a community collaborative child care provider. For purposes
91.27 of this subdivision, a community collaborative child care provider is a provider participating
91.28 in a cooperative agreement with a community action agency as defined in section 256E.31;

91.29 (e) The license holder is a not-for-profit agency that provides child care in a dwelling
91.30 located on a residential lot and the license holder maintains two or more contracts with
91.31 community employers or other community organizations to provide child care services.

92.1 The county licensing agency may grant a capacity variance to a license holder licensed
92.2 under this paragraph to exceed the licensed capacity of 14 children by no more than five
92.3 children during transition periods related to the work schedules of parents, if the license
92.4 holder meets the following requirements:

92.5 (1) the program does not exceed a capacity of 14 children more than a cumulative total
92.6 of four hours per day;

92.7 (2) the program meets a one to seven staff-to-child ratio during the variance period;

92.8 (3) all employees receive at least an extra four hours of training per year than required
92.9 in the rules governing family child care each year;

92.10 (4) the facility has square footage required per child under Minnesota Rules, part
92.11 9502.0425;

92.12 (5) the program is in compliance with local zoning regulations;

92.13 (6) the program is in compliance with the applicable fire code as follows:

92.14 (i) if the program serves more than five children older than 2-1/2 years of age, but no
92.15 more than five children 2-1/2 years of age or less, the applicable fire code is educational
92.16 occupancy, as provided in Group E Occupancy under the Minnesota State Fire Code 2003,
92.17 Section 202; or

92.18 (ii) if the program serves more than five children 2-1/2 years of age or less, the applicable
92.19 fire code is Group I-4 Occupancies, as provided in the Minnesota State Fire Code 2003,
92.20 Section 202; and

92.21 (7) any age and capacity limitations required by the fire code inspection and square
92.22 footage determinations shall be printed on the license; ~~or~~

92.23 (f) The license holder is the primary provider of care and has located the licensed child
92.24 care program in a commercial space, if the license holder meets the following requirements:

92.25 (1) the program is in compliance with local zoning regulations;

92.26 (2) the program is in compliance with the applicable fire code as follows:

92.27 (i) if the program serves more than five children older than 2-1/2 years of age, but no
92.28 more than five children 2-1/2 years of age or less, the applicable fire code is educational
92.29 occupancy, as provided in Group E Occupancy under the Minnesota State Fire Code 2003,
92.30 Section 202; or

93.1 (ii) if the program serves more than five children 2-1/2 years of age or less, the applicable
93.2 fire code is Group I-4 Occupancies, as provided under the Minnesota State Fire Code 2003,
93.3 Section 202;

93.4 (3) any age and capacity limitations required by the fire code inspection and square
93.5 footage determinations are printed on the license; and

93.6 (4) the license holder prominently displays the license issued by the commissioner which
93.7 contains the statement "This special family child care provider is not licensed as a child
93.8 care center-"; or

93.9 (g) The license holder is the primary provider of care and has located the licensed child
93.10 care program in a portion of a building that is used exclusively for the purpose of providing
93.11 child care services, if the license holder meets the requirements in paragraph (f), clauses
93.12 (1) to (4), and if any available shared kitchen, bathroom, or other space that the provider
93.13 uses is separate from the indoor activity area used by the children.

93.14 Sec. 15. Minnesota Statutes 2018, section 245A.14, is amended by adding a subdivision
93.15 to read:

93.16 Subd. 16. **Water bottles in child care centers.** Notwithstanding Minnesota Rules, part
93.17 9503.0145, subpart 8, a child care center may provide drinking water for children in
93.18 individual covered water bottles, labeled with the child's name. Water bottles provided by
93.19 the child care center must be washed, rinsed, and sanitized daily after use and stored clean
93.20 and dry in a manner that protects them from contamination.

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

93.22 Sec. 16. Minnesota Statutes 2018, section 245A.16, subdivision 1, is amended to read:

93.23 Subdivision 1. **Delegation of authority to agencies.** (a) County agencies and private
93.24 agencies that have been designated or licensed by the commissioner to perform licensing
93.25 functions and activities under section 245A.04 and background studies for family child care
93.26 under chapter 245C; to recommend denial of applicants under section 245A.05; to issue
93.27 correction orders, to issue variances, and recommend a conditional license under section
93.28 245A.06; or to recommend suspending or revoking a license or issuing a fine under section
93.29 245A.07, shall comply with rules and directives of the commissioner governing those
93.30 functions and with this section. The following variances are excluded from the delegation
93.31 of variance authority and may be issued only by the commissioner:

94.1 (1) dual licensure of family child care and child foster care, dual licensure of child and
94.2 adult foster care, and adult foster care and family child care;

94.3 (2) adult foster care maximum capacity;

94.4 (3) adult foster care minimum age requirement;

94.5 (4) child foster care maximum age requirement;

94.6 (5) variances regarding disqualified individuals except that, before the implementation
94.7 of NETStudy 2.0, county agencies may issue variances under section 245C.30 regarding
94.8 disqualified individuals when the county is responsible for conducting a consolidated
94.9 reconsideration according to sections 245C.25 and 245C.27, subdivision 2, clauses (a) and
94.10 (b), of a county maltreatment determination and a disqualification based on serious or
94.11 recurring maltreatment;

94.12 (6) the required presence of a caregiver in the adult foster care residence during normal
94.13 sleeping hours; and

94.14 (7) variances to requirements relating to chemical use problems of a license holder or a
94.15 household member of a license holder.

94.16 Except as provided in section 245A.14, subdivision 4, paragraph (e), a county agency must
94.17 not grant a license holder a variance to exceed the maximum allowable family child care
94.18 license capacity of 14 children.

94.19 (b) Before the implementation of NETStudy 2.0, county agencies must report information
94.20 about disqualification reconsiderations under sections 245C.25 and 245C.27, subdivision
94.21 2, paragraphs (a) and (b), and variances granted under paragraph (a), clause (5), to the
94.22 commissioner at least monthly in a format prescribed by the commissioner.

94.23 (c) For family child care programs, the commissioner shall require a county agency to
94.24 conduct one unannounced licensing ~~review~~ inspection at least annually.

94.25 (d) For family adult day services programs, the commissioner may authorize licensing
94.26 reviews every two years after a licensee has had at least one annual review.

94.27 (e) A license issued under this section may be issued for up to two years.

94.28 (f) During implementation of chapter 245D, the commissioner shall consider:

94.29 (1) the role of counties in quality assurance;

94.30 (2) the duties of county licensing staff; and

95.1 (3) the possible use of joint powers agreements, according to section 471.59, with counties
95.2 through which some licensing duties under chapter 245D may be delegated by the
95.3 commissioner to the counties.

95.4 Any consideration related to this paragraph must meet all of the requirements of the corrective
95.5 action plan ordered by the federal Centers for Medicare and Medicaid Services.

95.6 (g) Licensing authority specific to section 245D.06, subdivisions 5, 6, 7, and 8, or
95.7 successor provisions; and section 245D.061 or successor provisions, for family child foster
95.8 care programs providing out-of-home respite, as identified in section 245D.03, subdivision
95.9 1, paragraph (b), clause (1), is excluded from the delegation of authority to county and
95.10 private agencies.

95.11 (h) A county agency shall report to the commissioner, in a manner prescribed by the
95.12 commissioner, the following information for a licensed family child care program:

95.13 (1) the results of each licensing ~~review~~ inspection completed, including the date of the
95.14 ~~review~~ inspection, and any ~~licensing~~ correction order issued; and

95.15 (2) any death, serious injury, or determination of substantiated maltreatment.

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

95.17 Sec. 17. Minnesota Statutes 2018, section 245A.50, subdivision 1, is amended to read:

95.18 Subdivision 1. **Initial training.** (a) License holders, caregivers, and substitutes must
95.19 comply with the training requirements in this section.

95.20 (b) Helpers who assist with care on a regular basis must complete six hours of training
95.21 within one year after the date of initial employment.

95.22 (c) Training requirements established under this section that must be completed prior
95.23 to initial licensure must be satisfied only by a newly licensed child care provider or by a
95.24 child care provider who has not held an active child care license in Minnesota in the previous
95.25 12 months. A child care provider ~~who relocates within the state or~~ who voluntarily cancels
95.26 a license or allows the license to lapse for a period of less than 12 months and who seeks
95.27 reinstatement of the lapsed or canceled license within 12 months of the lapse or cancellation
95.28 must satisfy the annual, ongoing training requirements, and is not required to satisfy the
95.29 training requirements that must be completed prior to initial licensure. A child care provider
95.30 who relocates within the state must (1) satisfy the annual, ongoing training requirements
95.31 according to the schedules established in this section and (2) not be required to satisfy the
95.32 training requirements under this section that the child care provider completed prior to initial

96.1 licensure. If a licensed provider moves to a new county, the new county is prohibited from
96.2 requiring the provider to complete any orientation class or training for new providers.

96.3 Sec. 18. Minnesota Statutes 2018, section 245A.50, subdivision 2, is amended to read:

96.4 Subd. 2. **Child development and learning and behavior guidance training.** (a) For
96.5 purposes of family and group family child care, the license holder and each adult caregiver
96.6 who provides care in the licensed setting for more than 30 days in any 12-month period
96.7 shall complete and document at least four hours of child growth and learning and behavior
96.8 guidance training prior to initial licensure, and before caring for children. For purposes of
96.9 this subdivision, "child development and learning training" means training in understanding
96.10 how children develop physically, cognitively, emotionally, and socially and learn as part
96.11 of the children's family, culture, and community. "Behavior guidance training" means
96.12 training in the understanding of the functions of child behavior and strategies for managing
96.13 challenging situations. ~~At least two hours of child development and learning or behavior~~
96.14 ~~guidance training must be repeated annually.~~ The training curriculum shall be developed
96.15 or approved by the commissioner of human services.

96.16 (b) Notwithstanding paragraph (a), individuals are exempt from this requirement if they:

96.17 (1) have taken a three-credit course on early childhood development within the past five
96.18 years;

96.19 (2) have received a baccalaureate or master's degree in early childhood education or
96.20 school-age child care within the past five years;

96.21 (3) are licensed in Minnesota as a prekindergarten teacher, an early childhood educator,
96.22 a kindergarten to grade 6 teacher with a prekindergarten specialty, an early childhood special
96.23 education teacher, or an elementary teacher with a kindergarten endorsement; or

96.24 (4) have received a baccalaureate degree with a Montessori certificate within the past
96.25 five years.

96.26 **EFFECTIVE DATE.** This section is effective January 1, 2020.

96.27 Sec. 19. Minnesota Statutes 2018, section 245A.50, subdivision 3, is amended to read:

96.28 Subd. 3. **First aid.** (a) When children are present in a family child care home governed
96.29 by Minnesota Rules, parts 9502.0315 to 9502.0445, at least one staff person must be present
96.30 in the home who has been trained in first aid. The first aid training must have been provided
96.31 by an individual approved to provide first aid instruction. First aid training may be less than
96.32 eight hours and persons qualified to provide first aid training include individuals approved

97.1 as first aid instructors. First aid training must be repeated ~~every two years~~ before the license
97.2 holder's license expires in the second year after the prior first aid training.

97.3 (b) A family child care provider is exempt from the first aid training requirements under
97.4 this subdivision related to any substitute caregiver who provides less than 30 hours of care
97.5 during any 12-month period.

97.6 (c) Video training reviewed and approved by the county licensing agency satisfies the
97.7 training requirement of this subdivision.

97.8 Sec. 20. Minnesota Statutes 2018, section 245A.50, subdivision 4, is amended to read:

97.9 Subd. 4. **Cardiopulmonary resuscitation.** (a) When children are present in a family
97.10 child care home governed by Minnesota Rules, parts 9502.0315 to 9502.0445, at least one
97.11 caregiver must be present in the home who has been trained in cardiopulmonary resuscitation
97.12 (CPR), including CPR techniques for infants and children, and in the treatment of obstructed
97.13 airways. The CPR training must have been provided by an individual approved to provide
97.14 CPR instruction, must be repeated at least once ~~every two years~~ before the license holder's
97.15 license expires in the second year after the prior CPR training, and must be documented in
97.16 the caregiver's records.

97.17 (b) A family child care provider is exempt from the CPR training requirement in this
97.18 subdivision related to any substitute caregiver who provides less than 30 hours of care during
97.19 any 12-month period.

97.20 (c) Persons providing CPR training must use CPR training that has been developed:

97.21 (1) by the American Heart Association or the American Red Cross and incorporates
97.22 psychomotor skills to support the instruction; or

97.23 (2) using nationally recognized, evidence-based guidelines for CPR training and
97.24 incorporates psychomotor skills to support the instruction.

97.25 Sec. 21. Minnesota Statutes 2018, section 245A.50, subdivision 5, is amended to read:

97.26 Subd. 5. **Sudden unexpected infant death and abusive head trauma training.** (a)
97.27 License holders must document that before staff persons, caregivers, and helpers assist in
97.28 the care of infants, they are instructed on the standards in section 245A.1435 and receive
97.29 training on reducing the risk of sudden unexpected infant death. In addition, license holders
97.30 must document that before staff persons, caregivers, and helpers assist in the care of infants
97.31 and children under school age, they receive training on reducing the risk of abusive head
97.32 trauma from shaking infants and young children. ~~The training in this subdivision may be~~

98.1 ~~provided as initial training under subdivision 1 or ongoing annual training under subdivision~~
98.2 ~~7.~~

98.3 (b) Sudden unexpected infant death reduction training required under this subdivision
98.4 must, at a minimum, address the risk factors related to sudden unexpected infant death,
98.5 means of reducing the risk of sudden unexpected infant death in child care, and license
98.6 holder communication with parents regarding reducing the risk of sudden unexpected infant
98.7 death.

98.8 (c) Abusive head trauma training required under this subdivision must, at a minimum,
98.9 address the risk factors related to shaking infants and young children, means of reducing
98.10 the risk of abusive head trauma in child care, and license holder communication with parents
98.11 regarding reducing the risk of abusive head trauma.

98.12 (d) Training for family and group family child care providers must be developed by the
98.13 commissioner in conjunction with the Minnesota Sudden Infant Death Center and approved
98.14 by the Minnesota Center for Professional Development. Sudden unexpected infant death
98.15 reduction training and abusive head trauma training may be provided in a single course of
98.16 no more than two hours in length.

98.17 (e) Sudden unexpected infant death reduction training and abusive head trauma training
98.18 required under this subdivision must be completed ~~in person or as allowed under subdivision~~
98.19 ~~10, clause (1) or (2), at least once every two years. On the years when the license holder is~~
98.20 ~~not receiving training in person or as allowed under subdivision 10, clause (1) or (2), the~~
98.21 ~~license holder must receive sudden unexpected infant death reduction training and abusive~~
98.22 ~~head trauma training through a video of no more than one hour in length. The video must~~
98.23 ~~be developed or approved by the commissioner as part of the annual refresher training course~~
98.24 under subdivision 12.

98.25 (f) An individual who is related to the license holder as defined in section 245A.02,
98.26 subdivision 13, and who is involved only in the care of the license holder's own infant or
98.27 child under school age and who is not designated to be a caregiver, helper, or substitute, as
98.28 defined in Minnesota Rules, part 9502.0315, for the licensed program, is exempt from the
98.29 sudden unexpected infant death and abusive head trauma training.

98.30 Sec. 22. Minnesota Statutes 2018, section 245A.50, subdivision 6, is amended to read:

98.31 Subd. 6. **Child passenger restraint systems; training requirement.** (a) A license
98.32 holder must comply with all seat belt and child passenger restraint system requirements
98.33 under section 169.685.

99.1 (b) Family and group family child care programs licensed by the Department of Human
99.2 Services that serve a child or children under ~~nine~~ eight years of age must document training
99.3 that fulfills the requirements in this subdivision.

99.4 (1) Before a license holder, staff person, caregiver, or helper transports a child or children
99.5 under age ~~nine~~ eight in a motor vehicle, the person placing the child or children in a passenger
99.6 restraint must satisfactorily complete training on the proper use and installation of child
99.7 restraint systems in motor vehicles. Training completed under this subdivision may be used
99.8 to meet initial training under subdivision 1 or ongoing training under subdivision 7.

99.9 (2) Training required under this subdivision must be at least one hour in length, completed
99.10 at initial training, and repeated at least once ~~every five years~~ before the license holder's
99.11 license expires in the fifth year after the prior child passenger restraint system training. At
99.12 a minimum, the training must address the proper use of child restraint systems based on the
99.13 child's size, weight, and age, and the proper installation of a car seat or booster seat in the
99.14 motor vehicle used by the license holder to transport the child or children.

99.15 (3) Training under this subdivision must be provided by individuals who are certified
99.16 and approved by the Department of Public Safety, Office of Traffic Safety. License holders
99.17 may obtain a list of certified and approved trainers through the Department of Public Safety
99.18 website or by contacting the agency.

99.19 (c) Child care providers that only transport school-age children as defined in section
99.20 245A.02, subdivision 19, paragraph (f), in child care buses as defined in section 169.448,
99.21 subdivision 1, paragraph (e), are exempt from this subdivision.

99.22 Sec. 23. Minnesota Statutes 2018, section 245A.50, subdivision 7, is amended to read:

99.23 Subd. 7. **Training requirements for family and group family child care.** For purposes
99.24 of family and group family child care, the license holder and each primary caregiver must
99.25 complete ~~16~~ ten hours of ongoing training each year. For purposes of this subdivision, a
99.26 primary caregiver is an adult caregiver who provides services in the licensed setting for
99.27 more than 30 days in any 12-month period. Repeat of topical training requirements in
99.28 subdivisions 2 to 8, and the annual refresher training course in subdivision 12, shall count
99.29 toward the annual ~~16-hour~~ ten-hour training requirement. Additional ongoing training
99.30 subjects to meet the annual ~~16-hour~~ ten-hour training requirement must be selected from
99.31 the following areas:

99.32 (1) child development and learning training under subdivision 2, paragraph (a);

100.1 (2) developmentally appropriate learning experiences, including training in creating
100.2 positive learning experiences, promoting cognitive development, promoting social and
100.3 emotional development, promoting physical development, promoting creative development;
100.4 and behavior guidance;

100.5 (3) relationships with families, including training in building a positive, respectful
100.6 relationship with the child's family;

100.7 (4) assessment, evaluation, and individualization, including training in observing,
100.8 recording, and assessing development; assessing and using information to plan; and assessing
100.9 and using information to enhance and maintain program quality;

100.10 (5) historical and contemporary development of early childhood education, including
100.11 training in past and current practices in early childhood education and how current events
100.12 and issues affect children, families, and programs;

100.13 (6) professionalism, including training in knowledge, skills, and abilities that promote
100.14 ongoing professional development; and

100.15 (7) health, safety, and nutrition, including training in establishing healthy practices;
100.16 ensuring safety; and providing healthy nutrition.

100.17 **EFFECTIVE DATE.** This section is effective January 1, 2020.

100.18 Sec. 24. Minnesota Statutes 2018, section 245A.50, subdivision 9, is amended to read:

100.19 Subd. 9. **Supervising for safety; training requirement.** (a) Before initial licensure and
100.20 before caring for a child, all family child care license holders and each adult caregiver who
100.21 provides care in the licensed family child care home for more than 30 days in any 12-month
100.22 period shall complete and document the completion of the six-hour Supervising for Safety
100.23 for Family Child Care course developed by the commissioner.

100.24 (b) The family child care license holder and each adult caregiver who provides care in
100.25 the licensed family child care home for more than 30 days in any 12-month period shall
100.26 complete and document: the completion of the two-hour courses Health and Safety I and
100.27 Health and Safety II at least once before the license holder's license expires in the fifth year
100.28 after the prior supervising for safety training.

100.29 ~~(1) the annual completion of a two-hour active supervision course developed by the~~
100.30 ~~commissioner; and~~

100.31 ~~(2) the completion at least once every five years of the two-hour courses Health and~~
100.32 ~~Safety I and Health and Safety II. A license holder's or adult caregiver's completion of either~~

101.1 ~~training in a given year meets the annual active supervision training requirement in clause~~
101.2 ~~(1).~~

101.3 **EFFECTIVE DATE.** This section is effective January 1, 2020.

101.4 Sec. 25. Minnesota Statutes 2018, section 245A.50, is amended by adding a subdivision
101.5 to read:

101.6 Subd. 12. **Annual refresher training course.** Beginning January 1, 2020, license holders,
101.7 staff persons, caregivers, substitutes, and helpers must complete an annual refresher training
101.8 course, as developed by the commissioner of human services. The annual refresher training
101.9 course must incorporate training on: (1) active supervision; (2) child development and
101.10 learning, and behavior guidance; (3) sudden unexpected infant death and abusive head
101.11 trauma; and (4) any training required by the child care development block grant. The annual
101.12 refresher training course shall not exceed two hours. Providers may complete the annual
101.13 refresher training course online through self-study. Providers must document completion
101.14 of the annual refresher training course.

101.15 Sec. 26. Minnesota Statutes 2018, section 245A.50, is amended by adding a subdivision
101.16 to read:

101.17 Subd. 13. **Related individual training exemption.** An individual who is related to a
101.18 child in a child care program may care for or have contact with that child at the child care
101.19 site without completing the training requirements under this chapter, unless the individual
101.20 is designated to be a caregiver, helper, or substitute in the child care program.

101.21 Sec. 27. Minnesota Statutes 2018, section 245A.50, is amended by adding a subdivision
101.22 to read:

101.23 Subd. 14. **Emergency substitute caregiver training exemption.** During an emergency,
101.24 substitute caregivers are exempt from training requirements under this section, and
101.25 background study requirements under this chapter.

101.26 Sec. 28. Minnesota Statutes 2018, section 245A.51, subdivision 3, is amended to read:

101.27 Subd. 3. **Emergency preparedness plan.** (a) No later than September 30, 2017, a
101.28 licensed family child care provider must have a written emergency preparedness plan for
101.29 emergencies that require evacuation, sheltering, or other protection of children, such as fire,
101.30 natural disaster, intruder, or other threatening situation that may pose a health or safety

102.1 hazard to children. The plan must be written on a form developed by the commissioner and
102.2 updated at least annually. The plan must include:

102.3 (1) procedures for an evacuation, relocation, shelter-in-place, or lockdown;

102.4 (2) a designated relocation site and evacuation route;

102.5 (3) procedures for notifying a child's parent or legal guardian of the evacuation,
102.6 shelter-in-place, or lockdown, including procedures for reunification with families;

102.7 (4) accommodations for a child with a disability or a chronic medical condition;

102.8 (5) procedures for storing a child's medically necessary medicine that facilitate easy
102.9 removal during an evacuation or relocation;

102.10 (6) procedures for continuing operations in the period during and after a crisis; and

102.11 (7) procedures for communicating with local emergency management officials, law
102.12 enforcement officials, or other appropriate state or local authorities.

102.13 (b) The license holder must train caregivers before the caregiver provides care and at
102.14 least annually on the emergency preparedness plan and document completion of this training.

102.15 (c) The license holder must conduct drills according to the requirements in Minnesota
102.16 Rules, part 9502.0435, subpart 8. The date and time of the drills must be documented.

102.17 (d) The license holder must have the emergency preparedness plan available for review
102.18 ~~and posted in a prominent location. The license holder must provide a physical or electronic~~
102.19 ~~copy of the plan to the child's parent or legal guardian upon enrollment.~~

102.20 Sec. 29. **[245A.52] FAMILY CHILD CARE SUBSTITUTE CAREGIVERS.**

102.21 The use of a substitute caregiver must be limited to a cumulative total of 720 hours in
102.22 any 12-month period.

102.23 Sec. 30. **[245A.60] OMBUDSPERSON FOR CHILD CARE PROVIDERS.**

102.24 Subdivision 1. **Appointment.** The governor shall appoint an ombudsperson in the
102.25 classified service to assist family child care providers and legal nonlicensed child care
102.26 providers, with licensing, compliance, and other issues facing child care providers. The
102.27 ombudsperson shall meet the qualifications in subdivision 7, and shall be selected without
102.28 regard to the person's political affiliation. The ombudsperson shall serve a term of six years
102.29 and may be removed prior to the end of the term for just cause.

102.30 Subd. 2. **Duties.** (a) The ombudsperson's duties shall include:

103.1 (1) addressing all areas of concern to child care providers related to the provision of
103.2 child care services, including licensing, correction orders, penalty assessments, complaint
103.3 investigations, and other interactions with agency staff;

103.4 (2) assisting providers with interactions with county licensors and with appealing
103.5 correction orders;

103.6 (3) providing recommendations for child care improvement or child care provider
103.7 education;

103.8 (4) operating a telephone line to answer questions and provide guidance to child care
103.9 providers; and

103.10 (5) assisting child care license applicants.

103.11 (b) The ombudsperson must report annually by December 31 to the commissioner and
103.12 the chairs and ranking minority members of the legislative committees with jurisdiction
103.13 over child care on the services provided by the ombudsperson to child care providers,
103.14 including the number, types, and locations of child care providers served, and the activities
103.15 of the ombudsperson to carry out the duties under this section. The commissioner shall
103.16 determine the form of the report and may specify additional reporting requirements.

103.17 Subd. 3. **Staff.** The ombudsperson may appoint and compensate out of available funds
103.18 a deputy, confidential secretary, and other employees in the unclassified service as authorized
103.19 by law. The ombudsperson and the full-time staff are members of the Minnesota State
103.20 Retirement Association. The ombudsperson may delegate to members of the staff any
103.21 authority or duties of the office except the duty to formally make recommendations to a
103.22 child care provider or reports to the commissioner or the legislature.

103.23 Subd. 4. **Access to records.** (a) The ombudsperson or designee, excluding volunteers,
103.24 has access to data of a state agency necessary for the discharge of the ombudsperson's duties,
103.25 including records classified as confidential data on individuals or private data on individuals
103.26 under chapter 13 or any other law. The ombudsperson's data request must relate to a specific
103.27 case and is subject to section 13.03, subdivision 4. If the data concerns an individual, the
103.28 ombudsperson or designee shall first obtain the individual's consent. If the individual cannot
103.29 consent and has no legal guardian, then access to the data is authorized by this section.

103.30 (b) On a quarterly basis, each state agency responsible for licensing, regulating, and
103.31 enforcing state and federal laws and regulations concerning child care providers must provide
103.32 the ombudsperson copies of all correction orders, penalty assessments, and complaint
103.33 investigation reports for all child care providers.

104.1 Subd. 5. **Independence of action.** In carrying out the duties under this section, the
104.2 ombudsperson shall operate independently of the department and may provide testimony
104.3 or make periodic reports to the legislature to address areas of concern and advocate for child
104.4 care providers.

104.5 Subd. 6. **Civil actions.** The ombudsperson or designee is not civilly liable for any action
104.6 taken under this section if the action was taken in good faith, was within the scope of the
104.7 ombudsperson's authority, and did not constitute willful or reckless misconduct.

104.8 Subd. 7. **Qualifications.** The ombudsperson must be a person who has at least five years
104.9 of experience providing child care as a family child care provider. The ombudsperson must
104.10 be experienced in dealing with governmental entities, interpretation of laws and regulations,
104.11 investigations, record keeping, report writing, public speaking, and management. A person
104.12 is not eligible to serve as the ombudsperson while holding public office and must not have
104.13 been previously employed by the child care licensing division of the Department of Human
104.14 Services or as a county licensor.

104.15 Subd. 8. **Office support.** The commissioner shall provide the ombudsperson with the
104.16 necessary office space, supplies, equipment, and clerical support to effectively perform the
104.17 duties under this section.

104.18 Subd. 9. **Posting.** (a) The commissioner shall post on the department's website the address
104.19 and telephone number for the office of the ombudsperson. The commissioner shall provide
104.20 all child care providers with the address and telephone number of the office. Counties must
104.21 provide child care providers with the name, address, and telephone number of the office.

104.22 (b) The ombudsperson must approve all posting and notice required by the department
104.23 and counties under this subdivision.

104.24 Sec. 31. Minnesota Statutes 2018, section 252.27, subdivision 2a, is amended to read:

104.25 Subd. 2a. **Contribution amount.** (a) The natural or adoptive parents of a minor child,
104.26 including a child determined eligible for medical assistance without consideration of parental
104.27 income, must contribute to the cost of services used by making monthly payments on a
104.28 sliding scale based on income, unless the child is married or has been married, parental
104.29 rights have been terminated, or the child's adoption is subsidized according to chapter 259A
104.30 or through title IV-E of the Social Security Act. The parental contribution is a partial or full
104.31 payment for medical services provided for diagnostic, therapeutic, curing, treating, mitigating,
104.32 rehabilitation, maintenance, and personal care services as defined in United States Code,
104.33 title 26, section 213, needed by the child with a chronic illness or disability.

105.1 (b) For households with adjusted gross income equal to or greater than 275 percent of
105.2 federal poverty guidelines, the parental contribution shall be computed by applying the
105.3 following schedule of rates to the adjusted gross income of the natural or adoptive parents:

105.4 (1) if the adjusted gross income is equal to or greater than 275 percent of federal poverty
105.5 guidelines and less than or equal to 545 percent of federal poverty guidelines, the parental
105.6 contribution shall be determined using a sliding fee scale established by the commissioner
105.7 of human services which begins at 1.94 percent of adjusted gross income at 275 percent of
105.8 federal poverty guidelines and increases to 5.29 percent of adjusted gross income for those
105.9 with adjusted gross income up to 545 percent of federal poverty guidelines;

105.10 (2) if the adjusted gross income is greater than 545 percent of federal poverty guidelines
105.11 and less than 675 percent of federal poverty guidelines, the parental contribution shall be
105.12 5.29 percent of adjusted gross income;

105.13 (3) if the adjusted gross income is equal to or greater than 675 percent of federal poverty
105.14 guidelines and less than 975 percent of federal poverty guidelines, the parental contribution
105.15 shall be determined using a sliding fee scale established by the commissioner of human
105.16 services which begins at 5.29 percent of adjusted gross income at 675 percent of federal
105.17 poverty guidelines and increases to 7.05 percent of adjusted gross income for those with
105.18 adjusted gross income up to 975 percent of federal poverty guidelines; and

105.19 (4) if the adjusted gross income is equal to or greater than 975 percent of federal poverty
105.20 guidelines, the parental contribution shall be 8.81 percent of adjusted gross income.

105.21 If the child lives with the parent, the annual adjusted gross income is reduced by \$2,400
105.22 prior to calculating the parental contribution. If the child resides in an institution specified
105.23 in section 256B.35, the parent is responsible for the personal needs allowance specified
105.24 under that section in addition to the parental contribution determined under this section.
105.25 The parental contribution is reduced by any amount required to be paid directly to the child
105.26 pursuant to a court order, but only if actually paid.

105.27 (c) The household size to be used in determining the amount of contribution under
105.28 paragraph (b) includes natural and adoptive parents and their dependents, including the
105.29 child receiving services. Adjustments in the contribution amount due to annual changes in
105.30 the federal poverty guidelines shall be implemented on the first day of July following
105.31 publication of the changes.

105.32 (d) For purposes of paragraph (b), "income" means the adjusted gross income of the
105.33 natural or adoptive parents determined according to the previous year's federal tax form,

106.1 except, effective retroactive to July 1, 2003, taxable capital gains to the extent the funds
106.2 have been used to purchase a home shall not be counted as income.

106.3 (e) The contribution shall be explained in writing to the parents at the time eligibility
106.4 for services is being determined. The contribution shall be made on a monthly basis effective
106.5 with the first month in which the child receives services. Annually upon redetermination
106.6 or at termination of eligibility, if the contribution exceeded the cost of services provided,
106.7 the local agency or the state shall reimburse that excess amount to the parents, either by
106.8 direct reimbursement if the parent is no longer required to pay a contribution, or by a
106.9 reduction in or waiver of parental fees until the excess amount is exhausted. All
106.10 reimbursements must include a notice that the amount reimbursed may be taxable income
106.11 if the parent paid for the parent's fees through an employer's health care flexible spending
106.12 account under the Internal Revenue Code, section 125, and that the parent is responsible
106.13 for paying the taxes owed on the amount reimbursed.

106.14 (f) The monthly contribution amount must be reviewed at least every 12 months; when
106.15 there is a change in household size; and when there is a loss of or gain in income from one
106.16 month to another in excess of ten percent. The local agency shall mail a written notice 30
106.17 days in advance of the effective date of a change in the contribution amount. A decrease in
106.18 the contribution amount is effective in the month that the parent verifies a reduction in
106.19 income or change in household size.

106.20 (g) Parents of a minor child who do not live with each other shall each pay the
106.21 contribution required under paragraph (a). An amount equal to the annual court-ordered
106.22 child support payment actually paid on behalf of the child receiving services shall be deducted
106.23 from the adjusted gross income of the parent making the payment prior to calculating the
106.24 parental contribution under paragraph (b).

106.25 (h) The contribution under paragraph (b) shall be increased by an additional five percent
106.26 if the local agency determines that insurance coverage is available but not obtained for the
106.27 child. For purposes of this section, "available" means the insurance is a benefit of employment
106.28 for a family member at an annual cost of no more than five percent of the family's annual
106.29 income. For purposes of this section, "insurance" means health and accident insurance
106.30 coverage, enrollment in a nonprofit health service plan, health maintenance organization,
106.31 self-insured plan, or preferred provider organization.

106.32 Parents who have more than one child receiving services shall not be required to pay
106.33 more than the amount for the child with the highest expenditures. There shall be no resource
106.34 contribution from the parents. The parent shall not be required to pay a contribution in

107.1 excess of the cost of the services provided to the child, not counting payments made to
107.2 school districts for education-related services. Notice of an increase in fee payment must
107.3 be given at least 30 days before the increased fee is due.

107.4 (i) The contribution under paragraph (b) shall be reduced by \$300 per fiscal year if, in
107.5 the 12 months prior to July 1:

107.6 (1) the parent applied for insurance for the child;

107.7 (2) the insurer denied insurance;

107.8 (3) the parents submitted a complaint or appeal, in writing to the insurer, submitted a
107.9 complaint or appeal, in writing, to the commissioner of health or the commissioner of
107.10 commerce, or litigated the complaint or appeal; and

107.11 (4) as a result of the dispute, the insurer reversed its decision and granted insurance.

107.12 For purposes of this section, "insurance" has the meaning given in paragraph (h).

107.13 A parent who has requested a reduction in the contribution amount under this paragraph
107.14 shall submit proof in the form and manner prescribed by the commissioner or county agency,
107.15 including, but not limited to, the insurer's denial of insurance, the written letter or complaint
107.16 of the parents, court documents, and the written response of the insurer approving insurance.
107.17 The determinations of the commissioner or county agency under this paragraph are not rules
107.18 subject to chapter 14.

107.19 (j) For the biennium ending June 30, 2020, the commissioner shall reduce the parental
107.20 contribution amount under paragraph (a) for natural or adoptive parents of a minor child
107.21 determined eligible for medical assistance without consideration of parental income under
107.22 the TEFRA option, or for the purposes of accessing home and community-based waiver
107.23 services, by an amount equal to a total general fund revenue reduction of \$14,609,000.

107.24 (k) Beginning July 1, 2021, the natural or adoptive parents of a minor child determined
107.25 eligible for medical assistance without consideration of parental income under the TEFRA
107.26 option, or for the purposes of accessing home and community-based waiver services, shall
107.27 not be required to pay the parental contribution under paragraph (a).

107.28 Sec. 32. [256.4751] PARENT-TO-PARENT PEER SUPPORT GRANTS.

107.29 (a) The commissioner shall make available grants to organizations to support
107.30 parent-to-parent peer support programs that provide information and emotional support for
107.31 families of children and youth with special health care needs.

108.1 (b) For the purposes of this section, "special health care needs" means disabilities, chronic
108.2 illnesses or conditions, health-related educational or behavioral problems, or the risk of
108.3 developing disabilities, conditions, illnesses, or problems.

108.4 (c) Eligible organizations must have an established parent-to-parent program that:

108.5 (1) conducts outreach and support to parents or guardians of a child or youth with special
108.6 health care needs;

108.7 (2) provides to parents and guardians information, tools, and training to support their
108.8 child and to successfully navigate the health and human services systems;

108.9 (3) facilitates ongoing peer support for parents and guardians from trained volunteer
108.10 support parents;

108.11 (4) has staff and volunteers located statewide; and

108.12 (5) is affiliated with and communicates regularly with other parent-to-parent programs
108.13 and national organizations to ensure best practices are implemented.

108.14 (d) Grant recipients must use grant funds for the purposes in paragraph (c).

108.15 (e) Grant recipients must report to the commissioner of human services annually by
108.16 January 15 on the services and programs funded by the appropriation. The report must
108.17 include measurable outcomes from the previous year, including the number of families
108.18 served and the number of volunteer support parents trained.

108.19 Sec. 33. Minnesota Statutes 2018, section 256B.14, subdivision 2, is amended to read:

108.20 Subd. 2. **Actions to obtain payment.** (a) The state agency shall promulgate rules to
108.21 determine the ability of responsible relatives to contribute partial or complete payment or
108.22 repayment of medical assistance furnished to recipients for whom they are responsible. All
108.23 medical assistance exclusions shall be allowed, and a resource limit of \$10,000 for
108.24 nonexcluded resources shall be implemented. Above these limits, a contribution of one-third
108.25 of the excess resources shall be required. These rules shall not require payment or repayment
108.26 when payment would cause undue hardship to the responsible relative or that relative's
108.27 immediate family. These rules shall be consistent with the requirements of section 252.27
108.28 for parents of children whose eligibility for medical assistance was determined without
108.29 deeming of the parents' resources and income. The county agency shall give the responsible
108.30 relative notice of the amount of the payment or repayment. If the state agency or county
108.31 agency finds that notice of the payment obligation was given to the responsible relative,
108.32 but that the relative failed or refused to pay, a cause of action exists against the responsible

109.1 relative for that portion of medical assistance granted after notice was given to the responsible
109.2 relative, which the relative was determined to be able to pay.

109.3 The action may be brought by the state agency or the county agency in the county where
109.4 assistance was granted, for the assistance, together with the costs of disbursements incurred
109.5 due to the action.

109.6 In addition to granting the county or state agency a money judgment, the court may,
109.7 upon a motion or order to show cause, order continuing contributions by a responsible
109.8 relative found able to repay the county or state agency. The order shall be effective only
109.9 for the period of time during which the recipient receives medical assistance from the county
109.10 or state agency.

109.11 (b) Beginning July 1, 2021, the rules described in paragraph (a) shall not apply to parents
109.12 of children whose eligibility for medical assistance was determined without deeming of the
109.13 parents' resources and income under the TEFRA option or for the purposes of accessing
109.14 home and community-based waiver services.

109.15 Sec. 34. Minnesota Statutes 2018, section 256M.41, subdivision 3, is amended to read:

109.16 Subd. 3. **Payments based on performance.** (a) The commissioner shall make payments
109.17 under this section to each county ~~board on a calendar year basis in an amount determined~~
109.18 ~~under paragraph (b) on or before July 10 of each year.~~

109.19 ~~(b) Calendar year allocations under subdivision 1 shall be paid to counties in the following~~
109.20 ~~manner:~~

109.21 ~~(1) 80 percent of the allocation as determined in subdivision 1 must be paid to counties~~
109.22 ~~on or before July 10 of each year;~~

109.23 ~~(2) ten percent of the allocation shall be withheld until the commissioner determines if~~
109.24 ~~the county has met the performance outcome threshold of 90 percent based on face-to-face~~
109.25 ~~contact with alleged child victims. In order to receive the performance allocation, the county~~
109.26 ~~child protection workers must have a timely face-to-face contact with at least 90 percent of~~
109.27 ~~all alleged child victims of screened-in maltreatment reports. The standard requires that~~
109.28 ~~each initial face-to-face contact occur consistent with timelines defined in section 626.556,~~
109.29 ~~subdivision 10, paragraph (i). The commissioner shall make threshold determinations in~~
109.30 ~~January of each year and payments to counties meeting the performance outcome threshold~~
109.31 ~~shall occur in February of each year. Any withheld funds from this appropriation for counties~~
109.32 ~~that do not meet this requirement shall be reallocated by the commissioner to those counties~~
109.33 ~~meeting the requirement; and~~

110.1 ~~(3) ten percent of the allocation shall be withheld until the commissioner determines~~
 110.2 ~~that the county has met the performance outcome threshold of 90 percent based on~~
 110.3 ~~face-to-face visits by the case manager. In order to receive the performance allocation, the~~
 110.4 ~~total number of visits made by caseworkers on a monthly basis to children in foster care~~
 110.5 ~~and children receiving child protection services while residing in their home must be at least~~
 110.6 ~~90 percent of the total number of such visits that would occur if every child were visited~~
 110.7 ~~once per month. The commissioner shall make such determinations in January of each year~~
 110.8 ~~and payments to counties meeting the performance outcome threshold shall occur in February~~
 110.9 ~~of each year. Any withheld funds from this appropriation for counties that do not meet this~~
 110.10 ~~requirement shall be reallocated by the commissioner to those counties meeting the~~
 110.11 ~~requirement. For 2015, the commissioner shall only apply the standard for monthly foster~~
 110.12 ~~care visits.~~

110.13 ~~(e) The commissioner shall work with stakeholders and the Human Services Performance~~
 110.14 ~~Council under section 402A.16 to develop recommendations for specific outcome measures~~
 110.15 ~~that counties should meet in order to receive funds withheld under paragraph (b), and include~~
 110.16 ~~in those recommendations a determination as to whether the performance measures under~~
 110.17 ~~paragraph (b) should be modified or phased out. The commissioner shall report the~~
 110.18 ~~recommendations to the legislative committees having jurisdiction over child protection~~
 110.19 ~~issues by January 1, 2018.~~

110.20 Sec. 35. Minnesota Statutes 2018, section 256M.41, is amended by adding a subdivision
 110.21 to read:

110.22 Subd. 4. **County performance on child protection measures.** The commissioner shall
 110.23 set child protection measures and standards. The commissioner shall require an
 110.24 underperforming county to demonstrate that the county designated sufficient funds and
 110.25 implemented a reasonable strategy to improve child protection performance, including the
 110.26 provision of a performance improvement plan and additional remedies identified by the
 110.27 commissioner. The commissioner may redirect up to 20 percent of a county's funds under
 110.28 this section toward the performance improvement plan. Sanctions under section 256M.20,
 110.29 subdivision 3, related to noncompliance with federal performance standards also apply.

110.30 Sec. 36. **[260C.216] FOSTER CARE RECRUITMENT GRANT PROGRAM.**

110.31 Subdivision 1. **Establishment and authority.** The commissioner of human services
 110.32 shall make grants to facilitate partnerships between counties and community groups or faith

111.1 communities to develop and utilize innovative, nontraditional shared recruitment methods
111.2 to increase and stabilize the number of available foster care families.

111.3 Subd. 2. **Eligibility.** An eligible applicant for a foster care recruitment grant under
111.4 subdivision 1 is an organization or entity that:

111.5 (1) provides a written description identifying the county and community organizations
111.6 or faith communities that will partner to develop innovative shared methods to recruit
111.7 families through their community or faith organizations for foster care in the county;

111.8 (2) agrees to incorporate efforts by the partnership or a third party to offer additional
111.9 support services including host families, family coaches, or resource referrals for families
111.10 in crisis such as homelessness, unemployment, hospitalization, substance abuse treatment,
111.11 incarceration, or domestic violence, as an alternative to foster care; and

111.12 (3) describes how the proposed partnership model can be generalized to be used in other
111.13 areas of the state.

111.14 Subd. 3. **Allowable grant activities.** Grant recipients may use grant funds to:

111.15 (1) develop materials that promote the partnership's innovative methods of nontraditional
111.16 recruitment of foster care families through the partner community organizations or faith
111.17 communities;

111.18 (2) develop an onboarding vehicle or training program for recruited foster care families
111.19 that is accessible, relatable, and easy to understand, to be used by the partner community
111.20 organizations or faith communities;

111.21 (3) establish sustainable communication between the partnership and the recruited
111.22 families for ongoing support; or

111.23 (4) provide support services including host families, family coaches, or resource referrals
111.24 for families in crisis such as homelessness, unemployment, hospitalization, substance abuse
111.25 treatment, incarceration, or domestic violence, as an alternative to the foster care system.

111.26 Subd. 4. **Reporting** The commissioner shall report on the use of foster care recruitment
111.27 grants to the chairs and ranking minority members of the legislative committees with
111.28 jurisdiction over human services by December 31, 2020. The report shall include the name
111.29 and location of grant recipients, the amount of each grant, the services provided, and the
111.30 effects on the foster care system. The commissioner shall determine the form required for
111.31 the report and may specify additional reporting requirements.

112.1 Subd. 5. **Funding.** The commissioner of human services may use available parent support
112.2 outreach program funds for foster care recruitment grants under Minnesota Statutes, section
112.3 260C.216.

112.4 Sec. 37. **[260C.218] PARENT SUPPORT FOR BETTER OUTCOMES GRANTS.**

112.5 The commissioner of human services may use available parent support outreach program
112.6 funds to provide mentoring, guidance, and support services to parents navigating the child
112.7 welfare system in Minnesota, in order to promote the development of safe, stable, and
112.8 healthy families, including parent mentoring, peer-to-peer support groups, housing support
112.9 services, training, staffing, and administrative costs.

112.10 Sec. 38. Minnesota Statutes 2018, section 518A.32, subdivision 3, is amended to read:

112.11 Subd. 3. **Parent not considered voluntarily unemployed, underemployed, or employed**
112.12 **on a less than full-time basis.** A parent is not considered voluntarily unemployed,
112.13 underemployed, or employed on a less than full-time basis upon a showing by the parent
112.14 that:

112.15 (1) the unemployment, underemployment, or employment on a less than full-time basis
112.16 is temporary and will ultimately lead to an increase in income;

112.17 (2) the unemployment, underemployment, or employment on a less than full-time basis
112.18 represents a bona fide career change that outweighs the adverse effect of that parent's
112.19 diminished income on the child; or

112.20 (3) the unemployment, underemployment, or employment on a less than full-time basis
112.21 is because a parent is physically or mentally incapacitated or due to incarceration, ~~except~~
112.22 ~~where the reason for incarceration is the parent's nonpayment of support.~~

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

112.24 Sec. 39. Minnesota Statutes 2018, section 518A.51, is amended to read:

112.25 **518A.51 FEES FOR IV-D SERVICES.**

112.26 (a) When a recipient of IV-D services is no longer receiving assistance under the state's
112.27 title IV-A, IV-E foster care, or medical assistance programs, the public authority responsible
112.28 for child support enforcement must notify the recipient, within five working days of the
112.29 notification of ineligibility, that IV-D services will be continued unless the public authority
112.30 is notified to the contrary by the recipient. The notice must include the implications of

113.1 continuing to receive IV-D services, including the available services and fees, cost recovery
113.2 fees, and distribution policies relating to fees.

113.3 (b) In the case of an individual who has never received assistance under a state program
113.4 funded under title IV-A of the Social Security Act and for whom the public authority has
113.5 collected at least ~~\$500~~ \$550 of support, the public authority must impose an annual federal
113.6 collections fee of ~~\$25~~ \$35 for each case in which services are furnished. This fee must be
113.7 retained by the public authority from support collected on behalf of the individual, but not
113.8 from the first ~~\$500~~ \$550 collected.

113.9 (c) When the public authority provides full IV-D services to an obligee who has applied
113.10 for those services, upon written notice to the obligee, the public authority must charge a
113.11 cost recovery fee of two percent of the amount collected. This fee must be deducted from
113.12 the amount of the child support and maintenance collected and not assigned under section
113.13 256.741 before disbursement to the obligee. This fee does not apply to an obligee who:

113.14 (1) is currently receiving assistance under the state's title IV-A, IV-E foster care, or
113.15 medical assistance programs; or

113.16 (2) has received assistance under the state's title IV-A or IV-E foster care programs,
113.17 until the person has not received this assistance for 24 consecutive months.

113.18 (d) When the public authority provides full IV-D services to an obligor who has applied
113.19 for such services, upon written notice to the obligor, the public authority must charge a cost
113.20 recovery fee of two percent of the monthly court-ordered child support and maintenance
113.21 obligation. The fee may be collected through income withholding, as well as by any other
113.22 enforcement remedy available to the public authority responsible for child support
113.23 enforcement.

113.24 (e) Fees assessed by state and federal tax agencies for collection of overdue support
113.25 owed to or on behalf of a person not receiving public assistance must be imposed on the
113.26 person for whom these services are provided. The public authority upon written notice to
113.27 the obligee shall assess a fee of \$25 to the person not receiving public assistance for each
113.28 successful federal tax interception. The fee must be withheld prior to the release of the funds
113.29 received from each interception and deposited in the general fund.

113.30 (f) Federal collections fees collected under paragraph (b) and cost recovery fees collected
113.31 under paragraphs (c) and (d) retained by the commissioner of human services shall be
113.32 considered child support program income according to Code of Federal Regulations, title
113.33 45, section 304.50, and shall be deposited in the special revenue fund account established

114.1 under paragraph (h). The commissioner of human services must elect to recover costs based
114.2 on either actual or standardized costs.

114.3 (g) The limitations of this section on the assessment of fees shall not apply to the extent
114.4 inconsistent with the requirements of federal law for receiving funds for the programs under
114.5 title IV-A and title IV-D of the Social Security Act, United States Code, title 42, sections
114.6 601 to 613 and United States Code, title 42, sections 651 to 662.

114.7 (h) The commissioner of human services is authorized to establish a special revenue
114.8 fund account to receive the federal collections fees collected under paragraph (b) and cost
114.9 recovery fees collected under paragraphs (c) and (d).

114.10 (i) The nonfederal share of the cost recovery fee revenue must be retained by the
114.11 commissioner and distributed as follows:

114.12 (1) one-half of the revenue must be transferred to the child support system special revenue
114.13 account to support the state's administration of the child support enforcement program and
114.14 its federally mandated automated system;

114.15 (2) an additional portion of the revenue must be transferred to the child support system
114.16 special revenue account for expenditures necessary to administer the fees; and

114.17 (3) the remaining portion of the revenue must be distributed to the counties to aid the
114.18 counties in funding their child support enforcement programs.

114.19 (j) The nonfederal share of the federal collections fees must be distributed to the counties
114.20 to aid them in funding their child support enforcement programs.

114.21 (k) The commissioner of human services shall distribute quarterly any of the funds
114.22 dedicated to the counties under paragraphs (i) and (j) using the methodology specified in
114.23 section 256.979, subdivision 11. The funds received by the counties must be reinvested in
114.24 the child support enforcement program and the counties must not reduce the funding of
114.25 their child support programs by the amount of the funding distributed.

114.26 **EFFECTIVE DATE.** This section is effective October 1, 2019.

114.27 Sec. 40. **DIRECTION TO COMMISSIONER OF HUMAN SERVICES; TEFRA**
114.28 **OPTION IMPROVEMENT MEASURES.**

114.29 (a) The commissioner of human services shall, using existing appropriations, develop
114.30 content to be included on the MNsure website explaining the TEFRA option under medical
114.31 assistance for applicants who indicate during the application process that a child in the
114.32 family has a disability.

115.1 (b) The commissioner shall develop a cover letter explaining the TEFRA option under
115.2 medical assistance, as well as the application and renewal process, to be disseminated with
115.3 the DHS-6696A form to applicants who may qualify for medical assistance under the TEFRA
115.4 option. The commissioner shall provide the content and the form to the executive director
115.5 of MNsure for inclusion on the MNsure website. The commissioner shall also develop and
115.6 implement education and training for lead agency staff statewide to improve understanding
115.7 of the medical assistance-TEFRA enrollment and renewal processes and procedures.

115.8 (c) The commissioner shall convene a stakeholder group that shall consider improvements
115.9 to the TEFRA option enrollment and renewal processes, including but not limited to revisions
115.10 to, or the development of, application and renewal paperwork specific to the TEFRA option;
115.11 possible technology solutions; and county processes.

115.12 (d) The stakeholder group must include representatives from the Department of Human
115.13 Services Health Care Division, MNsure, representatives from at least two counties in the
115.14 metropolitan area and from at least one county in greater Minnesota, the Arc Minnesota,
115.15 Gillette Children's Specialty Healthcare, the Autism Society of Minnesota, Proof Alliance,
115.16 the Minnesota Consortium for Citizens with Disabilities, and other interested stakeholders
115.17 as identified by the commissioner of human services.

115.18 (e) The stakeholder group shall submit a report of the group's recommended
115.19 improvements and any associated costs to the commissioner by December 31, 2020. The
115.20 group shall also provide copies of the report to each stakeholder group member. The
115.21 commissioner shall provide a copy of the report to the legislative committees with jurisdiction
115.22 over medical assistance.

115.23 **Sec. 41. MINNESOTA PATHWAYS TO PROSPERITY AND WELL-BEING PILOT**
115.24 **PROJECT.**

115.25 Subdivision 1. **Authorization.** (a) The commissioner of human services shall develop
115.26 a pilot project that tests an alternative benefit delivery system for the distribution of public
115.27 assistance benefits. The commissioner shall work with Dakota County and Olmsted County
115.28 to develop the pilot project in accordance with this section. The commissioner shall apply
115.29 for any federal waivers necessary to implement the pilot project.

115.30 (b) Prior to authorizing the pilot project, Dakota and Olmsted Counties must provide
115.31 the following information to the commissioner:

115.32 (1) identification of any federal waivers required to implement the pilot project and a
115.33 timeline for obtaining the waivers;

116.1 (2) identification of data sharing requirements between the counties and the commissioner
116.2 to administer the pilot project and evaluate the outcome measures under subdivision 4,
116.3 including the technology systems that will be developed to administer the pilot project and
116.4 a description of the elements of the technology systems that will ensure the privacy of the
116.5 data of the participants and provide financial oversight and accountability for expended
116.6 funds;

116.7 (3) documentation that demonstrates receipt of private donations or grants totaling at
116.8 least \$2,800,000 per year for three years to support implementation of the pilot project;

116.9 (4) a complete plan for implementing the pilot project, including an assurance that each
116.10 participant's unified benefit amount is proportionate to and in no event exceeds the total
116.11 amount that the participant would have received by participating in the underlying programs
116.12 for which they are eligible upon entering the pilot project, information about the
116.13 administration of the unified benefit amount to ensure that the benefit is used by participants
116.14 for the services provided through the underlying programs included in the unified benefit,
116.15 an explanation of which funds will be issued directly to providers and which funds will be
116.16 available on an EBT card, and information about consequences and remedies for improper
116.17 use of the unified benefit;

116.18 (5) an evaluation plan developed in consultation with the commissioner of management
116.19 and budget to ensure that the pilot project includes an evaluation using an experimental or
116.20 quasi-experimental design and a formal evaluation of the results of the pilot project; and

116.21 (6) documentation that demonstrates the receipt of a formal commitment of grants or
116.22 contracts with the federal government to complete a comprehensive evaluation of the pilot
116.23 project.

116.24 (c) The commissioner may authorize the pilot project only after reviewing the information
116.25 submitted under paragraph (b) and issuing a formal written approval of the proposed project.

116.26 Subd. 2. **Pilot project goals.** The goals of the pilot project are to:

116.27 (1) reduce the historical separation among the state programs and systems affecting
116.28 families who may receive public assistance;

116.29 (2) eliminate, where possible, regulatory or program restrictions to allow a comprehensive
116.30 approach to meeting the needs of the families in the pilot project; and

116.31 (3) focus on prevention-oriented supports and interventions.

116.32 Subd. 3. **Pilot project participants.** The pilot project developed by the commissioner
116.33 must include requirements that participants:

117.1 (1) be 30 years of age or younger with a minimum of one child and income below 200
117.2 percent of federal poverty guidelines;

117.3 (2) voluntarily agree to participate in the pilot project;

117.4 (3) be informed of the right to voluntarily discontinue participation in the pilot project;

117.5 (4) be eligible for or receiving assistance under the Minnesota family investment program
117.6 under Minnesota Statutes, chapter 256J, and at least one of the following programs: (i) the
117.7 child care assistance program under Minnesota Statutes, chapter 119B; (ii) the diversionary
117.8 work program under Minnesota Statutes, section 256J.95; (iii) the supplemental nutrition
117.9 assistance program under Minnesota Statutes, chapter 256D; or (iv) state or federal housing
117.10 support;

117.11 (5) provide informed, written consent that the participant waives eligibility for the
117.12 programs included in the unified benefit set for the duration of their participation in the
117.13 pilot project;

117.14 (6) be enrolled in an education program that is focused on obtaining a career that will
117.15 result in a livable wage;

117.16 (7) receive as the unified benefit only an amount that is proportionate to and does not
117.17 exceed the total value of the benefits the participant would be eligible to receive under the
117.18 underlying programs upon entering the pilot project; and

117.19 (8) shall not have the unified benefit amount counted as income for child support or tax
117.20 purposes.

117.21 Subd. 4. **Outcomes.** (a) The outcome measures for the pilot project must be developed
117.22 in consultation with the commissioner of management and budget, and must include:

117.23 (1) improvement in the affordability, safety, and permanence of suitable housing;

117.24 (2) improvement in family functioning and stability, including the areas of behavioral
117.25 health, incarceration, involvement with the child welfare system;

117.26 (3) improvement in education readiness and outcomes for parents and children from
117.27 early childhood through high school, including reduction in absenteeism, preschool readiness
117.28 scores, third grade reading competency, graduation, grade point average, and standardized
117.29 test improvement;

117.30 (4) improvement in attachment to the workforce of one or both parents, including
117.31 enhanced job stability; wage gains; career advancement; and progress in career preparation;
117.32 and

118.1 (5) improvement in health care access and health outcomes for parents and children and
118.2 other outcomes determined in consultation with the commissioner of human services and
118.3 the commissioner of management and budget.

118.4 (b) Dakota and Olmsted Counties shall report on the progress and outcomes of the pilot
118.5 project to the chairs and ranking minority members of the legislative committees with
118.6 jurisdiction over human services by January 15 of each year that the pilot project operates,
118.7 beginning January 15, 2021.

118.8 Sec. 42. **DIRECTION TO COMMISSIONER; CHILD CARE ASSISTANCE**
118.9 **PROGRAM REDESIGN.**

118.10 (a) By January 15, 2020, the commissioner of human services shall, following
118.11 consultation with families, providers, and county agencies, report to the chairs and ranking
118.12 minority members of the legislative committees having jurisdiction over child care with a
118.13 proposal, for implementation by July 1, 2020, that redesigns the child care assistance program
118.14 to meet all applicable federal requirements, achieve at least the following objectives, and
118.15 include at least the following features:

118.16 (1) eliminates fraud;

118.17 (2) eliminates program inefficiencies;

118.18 (3) eliminates barriers to families entering the program;

118.19 (4) improves accessibility to child care for families in greater Minnesota and in the
118.20 metropolitan area;

118.21 (5) improves the quality of available child care;

118.22 (6) eliminates assistance rate disparities between greater Minnesota and the metropolitan
118.23 area;

118.24 (7) ensures future access to assistance and child care for families in greater Minnesota
118.25 and in the metropolitan area;

118.26 (8) develops additional options for providers to complete required training including
118.27 through online or remote access;

118.28 (9) improves ease of provider access to required training and quality improvement
118.29 resources;

118.30 (10) reforms the Parent Aware program, including by removing barriers to participation
118.31 for family child care providers, by implementing a method for evaluating the quality and

119.1 effectiveness of four-star rated programs, and by incorporating licensing violations, sanctions,
119.2 or maltreatment determinations into the star-rating program standards;

119.3 (11) proposes legislation that codifies Parent Aware program standards;

119.4 (12) implements a licensing and inspection structure based on differential monitoring;

119.5 (13) amends licensing requirements that have led to closure of child care programs,
119.6 especially family child care programs;

119.7 (14) recommends business development and technical assistance resources to promote
119.8 provider recruitment and retention;

119.9 (15) allows for family child care licensing alternatives, including permitting multiple
119.10 family child care providers to operate in a commercial or other building other than the
119.11 providers' residences; and

119.12 (16) improves family child care licensing efficiencies, including by adding a variance
119.13 structure and updating child ratios.

119.14 (b) The commissioner shall seek all necessary federal waivers to implement the proposed
119.15 redesign described in paragraph (a), including to authorize use of existing federal funding.

119.16 Sec. 43. **DIRECTION TO COMMISSIONER; ABBREVIATED INSPECTION**
119.17 **MODEL.**

119.18 (a) By January 1, 2020, the commissioner of human services shall, following consultation
119.19 with family child care license holders, parents, and county agencies, develop the key
119.20 indicators for use in the abbreviated inspection process under Minnesota Statutes, section
119.21 245A.055, subdivision 2, paragraph (c), and report the results to the chairs and ranking
119.22 minority members of the legislative committees with jurisdiction over child care. In
119.23 developing the key indicators that predict full compliance with the statutes and rules
119.24 governing licensed child care providers, the commissioner shall utilize an empirically based
119.25 statistical methodology similar to the licensing key indicator systems as developed by the
119.26 National Association for Regulatory Administration and the Research Institute for Key
119.27 Indicators.

119.28 (b) By July 1, 2020, the commissioner of human services shall develop, distribute, and
119.29 provide training to implement abbreviated inspections as described in Minnesota Statutes,
119.30 section 245A.055, subdivision 2, paragraph (c).

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

120.1 Sec. 44. **DIRECTION TO COMMISSIONER; CHILD CARE TRAINING**
120.2 **REQUIREMENTS.**

120.3 (a) The commissioner of human services shall develop an annual refresher course as
120.4 described in Minnesota Statutes, section 245A.50, subdivision 12, for child care providers
120.5 who previously completed the training requirements under Minnesota Statutes, chapter
120.6 245A.

120.7 (b) The commissioner must propose any necessary legislative changes to develop and
120.8 implement the annual refresher training course in paragraph (a) and to eliminate duplicative
120.9 training requirements for the 2020 legislative session.

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

120.11 Sec. 45. **DIRECTION TO COMMISSIONER; CORRECTION ORDER**
120.12 **ENFORCEMENT REVIEW.**

120.13 By January 1, 2020, the commissioner of human services shall develop and implement
120.14 a process to review licensing inspection results provided under Minnesota Statutes, section
120.15 245A.16, subdivision 1, paragraph (h), clause (1), by county to identify trends in correction
120.16 order enforcement. The commissioner shall develop guidance and training as needed to
120.17 address any imbalance or inaccuracy in correction order enforcement. The commissioner
120.18 shall include the results in the annual report on child care under Minnesota Statutes, section
120.19 245A.153, provided that the results are limited to summary data as defined in Minnesota
120.20 Statutes, section 13.02, subdivision 19.

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

120.22 Sec. 46. **FAMILY CHILD CARE TASK FORCE.**

120.23 Subdivision 1. **Membership.** (a) The Family Child Care Task Force shall consist of 18
120.24 members, appointed as follows:

120.25 (1) two members representing family child care providers from greater Minnesota,
120.26 including one appointed by the speaker of the house of representatives and one appointed
120.27 by the senate majority leader;

120.28 (2) two members representing family care providers from the metropolitan area as defined
120.29 in Minnesota Statutes, section 473.121, subdivision 2, including one appointed by the speaker
120.30 of the house of representatives and one appointed by the senate majority leader;

120.31 (3) two members appointed by the Minnesota Association of Child Care Professionals;

- 121.1 (4) two members appointed by the Minnesota Child Care Provider Information Network;
- 121.2 (5) two members from the house of representatives, including one appointed by the
- 121.3 speaker of the house of representatives, and one appointed by the minority leader;
- 121.4 (6) two members from the senate, including one appointed by the senate majority leader,
- 121.5 and one appointed by the senate minority leader;
- 121.6 (7) two members representing Department of Human Services-recognized family child
- 121.7 care associations from greater Minnesota, including one appointed by the senate majority
- 121.8 leader and one appointed by the senate minority leader;
- 121.9 (8) two members appointed by the Association of Minnesota Child Care Licensors,
- 121.10 including one from greater Minnesota and one from the metropolitan area, as defined in
- 121.11 Minnesota Statutes, section 473.121, subdivision 2;
- 121.12 (9) one member appointed by the Greater Minnesota Partnership; and
- 121.13 (10) one member appointed by the Minnesota Chamber of Commerce.
- 121.14 (b) Appointments to the task force must be made by June 15, 2019.
- 121.15 Subd. 2. **Compensation.** Public members of the task force may be compensated as
- 121.16 provided by Minnesota Statutes, section 15.059, subdivision 3.
- 121.17 Subd. 3. **Duties.** The task force must:
- 121.18 (1) identify difficulties that providers face regarding licensing and inspection, including
- 121.19 licensing requirements that have led to the closure of family child care programs; propose
- 121.20 regulatory reforms to improve licensing efficiency, including a variance structure and
- 121.21 updated child ratios; and recommend business development and technical assistance resources
- 121.22 to promote provider recruitment and retention;
- 121.23 (2) identify alternative family child care business models, including permitting multiple
- 121.24 family child care providers to operate in a building other than the providers' residences;
- 121.25 (3) review Parent Aware program participation and identify obstacles and suggested
- 121.26 improvements; and
- 121.27 (4) review proposed legislation from the revisor of statutes that would codify as statutes
- 121.28 Minnesota Rules, chapters 9502 and 9503, and recodify Minnesota Statutes, chapter 245A.
- 121.29 Subd. 4. **Officers; meetings.** (a) The task force must elect a chair and vice-chair from
- 121.30 among its members and may elect other officers as necessary.

122.1 (b) The task force must meet at least three times. The commissioner of human services
122.2 must convene the first meeting by August 1, 2019, at which the task force must at least
122.3 make introductions, identify concerns of the members and issues related to the duties under
122.4 subdivision 4, and assign tasks for each member to complete before the second meeting.
122.5 The chair must convene the second meeting by November 1, 2019, at which the task force
122.6 must at least review members' work on the tasks from the first meeting and develop a plan
122.7 for members to create proposals relating to the duties of the task force under subdivision 4.
122.8 The chair must convene the third meeting by February 1, 2020, at which the task force must
122.9 at least discuss which of the members' proposals to include in its final report.

122.10 (c) In accordance with paragraph (b), the agenda for each meeting must be determined
122.11 by the chair and vice-chair.

122.12 (d) Meetings of the task force are subject to the Minnesota Open Meeting Law under
122.13 Minnesota Statutes, chapter 13D.

122.14 Subd. 5. **Administrative support.** The division of child care licensing in the Department
122.15 of Human Services must provide administrative support and meeting space to support the
122.16 task force as needed.

122.17 Subd. 6. **Report required.** By March 1, 2020, the task force must submit a written report
122.18 to the chairs and ranking minority members of the committees in the house of representatives
122.19 and the senate with jurisdiction over child care. The report must include:

122.20 (1) a description of the difficulties that providers face regarding licensing and inspection,
122.21 and recommendations for addressing those difficulties;

122.22 (2) a description of alternative family child care business models, and recommendations
122.23 for facilitating the delivery of child care through those alternative models;

122.24 (3) a description of obstacles to participation in the Parent Aware program and
122.25 recommendations for increasing participation;

122.26 (4) the task force's opinion of and any suggested revisions to the proposed legislation
122.27 from the revisor of statutes described in subdivision 3, clause (4); and

122.28 (5) any draft legislation necessary to implement the recommendations.

122.29 Subd. 7. **Expiration.** The task force expires upon submission of the report in subdivision
122.30 6 or March 1, 2020, whichever is later.

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

123.1 Sec. 47. INSTRUCTION TO COMMISSIONER; REVIEW OF CHILD CARE
123.2 LICENSING AND BACKGROUND STUDY PROVISIONS.

123.3 The commissioner of human services shall review existing statutes and rules relating to
123.4 child care licensing and background study requirements and propose legislation for the 2020
123.5 legislative session that eliminates unnecessary and duplicative record keeping or
123.6 documentation requirements for child care providers. The commissioner shall also establish
123.7 a process for child care providers to electronically submit requested information to the
123.8 commissioner.

123.9 Sec. 48. REVISOR INSTRUCTION.

123.10 The revisor of statutes, in consultation with the Department of Human Services, House
123.11 Research Department, and Senate Counsel, Research and Fiscal Analysis shall change the
123.12 terms "food support" and "food stamps" to "Supplemental Nutrition Assistance Program"
123.13 or "SNAP" in Minnesota Statutes when appropriate. The revisor may make technical and
123.14 other necessary changes to sentence structure to preserve the meaning of the text.

123.15 Sec. 49. REVISOR INSTRUCTION.

123.16 The revisor of statutes shall remove the terms "child care assistance program," "basic
123.17 sliding fee child care," and "MFIP child care," or similar terms wherever the terms appear
123.18 in Minnesota Statutes. The revisor shall also make technical and other necessary changes
123.19 to sentence structure to preserve the meaning of the text.

123.20 **EFFECTIVE DATE.** This section is effective July 1, 2020.

123.21 Sec. 50. REVISOR INSTRUCTION; MINNESOTA RULES, CHAPTER 9502.

123.22 The revisor of statutes, in consultation with the House Research Department, Office of
123.23 Senate Counsel, Research and Fiscal Analysis, and the Department of Human Services shall
123.24 prepare legislation for the 2020 legislative session to repeal and enact as statutes Minnesota
123.25 Rules, chapter 9502, and recodify Minnesota Statutes sections governing licensing of child
123.26 care facilities. The revisor of statutes shall provide the proposed legislation to the chairs
123.27 and ranking minority members of the legislative committees with jurisdiction over child
123.28 care, the chief authors in the house of representatives and senate of this act, and the Family
123.29 Child Care Task Force, by February 15, 2020.

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

124.1 **Sec. 51. REVISOR INSTRUCTION; MINNESOTA RULES, CHAPTER 9503.**

124.2 The revisor of statutes, in consultation with the House Research Department, Office of
124.3 Senate Counsel, Research and Fiscal Analysis, and the Department of Human Services shall
124.4 prepare legislation for the 2020 legislative session to repeal and enact as statutes Minnesota
124.5 Rules, chapter 9503, and recodify Minnesota Statutes sections governing licensing of child
124.6 care facilities. The revisor of statutes shall provide the proposed legislation to the chairs
124.7 and ranking minority members of the legislative committees with jurisdiction over child
124.8 care, the chief authors in the house of representatives and senate of this act, and the Family
124.9 Child Care Task Force, by February 15, 2020.

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

124.11 **Sec. 52. REVISOR INSTRUCTION; RECODIFY MINNESOTA STATUTES,**
124.12 **CHAPTER 245A; RECODIFY MINNESOTA RULES, CHAPTER 9502.**

124.13 The revisor of statutes, in consultation with the House Research Department, Office of
124.14 Senate Counsel, Research and Fiscal Analysis, and Department of Human Services, shall
124.15 prepare legislation for the 2020 legislative session to: (1) recodify Minnesota Statutes,
124.16 chapter 245A; and (2) repeal and enact as statutes the rules governing day care facility
124.17 licensing in Minnesota Rules, chapter 9502. The revisor of statutes shall provide the proposed
124.18 legislation to the chairs and ranking minority members of the legislative committees with
124.19 jurisdiction over child care, the chief authors in the house of representatives and senate of
124.20 this act, and the Family Child Care Task Force, by February 15, 2020.

124.21 **Sec. 53. REPEALER.**

124.22 (a) Minnesota Statutes 2018, sections 119B.011, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10,
124.23 10a, 11, 12, 13, 13a, 14, 15, 16, 17, 18, 19, 19a, 19b, 20, 20a, 21, and 22; 119B.02; 119B.025,
124.24 subdivisions 1, 2, 3, and 4; 119B.03, subdivisions 1, 2, 3, 4, 5, 6, 6a, 6b, 8, 9, and 10;
124.25 119B.035; 119B.04; 119B.05, subdivisions 1, 4, and 5; 119B.06, subdivisions 1, 2, and 3;
124.26 119B.08, subdivisions 1, 2, and 3; 119B.09, subdivisions 1, 3, 4, 4a, 5, 6, 7, 8, 9, 9a, 10,
124.27 11, 12, and 13; 119B.095; 119B.097; 119B.10, subdivisions 1, 2, and 3; 119B.105; 119B.11,
124.28 subdivisions 1, 2a, 3, and 4; 119B.12, subdivisions 1 and 2; 119B.125; 119B.13, subdivisions
124.29 1, 1a, 3, 3a, 3b, 3c, 4, 5, 6, and 7; 119B.14; 119B.15; and 119B.16, are repealed effective
124.30 July 1, 2020.

124.31 (b) Minnesota Rules, parts 3400.0010; 3400.0020, subparts 1, 4, 5, 8, 9a, 10a, 12, 17a,
124.32 18, 18a, 20, 24, 25, 26, 28, 29a, 31b, 32b, 33, 34a, 35, 37, 38, 38a, 38b, 39, 40, 40a, and
124.33 44; 3400.0030; 3400.0035; 3400.0040, subparts 1, 3, 4, 5, 5a, 6a, 6b, 6c, 7, 8, 9, 10, 11, 12,

125.1 13, 14, 15, 15a, 17, and 18; 3400.0060, subparts 2, 4, 5, 6, 6a, 7, 8, 9, and 10; 3400.0080,
125.2 subparts 1, 1a, 1b, and 8; 3400.0090, subparts 1, 2, 3, and 4; 3400.0100, subparts 2a, 2b,
125.3 2c, and 5; 3400.0110, subparts 1, 1a, 2, 2a, 3, 4a, 7, 8, 9, 10, and 11; 3400.0120, subparts
125.4 1, 1a, 2, 2a, 3, and 5; 3400.0130, subparts 1, 1a, 2, 3, 3a, 3b, 5, 5a, and 7; 3400.0140, subparts
125.5 1, 2, 4, 5, 6, 7, 8, 9, 9a, 10, and 14; 3400.0150; 3400.0170, subparts 1, 3, 4, 6a, 7, 8, 9, 10,
125.6 and 11; 3400.0180; 3400.0183, subparts 1, 2, and 5; 3400.0185; 3400.0187, subparts 1, 2,
125.7 3, 4, and 6; 3400.0200; 3400.0220; 3400.0230, subpart 3; and 3400.0235, subparts 1, 2, 3,
125.8 4, 5, and 6, are repealed are effective July 1, 2020.

125.9 (c) Laws 2017, First Special Session chapter 6, article 7, section 34, is repealed effective
125.10 July 1, 2019.

125.11 **ARTICLE 3**

125.12 **CHEMICAL AND MENTAL HEALTH**

125.13 Section 1. Minnesota Statutes 2018, section 13.851, is amended by adding a subdivision
125.14 to read:

125.15 Subd. 11. **Mental health data sharing.** Section 641.15, subdivision 3a, governs the
125.16 sharing of data on prisoners who may have a mental illness or need services with county
125.17 social service agencies or welfare system personnel.

125.18 Sec. 2. [245.4663] **OFFICER-INVOLVED COMMUNITY-BASED CARE**
125.19 **COORDINATION GRANT PROGRAM.**

125.20 Subdivision 1. **Establishment and authority.** (a) The commissioner shall award grants
125.21 to programs that provide officer-involved community-based care coordination services
125.22 under section 256B.0625, subdivision 56a. The commissioner shall balance awarding grants
125.23 to counties outside the metropolitan area and counties inside the metropolitan area.

125.24 (b) The commissioner shall provide outreach, technical assistance, and program
125.25 development support to increase capacity of new and existing officer-involved
125.26 community-based care coordination programs, particularly in areas where officer-involved
125.27 community-based care coordination programs have not been established, especially in
125.28 greater Minnesota.

125.29 (c) Funds appropriated for this section must be expended on activities described under
125.30 subdivision 3, technical assistance, and capacity building, including the capacity to maximize
125.31 revenue by billing services to available third-party reimbursement sources, in order to meet
125.32 the greatest need on a statewide basis.

126.1 Subd. 2. **Eligibility.** An eligible applicant for an officer-involved community-based care
126.2 coordination grant under subdivision 1, paragraph (a), is a county or tribe that operates or
126.3 is prepared to implement an officer-involved community-based care coordination program.

126.4 Subd. 3. **Allowable grant activities.** Grant recipients may use grant funds for the costs
126.5 of providing officer-involved community-based care coordination services that are not
126.6 otherwise covered under section 256B.0625, subdivision 56a, and for the cost of services
126.7 for individuals not eligible for medical assistance.

126.8 Subd. 4. **Reporting.** (a) The commissioner shall report annually on the use of
126.9 officer-involved community-based care coordination grants to the legislative committees
126.10 with jurisdiction over human services by December 31, beginning in 2020. Each report shall
126.11 include the name and location of the grant recipients, the amount of each grant, the services
126.12 provided or planning activities conducted, and the number of individuals receiving services.
126.13 The commissioner shall determine the form required for the reports and may specify
126.14 additional reporting requirements.

126.15 (b) The reporting requirements under this subdivision are in addition to the reporting
126.16 requirements under section 256B.0625, subdivision 56a, paragraph (e).

126.17 Sec. 3. Minnesota Statutes 2018, section 245.4889, subdivision 1, is amended to read:

126.18 Subdivision 1. **Establishment and authority.** (a) The commissioner is authorized to
126.19 make grants from available appropriations to assist:

126.20 (1) counties;

126.21 (2) Indian tribes;

126.22 (3) children's collaboratives under section 124D.23 or 245.493; or

126.23 (4) mental health service providers.

126.24 (b) The following services are eligible for grants under this section:

126.25 (1) services to children with emotional disturbances as defined in section 245.4871,
126.26 subdivision 15, and their families;

126.27 (2) transition services under section 245.4875, subdivision 8, for young adults under
126.28 age 21 and their families;

126.29 (3) respite care services for children with severe emotional disturbances who are at risk
126.30 of out-of-home placement, whether or not the child is receiving case management services;

126.31 (4) children's mental health crisis services;

- 127.1 (5) mental health services for people from cultural and ethnic minorities;
- 127.2 (6) children's mental health screening and follow-up diagnostic assessment and treatment;
- 127.3 (7) services to promote and develop the capacity of providers to use evidence-based
127.4 practices in providing children's mental health services;
- 127.5 (8) school-linked mental health services, including transportation for children receiving
127.6 school-linked mental health services when school is not in session;
- 127.7 (9) building evidence-based mental health intervention capacity for children birth to age
127.8 five;
- 127.9 (10) suicide prevention and counseling services that use text messaging statewide;
- 127.10 (11) mental health first aid training;
- 127.11 (12) training for parents, collaborative partners, and mental health providers on the
127.12 impact of adverse childhood experiences and trauma and development of an interactive
127.13 website to share information and strategies to promote resilience and prevent trauma;
- 127.14 (13) transition age services to develop or expand mental health treatment and supports
127.15 for adolescents and young adults 26 years of age or younger;
- 127.16 (14) early childhood mental health consultation;
- 127.17 (15) evidence-based interventions for youth at risk of developing or experiencing a first
127.18 episode of psychosis, and a public awareness campaign on the signs and symptoms of
127.19 psychosis;
- 127.20 (16) psychiatric consultation for primary care practitioners; ~~and~~
- 127.21 (17) providers to begin operations and meet program requirements when establishing a
127.22 new children's mental health program. These may be start-up grants; and
- 127.23 (18) promoting and developing a provider's capacity to deliver multigenerational mental
127.24 health treatment and services.
- 127.25 (c) Services under paragraph (b) must be designed to help each child to function and
127.26 remain with the child's family in the community and delivered consistent with the child's
127.27 treatment plan. Transition services to eligible young adults under this paragraph must be
127.28 designed to foster independent living in the community.

128.1 Sec. 4. Minnesota Statutes 2018, section 254A.03, subdivision 3, is amended to read:

128.2 Subd. 3. **Rules for substance use disorder care.** (a) The commissioner of human
128.3 services shall establish by rule criteria to be used in determining the appropriate level of
128.4 chemical dependency care for each recipient of public assistance seeking treatment for
128.5 substance misuse or substance use disorder. Upon federal approval of a comprehensive
128.6 assessment as a Medicaid benefit, or on July 1, 2018, whichever is later, and notwithstanding
128.7 the criteria in Minnesota Rules, parts 9530.6600 to 9530.6655, an eligible vendor of
128.8 comprehensive assessments under section 254B.05 may determine and approve the
128.9 appropriate level of substance use disorder treatment for a recipient of public assistance.
128.10 The process for determining an individual's financial eligibility for the consolidated chemical
128.11 dependency treatment fund or determining an individual's enrollment in or eligibility for a
128.12 publicly subsidized health plan is not affected by the individual's choice to access a
128.13 comprehensive assessment for placement.

128.14 (b) The commissioner shall develop and implement a utilization review process for
128.15 publicly funded treatment placements to monitor and review the clinical appropriateness
128.16 and timeliness of all publicly funded placements in treatment.

128.17 (c) If a screen result is positive for alcohol or substance misuse, a brief screening for
128.18 alcohol or substance use disorder that is provided to a recipient of public assistance within
128.19 a primary care clinic, hospital, or other medical setting or school setting establishes medical
128.20 necessity and approval for an initial set of substance use disorder services identified in
128.21 section 254B.05, subdivision 5. The initial set of services approved for a recipient whose
128.22 screen result is positive may include four hours of individual or group substance use disorder
128.23 treatment, two hours of substance use disorder treatment coordination, or two hours of
128.24 substance use disorder peer support services provided by a qualified individual according
128.25 to chapter 245G. A recipient must obtain an assessment pursuant to paragraph (a) to be
128.26 approved for additional treatment services.

128.27 **EFFECTIVE DATE.** Contingent upon federal approval, this section is effective July
128.28 1, 2019. The commissioner of human services shall notify the revisor of statutes when
128.29 federal approval is obtained or denied.

128.30 Sec. 5. Minnesota Statutes 2018, section 254A.19, is amended by adding a subdivision to
128.31 read:

128.32 Subd. 5. **Assessment via telemedicine.** Notwithstanding Minnesota Rules, part
128.33 9530.6615, subpart 3, item A, a chemical use assessment may be conducted via telemedicine.

129.1 Sec. 6. Minnesota Statutes 2018, section 254B.02, subdivision 1, is amended to read:

129.2 Subdivision 1. **Chemical dependency treatment allocation.** The chemical dependency
129.3 treatment appropriation shall be placed in a special revenue account. ~~The commissioner~~
129.4 ~~shall annually transfer funds from the chemical dependency fund to pay for operation of~~
129.5 ~~the drug and alcohol abuse normative evaluation system and to pay for all costs incurred~~
129.6 ~~by adding two positions for licensing of chemical dependency treatment and rehabilitation~~
129.7 ~~programs located in hospitals for which funds are not otherwise appropriated. The remainder~~
129.8 ~~of the money in the special revenue account must be used according to the requirements in~~
129.9 this chapter.

129.10 **EFFECTIVE DATE.** This section is effective July 1, 2019.

129.11 Sec. 7. Minnesota Statutes 2018, section 254B.03, subdivision 2, is amended to read:

129.12 Subd. 2. **Chemical dependency fund payment.** (a) Payment from the chemical
129.13 dependency fund is limited to payments for services other than detoxification licensed under
129.14 Minnesota Rules, parts 9530.6510 to 9530.6590, that, if located outside of federally
129.15 recognized tribal lands, would be required to be licensed by the commissioner as a chemical
129.16 dependency treatment or rehabilitation program under sections 245A.01 to 245A.16, and
129.17 services other than detoxification provided in another state that would be required to be
129.18 licensed as a chemical dependency program if the program were in the state. Out of state
129.19 vendors must also provide the commissioner with assurances that the program complies
129.20 substantially with state licensing requirements and possesses all licenses and certifications
129.21 required by the host state to provide chemical dependency treatment. Vendors receiving
129.22 payments from the chemical dependency fund must not require co-payment from a recipient
129.23 of benefits for services provided under this subdivision. The vendor is prohibited from using
129.24 the client's public benefits to offset the cost of services paid under this section. The vendor
129.25 shall not require the client to use public benefits for room or board costs. This includes but
129.26 is not limited to cash assistance benefits under chapters 119B, 256D, and 256J, or SNAP
129.27 benefits. Retention of SNAP benefits is a right of a client receiving services through the
129.28 consolidated chemical dependency treatment fund or through state contracted managed care
129.29 entities. Payment from the chemical dependency fund shall be made for necessary room
129.30 and board costs provided by vendors ~~certified according to~~ meeting the criteria under section
129.31 254B.05, subdivision 1a, or in a community hospital licensed by the commissioner of health
129.32 according to sections 144.50 to 144.56 to a client who is:

129.33 (1) determined to meet the criteria for placement in a residential chemical dependency
129.34 treatment program according to rules adopted under section 254A.03, subdivision 3; and

130.1 (2) concurrently receiving a chemical dependency treatment service in a program licensed
130.2 by the commissioner and reimbursed by the chemical dependency fund.

130.3 (b) A county may, from its own resources, provide chemical dependency services for
130.4 which state payments are not made. A county may elect to use the same invoice procedures
130.5 and obtain the same state payment services as are used for chemical dependency services
130.6 for which state payments are made under this section if county payments are made to the
130.7 state in advance of state payments to vendors. When a county uses the state system for
130.8 payment, the commissioner shall make monthly billings to the county using the most recent
130.9 available information to determine the anticipated services for which payments will be made
130.10 in the coming month. Adjustment of any overestimate or underestimate based on actual
130.11 expenditures shall be made by the state agency by adjusting the estimate for any succeeding
130.12 month.

130.13 (c) The commissioner shall coordinate chemical dependency services and determine
130.14 whether there is a need for any proposed expansion of chemical dependency treatment
130.15 services. ~~The commissioner shall deny vendor certification to any provider that has not~~
130.16 ~~received prior approval from the commissioner for the creation of new programs or the~~
130.17 ~~expansion of existing program capacity. The commissioner shall consider the provider's~~
130.18 ~~capacity to obtain clients from outside the state based on plans, agreements, and previous~~
130.19 ~~utilization history, when determining the need for new treatment services~~ The commissioner
130.20 may deny vendor certification to a provider if the commissioner determines that the services
130.21 currently available in the local area are sufficient to meet local need and that the addition
130.22 of new services would be detrimental to individuals seeking these services.

130.23 **EFFECTIVE DATE.** This section is effective July 1, 2019.

130.24 Sec. 8. Minnesota Statutes 2018, section 254B.03, subdivision 4, is amended to read:

130.25 Subd. 4. **Division of costs.** (a) Except for services provided by a county under section
130.26 254B.09, subdivision 1, or services provided under section 256B.69, the county shall, out
130.27 of local money, pay the state for 22.95 percent of the cost of chemical dependency services,
130.28 ~~including those~~ except that the county shall pay the state for ten percent of the nonfederal
130.29 share of the cost of chemical dependency services provided to persons eligible for enrolled
130.30 in medical assistance under chapter 256B, and ten percent of the cost of room and board
130.31 services under section 254B.05, subdivision 5, paragraph (b), clause (12). Counties may
130.32 use the indigent hospitalization levy for treatment and hospital payments made under this
130.33 section.

131.1 (b) 22.95 percent of any state collections from private or third-party pay, less 15 percent
131.2 for the cost of payment and collections, must be distributed to the county that paid for a
131.3 portion of the treatment under this section.

131.4 ~~(c) For fiscal year 2017 only, the 22.95 percentages under paragraphs (a) and (b) are~~
131.5 ~~equal to 20.2 percent.~~

131.6 **EFFECTIVE DATE.** This section is effective July 1, 2019.

131.7 Sec. 9. Minnesota Statutes 2018, section 254B.04, subdivision 1, is amended to read:

131.8 Subdivision 1. **Eligibility.** (a) Persons eligible for benefits under Code of Federal
131.9 Regulations, title 25, part 20, ~~and persons eligible for medical assistance benefits under~~
131.10 ~~sections 256B.055, 256B.056, and 256B.057, subdivisions 1, 5, and 6, or who meet the~~
131.11 income standards of section 256B.056, subdivision 4, and are not enrolled in medical
131.12 assistance, are entitled to chemical dependency fund services. State money appropriated
131.13 for this paragraph must be placed in a separate account established for this purpose.

131.14 (b) Persons with dependent children who are determined to be in need of chemical
131.15 dependency treatment pursuant to an assessment under section 626.556, subdivision 10, or
131.16 a case plan under section 260C.201, subdivision 6, or 260C.212, shall be assisted by the
131.17 local agency to access needed treatment services. Treatment services must be appropriate
131.18 for the individual or family, which may include long-term care treatment or treatment in a
131.19 facility that allows the dependent children to stay in the treatment facility. The county shall
131.20 pay for out-of-home placement costs, if applicable.

131.21 (c) Notwithstanding paragraph (a), persons enrolled in medical assistance are eligible
131.22 for room and board services under section 254B.05, subdivision 5, paragraph (b), clause
131.23 (12).

131.24 **EFFECTIVE DATE.** This section is effective September 1, 2019.

131.25 Sec. 10. Minnesota Statutes 2018, section 254B.05, subdivision 1a, is amended to read:

131.26 Subd. 1a. **Room and board provider requirements.** (a) Effective January 1, 2000,
131.27 vendors of room and board are eligible for chemical dependency fund payment if the vendor:

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

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

131.31 (3) is not a jail or prison;

- 132.1 (4) is not concurrently receiving funds under chapter 256I for the recipient;
- 132.2 (5) admits individuals who are 18 years of age or older;
- 132.3 (6) is registered as a board and lodging or lodging establishment according to section
- 132.4 157.17;
- 132.5 (7) has awake staff on site 24 hours per day;
- 132.6 (8) has staff who are at least 18 years of age and meet the requirements of section
- 132.7 245G.11, subdivision 1, paragraph (b);
- 132.8 (9) has emergency behavioral procedures that meet the requirements of section 245G.16;
- 132.9 (10) meets the requirements of section 245G.08, subdivision 5, if administering
- 132.10 medications to clients;
- 132.11 (11) meets the abuse prevention requirements of section 245A.65, including a policy on
- 132.12 fraternization and the mandatory reporting requirements of section 626.557;
- 132.13 (12) documents coordination with the treatment provider to ensure compliance with
- 132.14 section 254B.03, subdivision 2;
- 132.15 (13) protects client funds and ensures freedom from exploitation by meeting the
- 132.16 provisions of section 245A.04, subdivision 13;
- 132.17 (14) has a grievance procedure that meets the requirements of section 245G.15,
- 132.18 subdivision 2; and
- 132.19 (15) has sleeping and bathroom facilities for men and women separated by a door that
- 132.20 is locked, has an alarm, or is supervised by awake staff.

- 132.21 (b) Programs licensed according to Minnesota Rules, chapter 2960, are exempt from
- 132.22 paragraph (a), clauses (5) to (15).
- 132.23 (c) Licensed programs providing intensive residential treatment services or residential
- 132.24 crisis stabilization services pursuant to section 256B.0622 or 256B.0624 are eligible vendors
- 132.25 of room and board and are exempt from paragraph (a), clauses (6) to (15).

132.26 **EFFECTIVE DATE.** This section is effective September 1, 2019.

132.27 Sec. 11. Minnesota Statutes 2018, section 254B.06, subdivision 1, is amended to read:

132.28 Subdivision 1. **State collections.** The commissioner is responsible for all collections

132.29 from persons determined to be partially responsible for the cost of care of an eligible person

132.30 receiving services under Laws 1986, chapter 394, sections 8 to 20. The commissioner may

133.1 initiate, or request the attorney general to initiate, necessary civil action to recover the unpaid
133.2 cost of care. The commissioner may collect all third-party payments for chemical dependency
133.3 services provided under Laws 1986, chapter 394, sections 8 to 20, including private insurance
133.4 and federal Medicaid and Medicare financial participation. ~~The commissioner shall deposit~~
133.5 ~~in a dedicated account a percentage of collections to pay for the cost of operating the chemical~~
133.6 ~~dependency consolidated treatment fund invoice processing and vendor payment system,~~
133.7 ~~billing, and collections.~~ The remaining receipts must be deposited in the chemical dependency
133.8 fund.

133.9 **EFFECTIVE DATE.** This section is effective July 1, 2019.

133.10 Sec. 12. Minnesota Statutes 2018, section 254B.06, subdivision 2, is amended to read:

133.11 Subd. 2. **Allocation of collections.** ~~(a) The commissioner shall allocate all federal~~
133.12 ~~financial participation collections to a special revenue account.~~ The commissioner shall
133.13 allocate 77.05 percent of patient payments and third-party payments to the special revenue
133.14 account and 22.95 percent to the county financially responsible for the patient.

133.15 ~~(b) For fiscal year 2017 only, the commissioner's allocation to the special revenue account~~
133.16 ~~shall be increased from 77.05 percent to 79.8 percent and the county financial responsibility~~
133.17 ~~shall be reduced from 22.95 percent to 20.2 percent.~~

133.18 **EFFECTIVE DATE.** This section is effective July 1, 2019.

133.19 Sec. 13. Minnesota Statutes 2018, section 256B.0625, subdivision 24, is amended to read:

133.20 Subd. 24. **Other medical or remedial care.** Medical assistance covers any other medical
133.21 or remedial care licensed and recognized under state law unless otherwise prohibited by
133.22 law, ~~except licensed chemical dependency treatment programs or primary treatment or~~
133.23 ~~extended care treatment units in hospitals that are covered under chapter 254B.~~ The
133.24 commissioner shall include chemical dependency services in the state medical assistance
133.25 plan for federal reporting purposes, but payment must be made under chapter 254B. The
133.26 commissioner shall publish in the State Register a list of elective surgeries that require a
133.27 second medical opinion before medical assistance reimbursement, and the criteria and
133.28 standards for deciding whether an elective surgery should require a second medical opinion.
133.29 The list and criteria and standards are not subject to the requirements of sections 14.01 to
133.30 14.69.

133.31 **EFFECTIVE DATE.** This section is effective July 1, 2019.

134.1 Sec. 14. Minnesota Statutes 2018, section 256B.0625, is amended by adding a subdivision
134.2 to read:

134.3 Subd. 24a. Substance use disorder services. Medical assistance covers substance use
134.4 disorder treatment services according to section 254B.05, subdivision 5, except for room
134.5 and board.

134.6 EFFECTIVE DATE. This section is effective July 1, 2019.

134.7 Sec. 15. Minnesota Statutes 2018, section 256B.0625, subdivision 56a, is amended to
134.8 read:

134.9 Subd. 56a. ~~Post-arrest~~ Officer-involved community-based service care
134.10 coordination. (a) Medical assistance covers ~~post-arrest~~ officer-involved community-based
134.11 service care coordination for an individual who:

134.12 (1) has ~~been identified as having~~ screened positive for benefiting from treatment for a
134.13 mental illness or substance use disorder using a screening tool approved by the commissioner;

134.14 (2) does not require the security of a public detention facility and is not considered an
134.15 inmate of a public institution as defined in Code of Federal Regulations, title 42, section
134.16 435.1010;

134.17 (3) meets the eligibility requirements in section 256B.056; and

134.18 (4) has agreed to participate in ~~post-arrest~~ officer-involved community-based service
134.19 care coordination through a diversion contract in lieu of incarceration.

134.20 (b) ~~Post-arrest~~ Officer-involved community-based service care coordination means
134.21 navigating services to address a client's mental health, chemical health, social, economic,
134.22 and housing needs, or any other activity targeted at reducing the incidence of jail utilization
134.23 and connecting individuals with existing covered services available to them, including, but
134.24 not limited to, targeted case management, waiver case management, or care coordination.

134.25 (c) ~~Post-arrest~~ Officer-involved community-based service care coordination must be
134.26 provided by an individual who is an employee of a ~~county~~ or is under contract with a county,
134.27 or is an employee of or under contract with an Indian health service facility or facility owned
134.28 and operated by a tribe or a tribal organization operating under Public Law 93-638 as a 638
134.29 facility to provide ~~post-arrest~~ officer-involved community-based care coordination and is
134.30 qualified under one of the following criteria:

134.31 (1) a licensed mental health professional as defined in section 245.462, subdivision 18,
134.32 clauses (1) to (6);

135.1 (2) a mental health practitioner as defined in section 245.462, subdivision 17, working
135.2 under the clinical supervision of a mental health professional; or

135.3 (3) a certified peer specialist under section 256B.0615, working under the clinical
135.4 supervision of a mental health professional;

135.5 (4) an individual qualified as an alcohol and drug counselor under section 245G.11,
135.6 subdivision 5; or

135.7 (5) a recovery peer qualified under section 245G.11, subdivision 8, working under the
135.8 supervision of an individual qualified as an alcohol and drug counselor under section
135.9 245G.11, subdivision 5.

135.10 (d) Reimbursement is allowed for up to 60 days following the initial determination of
135.11 eligibility.

135.12 (e) Providers of ~~post-arrest~~ officer-involved community-based ~~service~~ care coordination
135.13 shall annually report to the commissioner on the number of individuals served, and number
135.14 of the community-based services that were accessed by recipients. The commissioner shall
135.15 ensure that services and payments provided under ~~post-arrest~~ officer-involved
135.16 community-based ~~service~~ care coordination do not duplicate services or payments provided
135.17 under section 256B.0625, subdivision 20, 256B.0753, 256B.0755, or 256B.0757.

135.18 ~~(f) Notwithstanding section 256B.19, subdivision 1, the nonfederal share of cost for~~
135.19 ~~post-arrest community-based service coordination services shall be provided by the county~~
135.20 ~~providing the services, from sources other than federal funds or funds used to match other~~
135.21 ~~federal funds.~~

135.22 Sec. 16. Minnesota Statutes 2018, section 256B.0757, subdivision 1, is amended to read:

135.23 Subdivision 1. **Provision of coverage.** (a) The commissioner shall provide medical
135.24 assistance coverage of health home services for eligible individuals with chronic conditions
135.25 who select a designated provider as the individual's health home.

135.26 (b) The commissioner shall implement this section in compliance with the requirements
135.27 of the state option to provide health homes for enrollees with chronic conditions, as provided
135.28 under the Patient Protection and Affordable Care Act, Public Law 111-148, sections 2703
135.29 and 3502. Terms used in this section have the meaning provided in that act.

135.30 (c) The commissioner shall establish health homes to serve populations with serious
135.31 mental illness who meet the eligibility requirements described under subdivision 2, ~~clause~~

136.1 ~~(4)~~. The health home services provided by health homes shall focus on both the behavioral
136.2 and the physical health of these populations.

136.3 Sec. 17. Minnesota Statutes 2018, section 256B.0757, subdivision 2, is amended to read:

136.4 Subd. 2. **Eligible individual.** (a) The commissioner may elect to develop health home
136.5 models in accordance with United States Code, title 42, section 1396w-4.

136.6 (b) An individual is eligible for health home services under this section if the individual
136.7 is eligible for medical assistance under this chapter and has at least:

136.8 ~~(1) two chronic conditions;~~

136.9 ~~(2) one chronic condition and is at risk of having a second chronic condition;~~

136.10 ~~(3) one serious and persistent mental health condition; or~~

136.11 ~~(4) a condition that meets the definition of mental illness as described in section 245.462,~~
136.12 ~~subdivision 20, paragraph (a), or emotional disturbance as defined in section 245.4871,~~
136.13 ~~subdivision 15, clause (2); and has a current diagnostic assessment as defined in Minnesota~~
136.14 ~~Rules, part 9505.0372, subpart 1, item B or C, as performed or reviewed by a mental health~~
136.15 ~~professional employed by or under contract with the behavioral health home. The~~
136.16 ~~commissioner shall establish criteria for determining continued eligibility.~~

136.17 Sec. 18. Minnesota Statutes 2018, section 256B.0757, subdivision 4, is amended to read:

136.18 Subd. 4. **Designated provider.** ~~(a)~~ Health home services are voluntary and an eligible
136.19 individual may choose any designated provider. The commissioner shall establish designated
136.20 providers to serve as health homes and provide the services described in subdivision 3 to
136.21 individuals eligible under subdivision 2. The commissioner shall apply for grants as provided
136.22 under section 3502 of the Patient Protection and Affordable Care Act to establish health
136.23 homes and provide capitated payments to designated providers. For purposes of this section,
136.24 "designated provider" means a provider, clinical practice or clinical group practice, rural
136.25 clinic, community health center, community mental health center, or any other entity that
136.26 is determined by the commissioner to be qualified to be a health home for eligible individuals.
136.27 This determination must be based on documentation evidencing that the designated provider
136.28 has the systems and infrastructure in place to provide health home services and satisfies the
136.29 qualification standards established by the commissioner in consultation with stakeholders
136.30 and approved by the Centers for Medicare and Medicaid Services.

136.31 ~~(b) The commissioner shall develop and implement certification standards for designated~~
136.32 ~~providers under this subdivision.~~

137.1 Sec. 19. Minnesota Statutes 2018, section 256B.0757, is amended by adding a subdivision
137.2 to read:

137.3 Subd. 9. **Discharge criteria.** (a) An individual may be discharged from behavioral health
137.4 home services if:

137.5 (1) the behavioral health home services provider is unable to locate, contact, and engage
137.6 the individual for a period of greater than three months after persistent efforts by the
137.7 behavioral health home services provider; or

137.8 (2) the individual is unwilling to participate in behavioral health home services as
137.9 demonstrated by the individual's refusal to meet with the behavioral health home services
137.10 provider, or refusal to identify the individual's goals or the activities or support necessary
137.11 to achieve the individual's health and wellness goals.

137.12 (b) Before discharge from behavioral health home services, the behavioral health home
137.13 services provider must offer a face-to-face meeting with the individual, the individual's
137.14 identified supports, and the behavioral health home services provider to discuss options
137.15 available to the individual, including maintaining behavioral health home services.

137.16 Sec. 20. Minnesota Statutes 2018, section 256B.0757, is amended by adding a subdivision
137.17 to read:

137.18 Subd. 10. **Behavioral health home services provider requirements.** A behavioral
137.19 health home services provider must:

137.20 (1) be an enrolled Minnesota Health Care Programs provider;

137.21 (2) provide a medical assistance covered primary care or behavioral health service;

137.22 (3) utilize an electronic health record;

137.23 (4) utilize an electronic patient registry that contains data elements required by the
137.24 commissioner;

137.25 (5) demonstrate the organization's capacity to administer screenings approved by the
137.26 commissioner for substance use disorder or alcohol and tobacco use;

137.27 (6) demonstrate the organization's capacity to refer an individual to resources appropriate
137.28 to the individual's screening results;

137.29 (7) have policies and procedures to track referrals to ensure that the referral met the
137.30 individual's needs;

138.1 (8) conduct a brief needs assessment when an individual begins receiving behavioral
138.2 health home services. The brief needs assessment must be completed with input from the
138.3 individual and the individual's identified supports. The brief needs assessment must address
138.4 the individual's immediate safety and transportation needs and potential barriers to
138.5 participating in behavioral health home services;

138.6 (9) conduct a health wellness assessment within 60 days after intake that contains all
138.7 required elements identified by the commissioner;

138.8 (10) conduct a health action plan that contains all required elements identified by the
138.9 commissioner within 90 days after intake and updated at least once every six months or
138.10 more frequently if significant changes to an individual's needs or goals occur;

138.11 (11) agree to cooperate and participate with the state's monitoring and evaluation of
138.12 behavioral health home services; and

138.13 (12) utilize the form approved by the commissioner to obtain the individual's written
138.14 consent to begin receiving behavioral health home services.

138.15 Sec. 21. Minnesota Statutes 2018, section 256B.0757, is amended by adding a subdivision
138.16 to read:

138.17 Subd. 11. **Provider training and practice transformation requirements.** (a) The
138.18 behavioral health home services provider must ensure that all staff delivering behavioral
138.19 health home services receive adequate preservice and ongoing training including:

138.20 (1) training approved by the commissioner that describes the goals and principles of
138.21 behavioral health home services; and

138.22 (2) training on evidence-based practices to promote an individual's ability to successfully
138.23 engage with medical, behavioral health, and social services to reach the individual's health
138.24 and wellness goals.

138.25 (b) The behavioral health home services provider must ensure that staff are capable of
138.26 implementing culturally responsive services as determined by the individual's culture,
138.27 beliefs, values, and language as identified in the individual's health wellness assessment.

138.28 (c) The behavioral health home services provider must participate in the department's
138.29 practice transformation activities to support continued skill and competency development
138.30 in the provision of integrated medical, behavioral health, and social services.

139.1 Sec. 22. Minnesota Statutes 2018, section 256B.0757, is amended by adding a subdivision
139.2 to read:

139.3 Subd. 12. **Staff qualifications.** (a) A behavioral health home services provider must
139.4 maintain staff with required professional qualifications appropriate to the setting.

139.5 (b) If behavioral health home services are offered in a mental health setting, the
139.6 integration specialist must be a registered nurse licensed under the Minnesota Nurse Practice
139.7 Act, sections 148.171 to 148.285.

139.8 (c) If behavioral health home services are offered in a primary care setting, the integration
139.9 specialist must be a mental health professional as defined in section 245.462, subdivision
139.10 18, clauses (1) to (6), or 245.4871, subdivision 27, clauses (1) to (6).

139.11 (d) If behavioral health home services are offered in either a primary care setting or
139.12 mental health setting, the systems navigator must be a mental health practitioner as defined
139.13 in section 245.462, subdivision 17, or a community health worker as defined in section
139.14 256B.0625, subdivision 49.

139.15 (e) If behavioral health home services are offered in either a primary care setting or
139.16 mental health setting, the qualified health home specialist must be one of the following:

139.17 (1) a peer support specialist as defined in section 256B.0615;

139.18 (2) a family peer support specialist as defined in section 256B.0616;

139.19 (3) a case management associate as defined in section 245.462, subdivision 4, paragraph
139.20 (g), or 245.4871, subdivision 4, paragraph (j);

139.21 (4) a mental health rehabilitation worker as defined in section 256B.0623, subdivision
139.22 5, clause (4);

139.23 (5) a community paramedic as defined in section 144E.28, subdivision 9;

139.24 (6) a peer recovery specialist as defined in section 245G.07, subdivision 1, clause (5);

139.25 or

139.26 (7) a community health worker as defined in section 256B.0625, subdivision 49.

139.27 Sec. 23. Minnesota Statutes 2018, section 256B.0757, is amended by adding a subdivision
139.28 to read:

139.29 Subd. 13. **Service delivery standards.** (a) A behavioral health home services provider
139.30 must meet the following service delivery standards:

- 140.1 (1) establish and maintain processes to support the coordination of an individual's primary
140.2 care, behavioral health, and dental care;
- 140.3 (2) maintain a team-based model of care, including regular coordination and
140.4 communication between behavioral health home services team members;
- 140.5 (3) use evidence-based practices that recognize and are tailored to the medical, social,
140.6 economic, behavioral health, functional impairment, cultural, and environmental factors
140.7 affecting the individual's health and health care choices;
- 140.8 (4) use person-centered planning practices to ensure the individual's health action plan
140.9 accurately reflects the individual's preferences, goals, resources, and optimal outcomes for
140.10 the individual and the individual's identified supports;
- 140.11 (5) use the patient registry to identify individuals and population subgroups requiring
140.12 specific levels or types of care and provide or refer the individual to needed treatment,
140.13 intervention, or service;
- 140.14 (6) utilize Department of Human Services Partner Portal to identify past and current
140.15 treatment or services and to identify potential gaps in care;
- 140.16 (7) deliver services consistent with standards for frequency and face-to-face contact as
140.17 required by the commissioner;
- 140.18 (8) ensure that all individuals receiving behavioral health home services have a diagnostic
140.19 assessment completed within six months of when the individual begins receiving behavioral
140.20 health home services;
- 140.21 (9) deliver services in locations and settings that meet the needs of the individual;
- 140.22 (10) provide a central point of contact to ensure that individuals and the individual's
140.23 identified supports can successfully navigate the array of services that impact the individual's
140.24 health and well-being;
- 140.25 (11) have capacity to assess an individual's readiness for change and the individual's
140.26 capacity to integrate new health care or community supports into the individual's life;
- 140.27 (12) offer or facilitate the provision of wellness and prevention education on
140.28 evidenced-based curriculums specific to the prevention and management of common chronic
140.29 conditions;
- 140.30 (13) help an individual set up and prepare for appointments, including accompanying
140.31 the individual to appointments as appropriate, and follow up with the individual after medical,
140.32 behavioral health, social service, or community support appointments;

141.1 (14) offer or facilitate the provision of health coaching related to chronic disease
141.2 management and how to navigate complex systems of care to the individual, the individual's
141.3 family, and identified supports;

141.4 (15) connect an individual, the individual's family, and identified supports to appropriate
141.5 support services that help the individual overcome access or service barriers, increase
141.6 self-sufficiency skills, and improve overall health;

141.7 (16) provide effective referrals and timely access to services; and

141.8 (17) establish a continuous quality improvement process for providing behavioral health
141.9 home services.

141.10 (b) The behavioral health home services provider must also create a plan, in partnership
141.11 with the individual and the individual's identified supports, to support the individual after
141.12 discharge from a hospital, residential treatment program, or other setting. The plan must
141.13 include protocols for:

141.14 (1) maintaining contact between the behavioral health home services team member and
141.15 the individual and the individual's identified supports during and after discharge;

141.16 (2) linking the individual to new resources as needed;

141.17 (3) reestablishing the individual's existing services and community and social supports;
141.18 and

141.19 (4) following up with appropriate entities to transfer or obtain the individual's service
141.20 records as necessary for continued care.

141.21 (c) If the individual is enrolled in a managed care plan, a behavioral health home services
141.22 provider must:

141.23 (1) notify the behavioral health home services contact designated by the managed care
141.24 plan within 30 days of when the individual begins behavioral health home services; and

141.25 (2) adhere to the managed care plan communication and coordination requirements
141.26 described in the behavioral health home services manual.

141.27 (d) Before terminating behavioral health home services, the behavioral health home
141.28 services provider must:

141.29 (1) provide a 60-day notice of termination of behavioral health home services to all
141.30 individuals receiving behavioral health home services, the department, and managed care
141.31 plans, if applicable; and

142.1 (2) refer individuals receiving behavioral health home services to a new behavioral
142.2 health home services provider.

142.3 Sec. 24. Minnesota Statutes 2018, section 256B.0757, is amended by adding a subdivision
142.4 to read:

142.5 Subd. 14. **Provider variances.** (a) The commissioner may grant a variance to specific
142.6 requirements under subdivision 10, 11, 12, or 13 for a behavioral health home services
142.7 provider according to this subdivision.

142.8 (b) The commissioner may grant a variance if the commissioner finds that (1) failure to
142.9 grant the variance would result in hardship or injustice to the applicant, (2) the variance
142.10 would be consistent with the public interest, and (3) the variance would not reduce the level
142.11 of services provided to individuals served by the organization.

142.12 (c) The commissioner may grant a variance from one or more requirements to permit
142.13 an applicant to offer behavioral health home services of a type or in a manner that is
142.14 innovative if the commissioner finds that the variance does not impede the achievement of
142.15 the criteria in subdivision 10, 11, 12, or 13 and may improve the behavioral health home
142.16 services provided by the applicant.

142.17 (d) The commissioner's decision to grant or deny a variance request is final and not
142.18 subject to appeal.

142.19 Sec. 25. **[256B.0759] SUBSTANCE USE DISORDER DEMONSTRATION PROJECT.**

142.20 Subdivision 1. **Establishment.** The commissioner shall develop and implement a medical
142.21 assistance demonstration project to test reforms of Minnesota's substance use disorder
142.22 treatment system to ensure individuals with substance use disorders have access to a full
142.23 continuum of high quality care.

142.24 Subd. 2. **Provider participation.** Substance use disorder treatment providers may elect
142.25 to participate in the demonstration project and fulfill the requirements under subdivision 3.
142.26 To participate, a provider must notify the commissioner of the provider's intent to participate
142.27 in a format required by the commissioner and enroll as a demonstration project provider.

142.28 Subd. 3. **Provider standards.** (a) The commissioner shall establish requirements for
142.29 participating providers that are consistent with the federal requirements of the demonstration
142.30 project.

142.31 (b) Participating residential providers must obtain applicable licensure under chapters
142.32 245F, 245G, or other applicable standards for the services provided and must:

143.1 (1) deliver services in accordance with American Society of Addiction Medicine (ASAM)
143.2 standards;

143.3 (2) maintain formal patient referral arrangements with providers delivering step-up or
143.4 step-down levels of care in accordance with ASAM standards; and

143.5 (3) provide or arrange for medication-assisted treatment services if requested by a client
143.6 for whom an effective medication exists.

143.7 (c) Participating outpatient providers must be licensed and must:

143.8 (1) deliver services in accordance with ASAM standards; and

143.9 (2) maintain formal patient referral arrangements with providers delivering step-up or
143.10 step-down levels of care in accordance with ASAM standards.

143.11 (d) If the provider standards under chapter 245G or other applicable standards conflict
143.12 or are duplicative, the commissioner may grant variances to the standards if the variances
143.13 do not conflict with federal requirements. The commissioner shall publish service
143.14 components, service standards, and staffing requirements for participating providers that
143.15 are consistent with ASAM standards and federal requirements.

143.16 Subd. 4. **Provider payment rates.** (a) Payment rates for participating providers must
143.17 be increased for services provided to medical assistance enrollees.

143.18 (b) For substance use disorder services under section 254B.05, subdivision 5, paragraph
143.19 (b), clause (8), payment rates must be increased by 15 percent over the rates in effect on
143.20 January 1, 2020.

143.21 (c) For substance use disorder services under section 254B.05, subdivision 5, paragraph
143.22 (b), clauses (1), (6), (7), and (10), payment rates must be increased by ten percent over the
143.23 rates in effect on January 1, 2021.

143.24 Subd. 5. **Federal approval.** The commissioner shall seek federal approval to implement
143.25 the demonstration project under this section and to receive federal financial participation.

143.26 Sec. 26. Minnesota Statutes 2018, section 256I.04, subdivision 1, is amended to read:

143.27 Subdivision 1. **Individual eligibility requirements.** An individual is eligible for and
143.28 entitled to a housing support payment to be made on the individual's behalf if the agency
143.29 has approved the setting where the individual will receive housing support and the individual
143.30 meets the requirements in paragraph (a), (b), or (c).

144.1 (a) The individual is aged, blind, or is over 18 years of age with a disability as determined
 144.2 under the criteria used by the title II program of the Social Security Act, and meets the
 144.3 resource restrictions and standards of section 256P.02, and the individual's countable income
 144.4 after deducting the (1) exclusions and disregards of the SSI program, (2) the medical
 144.5 assistance personal needs allowance under section 256B.35, and (3) an amount equal to the
 144.6 income actually made available to a community spouse by an elderly waiver participant
 144.7 under the provisions of sections 256B.0575, paragraph (a), clause (4), and 256B.058,
 144.8 subdivision 2, is less than the monthly rate specified in the agency's agreement with the
 144.9 provider of housing support in which the individual resides.

144.10 (b) The individual meets a category of eligibility under section 256D.05, subdivision 1,
 144.11 paragraph (a), clauses (1), (3), (4) to (8), and (13), and paragraph (b), if applicable, and the
 144.12 individual's resources are less than the standards specified by section 256P.02, and the
 144.13 individual's countable income as determined under section 256P.06, less the medical
 144.14 assistance personal needs allowance under section 256B.35 is less than the monthly rate
 144.15 specified in the agency's agreement with the provider of housing support in which the
 144.16 individual resides.

144.17 (c) ~~The individual receives licensed residential crisis stabilization services under section~~
 144.18 ~~256B.0624, subdivision 7, and is receiving medical assistance. The individual may receive~~
 144.19 ~~concurrent housing support payments if receiving licensed residential crisis stabilization~~
 144.20 ~~services under section 256B.0624, subdivision 7. lacks a fixed, adequate, nighttime residence~~
 144.21 ~~upon discharge from a residential behavioral health treatment program, as determined by~~
 144.22 ~~treatment staff from the residential behavioral health treatment program. An individual is~~
 144.23 ~~eligible under this paragraph for up to three months, including a full or partial month from~~
 144.24 ~~the individual's move-in date at a setting approved for housing support following discharge~~
 144.25 ~~from treatment, plus two full months.~~

144.26 **EFFECTIVE DATE.** This section is effective September 1, 2019.

144.27 Sec. 27. Minnesota Statutes 2018, section 256I.04, subdivision 2f, is amended to read:

144.28 Subd. 2f. **Required services.** (a) In licensed and registered settings under subdivision
 144.29 2a, providers shall ensure that participants have at a minimum:

- 144.30 (1) food preparation and service for three nutritional meals a day on site;
- 144.31 (2) a bed, clothing storage, linen, bedding, laundering, and laundry supplies or service;
- 144.32 (3) housekeeping, including cleaning and lavatory supplies or service; and

145.1 (4) maintenance and operation of the building and grounds, including heat, water, garbage
145.2 removal, electricity, telephone for the site, cooling, supplies, and parts and tools to repair
145.3 and maintain equipment and facilities.

145.4 (b) Providers serving participants described in subdivision 1, paragraph (c), shall assist
145.5 participants in applying for continuing housing support payments before the end of the
145.6 eligibility period.

145.7 **EFFECTIVE DATE.** This section is effective September 1, 2019.

145.8 Sec. 28. Minnesota Statutes 2018, section 256I.06, subdivision 8, is amended to read:

145.9 Subd. 8. **Amount of housing support payment.** (a) The amount of a room and board
145.10 payment to be made on behalf of an eligible individual is determined by subtracting the
145.11 individual's countable income under section 256I.04, subdivision 1, for a whole calendar
145.12 month from the room and board rate for that same month. The housing support payment is
145.13 determined by multiplying the housing support rate times the period of time the individual
145.14 was a resident or temporarily absent under section 256I.05, subdivision 1c, paragraph (d).

145.15 (b) For an individual with earned income under paragraph (a), prospective budgeting
145.16 must be used to determine the amount of the individual's payment for the following six-month
145.17 period. An increase in income shall not affect an individual's eligibility or payment amount
145.18 until the month following the reporting month. A decrease in income shall be effective the
145.19 first day of the month after the month in which the decrease is reported.

145.20 (c) For an individual who receives ~~licensed residential crisis stabilization services under~~
145.21 ~~section 256B.0624, subdivision 7,~~ housing support payments under section 256I.04,
145.22 subdivision 1, paragraph (c), the amount of housing support payment amount is determined
145.23 by multiplying the housing support rate times the period of time the individual was a resident.

145.24 **EFFECTIVE DATE.** This section is effective September 1, 2019.

145.25 Sec. 29. Minnesota Statutes 2018, section 256K.45, subdivision 2, is amended to read:

145.26 Subd. 2. **Homeless youth report.** The commissioner shall prepare a biennial report,
145.27 beginning in February 2015, which provides meaningful information to the legislative
145.28 committees having jurisdiction over the issue of homeless youth, that includes, but is not
145.29 limited to: (1) a list of the areas of the state with the greatest need for services and housing
145.30 for homeless youth, and the level and nature of the needs identified; (2) details about grants
145.31 made, including shelter-linked youth mental health grants under section 256K.46; (3) the
145.32 distribution of funds throughout the state based on population need; (4) follow-up

146.1 information, if available, on the status of homeless youth and whether they have stable
146.2 housing two years after services are provided; and (5) any other outcomes for populations
146.3 served to determine the effectiveness of the programs and use of funding.

146.4 Sec. 30. [256K.46] SHELTER-LINKED YOUTH MENTAL HEALTH GRANT
146.5 PROGRAM.

146.6 Subdivision 1. Establishment and authority. (a) The commissioner shall award grants
146.7 to provide mental health services to homeless or sexually exploited youth. To be eligible,
146.8 housing providers must partner with community-based mental health practitioners to provide
146.9 a continuum of mental health services, including short-term crisis response, support for
146.10 youth in longer-term housing settings, and ongoing relationships to support youth in other
146.11 housing arrangements in the community for homeless or sexually exploited youth.

146.12 (b) The commissioner shall consult with the commissioner of management and budget
146.13 to identify evidence-based mental health services for youth and give priority in awarding
146.14 grants to proposals that include evidence-based mental health services for youth.

146.15 (c) The commissioner may make two-year grants under this section.

146.16 (d) Money appropriated for this section must be expended on activities described under
146.17 subdivision 4, technical assistance, and capacity building to meet the greatest need on a
146.18 statewide basis. The commissioner shall provide outreach, technical assistance, and program
146.19 development support to increase capacity of new and existing service providers to better
146.20 meet needs statewide, particularly in areas where shelter-linked youth mental health services
146.21 have not been established, especially in greater Minnesota.

146.22 Subd. 2. Definitions. (a) The definitions in this subdivision apply to this section.

146.23 (b) "Commissioner" means the commissioner of human services, unless otherwise
146.24 indicated.

146.25 (c) "Housing provider" means a shelter, housing program, or other entity providing
146.26 services under the Homeless Youth Act in section 256K.45 and the Safe Harbor for Sexually
146.27 Exploited Youth Act in section 145.4716.

146.28 (d) "Mental health practitioner" has the meaning given in section 245.462, subdivision
146.29 17.

146.30 (e) "Youth" has the meanings given for "homeless youth," "youth at risk for
146.31 homelessness," and "runaway" in section 256K.45, subdivision 1a, "sexually exploited

147.1 youth" in section 260C.007, subdivision 31, and "youth eligible for services" in section
147.2 145.4716, subdivision 3.

147.3 Subd. 3. **Eligibility.** An eligible applicant for shelter-linked youth mental health grants
147.4 under subdivision 1 is a housing provider that:

147.5 (1) demonstrates that the provider received targeted trauma training focused on sexual
147.6 exploitation and adolescent experiences of homelessness; and

147.7 (2) partners with a community-based mental health practitioner who has demonstrated
147.8 experience or access to training regarding adolescent development and trauma-informed
147.9 responses.

147.10 Subd. 4. **Allowable grant activities.** (a) Grant recipients may conduct the following
147.11 activities with community-based mental health practitioners:

147.12 (1) develop programming to prepare youth to receive mental health services;

147.13 (2) provide on-site mental health services, including group skills and therapy sessions.

147.14 Grant recipients are encouraged to use evidence-based mental health services;

147.15 (3) provide mental health case management, as defined in section 256B.0625, subdivision
147.16 20; and

147.17 (4) consult, train, and educate housing provider staff regarding mental health. Grant
147.18 recipients are encouraged to provide staff with access to a mental health crisis line 24 hours
147.19 a day, seven days a week.

147.20 (b) Only after promoting and assisting participants with obtaining health insurance
147.21 coverage for which the participant is eligible, and only after mental health practitioners bill
147.22 covered services to medical assistance or health plan companies, grant recipients may use
147.23 grant funds to fill gaps in insurance coverage for mental health services.

147.24 (c) Grant funds may be used for purchasing equipment, connection charges, on-site
147.25 coordination, set-up fees, and site fees to deliver shelter-linked youth mental health services
147.26 defined in this subdivision via telemedicine consistent with section 256B.0625, subdivision
147.27 3b.

147.28 Subd. 5. **Reporting.** Grant recipients shall report annually on the use of shelter-linked
147.29 youth mental health grants to the commissioner by December 31, beginning in 2020. Each
147.30 report shall include the name and location of the grant recipient, the amount of each grant,
147.31 the youth mental health services provided, and the number of youth receiving services. The
147.32 commissioner shall determine the form required for the reports and may specify additional

148.1 reporting requirements. The commissioner shall include the shelter-linked youth mental
148.2 health services program in the biennial report required under section 256K.45, subdivision
148.3 2.

148.4 Sec. 31. Minnesota Statutes 2018, section 641.15, subdivision 3a, is amended to read:

148.5 Subd. 3a. **Intake procedure; approved mental health screening; data sharing.** As
148.6 part of its intake procedure for new prisoners, the sheriff or local corrections shall use a
148.7 mental health screening tool approved by the commissioner of corrections, in consultation
148.8 with the commissioner of human services and local corrections staff, to identify persons
148.9 who may have a mental illness. Notwithstanding section 13.85, the sheriff or local corrections
148.10 may share the names of persons who have screened positive for or may have a mental illness
148.11 with the local county social services agency. The sheriff or local corrections may refer a
148.12 person to county personnel of the welfare system, as defined in section 13.46, subdivision
148.13 1, paragraph (c), in order to arrange for services upon discharge and may share private data
148.14 on the individual as necessary to:

148.15 (1) provide assistance in filling out an application for medical assistance or
148.16 MinnesotaCare;

148.17 (2) make a referral for case management as provided under section 245.467, subdivision
148.18 4;

148.19 (3) provide assistance in obtaining a state photo identification;

148.20 (4) secure a timely appointment with a psychiatrist or other appropriate community
148.21 mental health provider;

148.22 (5) provide prescriptions for a 30-day supply of all necessary medications; or

148.23 (6) provide for behavioral health service coordination.

148.24 Sec. 32. Laws 2017, First Special Session chapter 6, article 8, section 71, the effective
148.25 date, is amended to read:

148.26 **EFFECTIVE DATE.** This section is effective for services provided on July 1, 2017,
148.27 through ~~April 30, 2019, and expires May 1, 2019~~ June 30, 2019, and expires July 1, 2019.

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

149.1 Sec. 33. Laws 2017, First Special Session chapter 6, article 8, section 72, the effective
149.2 date, is amended to read:

149.3 **EFFECTIVE DATE.** This section is effective for services provided on July 1, 2017,
149.4 through ~~April 30, 2019, and expires May 1, 2019~~ June 30, 2019, and expires July 1, 2019.

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

149.6 Sec. 34. **DIRECTION TO THE COMMISSIONER; SUBSTANCE USE DISORDER**
149.7 **TREATMENT PROGRAM SYSTEMS IMPROVEMENT.**

149.8 The commissioner of human services, in consultation with counties, tribes, managed
149.9 care organizations, substance use disorder treatment associations, and other relevant
149.10 stakeholders, shall develop a plan, proposed timeline, and summary of necessary resources
149.11 to make systems improvements to minimize the regulatory paperwork for substance use
149.12 disorder programs licensed under Minnesota Statutes, chapter 245A, and regulated under
149.13 Minnesota Statutes, chapters 245F and 245G, and Minnesota Rules, parts 2960.0580 to
149.14 2960.0700. The plan shall include procedures to ensure that continued input from all
149.15 stakeholders is considered and that the planned systems improvements maximize client
149.16 benefits and utility for providers, regulatory agencies, and payers.

149.17 Sec. 35. **DIRECTION TO THE COMMISSIONER OF HUMAN SERVICES;**
149.18 **PERSON-CENTERED TELEPRESENCE PLATFORM EXPANSION.**

149.19 (a) By January 15, 2020, the commissioner of human services shall develop and provide
149.20 to the chairs and ranking minority members of the legislative committees with jurisdiction
149.21 over health and human services a proposal, including a timeline, a summary of necessary
149.22 resources, and any necessary legislative changes, to adapt and expand statewide, a common,
149.23 interoperable, person-centered telepresence platform for delivering behavioral health and
149.24 other health care services.

149.25 (b) In developing the proposal, the commissioner shall consult with the commissioners
149.26 of management and budget, MN.IT services, corrections, health, and education, and other
149.27 relevant stakeholders including but not limited to county services agencies in the areas of
149.28 human services, health, and corrections or law enforcement from counties outside the
149.29 metropolitan area; public health representatives; behavioral health and primary care service
149.30 providers, including providers from outside the metropolitan area; representatives of the
149.31 Minnesota School Boards Association; representatives of the Minnesota Hospital Association,
149.32 including rural hospital emergency departments; community mental health centers; adolescent
149.33 treatment centers; child advocacy centers; and the domestic abuse perpetrator program.

150.1 (c) In developing the proposal, the commissioner shall:

150.2 (1) explore opportunities for improving behavioral health and other health care service
150.3 delivery through the use of a common interoperable person-centered telepresence platform
150.4 that provides connectivity and technical support to potential users;

150.5 (2) review and coordinate state and local innovation initiatives and investments designed
150.6 to leverage telepresence connectivity and collaboration;

150.7 (3) identify necessary standards and capabilities for a common interoperable telepresence
150.8 platform;

150.9 (4) identify barriers to providing telepresence technology, including limited availability
150.10 of bandwidth, limitations in providing certain services via telepresence, and broadband
150.11 infrastructure needs;

150.12 (5) make recommendations for governance to ensure the person-centered responsiveness
150.13 of a common telepresence platform;

150.14 (6) develop incentives for ongoing innovation by service providers in Minnesota's health
150.15 and human services systems;

150.16 (7) evaluate the use of vendors to provide a common telepresence platform that meets
150.17 identified standards and capabilities;

150.18 (8) identify sustainable financial support for a common telepresence platform, including
150.19 infrastructure costs and start-up costs for potential users; and

150.20 (9) identify the benefits to the state, political subdivisions, tribal governments, and
150.21 constituents from using a common person-centered telepresence platform for delivering
150.22 behavioral health services.

150.23 **Sec. 36. DIRECTION TO THE COMMISSIONER OF HUMAN SERVICES;**
150.24 **IMPROVING SCHOOL-LINKED MENTAL HEALTH GRANT PROGRAM.**

150.25 (a) The commissioner of human services, in collaboration with the commissioner of
150.26 education, representatives from the education community, mental health providers, and
150.27 advocates, shall assess the school-linked mental health grant program under Minnesota
150.28 Statutes, section 245.4901, and develop recommendations for improvements. The assessment
150.29 must include but is not limited to the following:

150.30 (1) promoting stability among current grantees and school partners;

151.1 (2) assessing the minimum number of full-time equivalents needed per school site to
151.2 effectively carry out the program;

151.3 (3) developing a funding formula that promotes sustainability and consistency across
151.4 grant cycles;

151.5 (4) reviewing current data collection and evaluation; and

151.6 (5) analyzing the impact on outcomes when a school has a school-linked mental health
151.7 program, a multi-tier system of supports, and sufficient school support personnel to meet
151.8 the needs of students.

151.9 (b) The commissioner shall provide a report of the findings of the assessment and
151.10 recommendations, including any necessary statutory changes, to the legislative committees
151.11 with jurisdiction over mental health and education by January 15, 2020.

151.12 **Sec. 37. OFFICER-INVOLVED COMMUNITY-BASED CARE COORDINATION;**
151.13 **PLANNING GRANTS.**

151.14 In fiscal year 2020, the commissioner shall award up to ten planning grants of up to
151.15 \$10,000 available to counties and tribes to establish new officer-involved community-based
151.16 care coordination programs. An eligible applicant for a planning grant under this section is
151.17 a county or tribe that does not have a fully functioning officer-involved community-based
151.18 care coordination program and has not yet taken steps to implement an officer-involved
151.19 community-based care coordination program. Planning grant recipients may use grant funds
151.20 for the start-up costs of a new officer-involved community-based care coordination program,
151.21 including data platform design, data collection, and quarterly reporting.

151.22 **Sec. 38. COMMUNITY COMPETENCY RESTORATION TASK FORCE.**

151.23 Subdivision 1. **Establishment; purpose.** The Community Competency Restoration Task
151.24 Force is established to evaluate and study community competency restoration programs and
151.25 develop recommendations to address the needs of individuals deemed incompetent to stand
151.26 trial.

151.27 Subd. 2. **Membership.** (a) The Community Competency Restoration Task Force consists
151.28 of the following members, appointed as follows:

151.29 (1) a representative appointed by the governor's office;

151.30 (2) the commissioner of human services or designee;

151.31 (3) the commissioner of corrections or designee;

- 152.1 (4) a representative from direct care and treatment services with experience in competency
152.2 evaluations, appointed by the commissioner of human services;
- 152.3 (5) a representative appointed by the designated State Protection and Advocacy system;
- 152.4 (6) the ombudsman for mental health and developmental disabilities;
- 152.5 (7) a representative appointed by the Minnesota Hospital Association;
- 152.6 (8) a representative appointed by the Association of Minnesota Counties;
- 152.7 (9) two representatives appointed by the Minnesota Association of County Social Service
152.8 Administrators: one from the seven-county metropolitan area, as defined under Minnesota
152.9 Statutes, section 473.121, subdivision 2, and one from outside the seven-county metropolitan
152.10 area;
- 152.11 (10) a representative appointed by the Board of Public Defense;
- 152.12 (11) a representative appointed by the Minnesota County Attorney Association;
- 152.13 (12) a representative appointed by the Chiefs of Police;
- 152.14 (13) a representative appointed by the Minnesota Psychiatric Society;
- 152.15 (14) a representative appointed by the Minnesota Psychological Association;
- 152.16 (15) a representative appointed by the State Court Administrator;
- 152.17 (16) a representative appointed by the Minnesota Association of Community Mental
152.18 Health Programs;
- 152.19 (17) a representative appointed by the Minnesota Sheriff's Association;
- 152.20 (18) a representative appointed by the Sentencing Commission;
- 152.21 (19) a jail administrator appointed by the commissioner of corrections;
- 152.22 (20) a representative from an organization providing reentry services appointed by the
152.23 commissioner of corrections;
- 152.24 (21) a representative from a mental health advocacy organization appointed by the
152.25 commissioner of human services;
- 152.26 (22) a person with direct experience with competency restoration appointed by the
152.27 commissioner of human services;
- 152.28 (23) representatives from organizations representing racial and ethnic groups
152.29 overrepresented in the justice system appointed by the commissioner of corrections; and

153.1 (24) a crime victim appointed by the commissioner of corrections.

153.2 (b) Appointments to the task force must be made no later than July 15, 2019, and members
153.3 of the task force may be compensated as provided under Minnesota Statutes, section 15.059,
153.4 subdivision 3.

153.5 Subd. 3. **Duties.** The task force must:

153.6 (1) identify current services and resources available for individuals in the criminal justice
153.7 system who have been found incompetent to stand trial;

153.8 (2) analyze current trends of competency referrals by county and the impact of any
153.9 diversion projects or stepping-up initiatives;

153.10 (3) analyze selected case reviews and other data to identify risk levels of those individuals,
153.11 service usage, housing status, and health insurance status prior to being jailed;

153.12 (4) research how other states address this issue, including funding and structure of
153.13 community competency restoration programs, and jail-based programs; and

153.14 (5) develop recommendations to address the growing number of individuals deemed
153.15 incompetent to stand trial including increasing prevention and diversion efforts, providing
153.16 a timely process for reducing the amount of time individuals remain in the criminal justice
153.17 system, determining how to provide and fund competency restoration services in the
153.18 community, and defining the role of the counties and state in providing competency
153.19 restoration.

153.20 Subd. 4. **Officers; meetings.** (a) The commissioner of human services shall convene
153.21 the first meeting of the task force no later than August 1, 2019.

153.22 (b) The task force must elect a chair and vice-chair from among its members and may
153.23 elect other officers as necessary.

153.24 (c) The task force is subject to the Minnesota Open Meeting Law under Minnesota
153.25 Statutes, chapter 13D.

153.26 Subd. 5. **Staff.** (a) The commissioner of human services must provide staff assistance
153.27 to support the task force's work.

153.28 (b) The task force may utilize the expertise of the Council of State Governments Justice
153.29 Center.

153.30 Subd. 6. **Report required.** (a) By February 1, 2020, the task force shall submit a report
153.31 on its progress and findings to the chairs and ranking minority members of the legislative
153.32 committees with jurisdiction over mental health and corrections.

154.1 (b) By February 1, 2021, the task force must submit a written report including
154.2 recommendations to address the growing number of individuals deemed incompetent to
154.3 stand trial to the chairs and ranking minority members of the legislative committees with
154.4 jurisdiction over mental health and corrections.

154.5 Subd. 7. **Expiration.** The task force expires upon submission of the report in subdivision
154.6 6, paragraph (b), or February 1, 2021, whichever is later.

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

154.8 Sec. 39. **SPECIALIZED MENTAL HEALTH COMMUNITY SUPERVISION PILOT**
154.9 **PROJECT.**

154.10 Subdivision 1. **Authorization.** The commissioner of human services shall award a grant
154.11 to Anoka County to develop and implement a pilot project from July 1, 2019, to June 30,
154.12 2021, to evaluate the impact of a coordinated, multidisciplinary service delivery approach
154.13 for offenders with mental illness who are on probation, parole, supervised release, or pretrial
154.14 status in Anoka County.

154.15 Subd. 2. **Pilot project goals and design.** (a) The pilot project must provide enhanced
154.16 assessment, case management, treatment services, and community supervision for offenders
154.17 with mental illness who have symptoms or behavior resulting in heightened risk to harm
154.18 themselves or others, to recidivate, to commit violations of supervision, or to face
154.19 incarceration or reincarceration.

154.20 (b) The goals of the pilot project are to:

154.21 (1) improve mental health service delivery and supervision coordination through
154.22 establishment of a multidisciplinary caseload management team that must include at least
154.23 one probation officer and social services professional who share case management
154.24 responsibilities;

154.25 (2) provide expedited assessment, diagnosis, and community-based treatment and
154.26 programming for acute symptom and behavior management;

154.27 (3) enhance community supervision through a specialized caseload and team specifically
154.28 trained to work with individuals with mental illness;

154.29 (4) offer community-based mental health treatment and programming alternatives to
154.30 incarceration if available and appropriate;

154.31 (5) reduce incarceration related to unmanaged mental illness and technical violations;

155.1 (6) eliminate or reduce duplication of services between county social services and
155.2 corrections; and

155.3 (7) improve collaboration among, and reduce barriers between, criminal justice system
155.4 partners, county social services, and community service providers.

155.5 **Subd. 3. Target population.** The target population of the pilot project is:

155.6 (1) adult offenders on probation, parole, supervised release, or pretrial status in Anoka
155.7 County who have been assessed with significant or unmanaged mental illness or acute
155.8 symptoms that pose a risk to harm themselves or others, or increase their risk to recidivate
155.9 or commit technical violations of supervision;

155.10 (2) adult offenders who receive county social service case management for mental illness
155.11 while under correctional supervision in Anoka County; and

155.12 (3) adult offenders incarcerated in jail in Anoka County who have significant or
155.13 unmanaged mental illness and may be safely treated in a community setting under
155.14 correctional supervision.

155.15 **Subd. 4. Evaluation and report.** By October 1, 2021, Anoka County must report to the
155.16 commissioner of human services on the impact and outcomes of the project.

155.17 **Sec. 40. REPEALER.**

155.18 (a) Minnesota Statutes 2018, section 254B.03, subdivision 4a, is repealed.

155.19 (b) Minnesota Rules, parts 9530.6800; and 9530.6810, are repealed.

155.20 **ARTICLE 4**

155.21 **CONTINUING CARE FOR OLDER ADULTS**

155.22 **Section 1.** Minnesota Statutes 2018, section 144A.073, is amended by adding a subdivision
155.23 to read:

155.24 **Subd. 16. Moratorium exception funding.** In fiscal year 2020, the commissioner may
155.25 approve moratorium exception projects under this section for which the full annualized state
155.26 share of medical assistance costs does not exceed \$2,000,000 plus any carryover of previous
155.27 appropriations for this purpose.

156.1 Sec. 2. Minnesota Statutes 2018, section 256R.25, is amended to read:

156.2 **256R.25 EXTERNAL FIXED COSTS PAYMENT RATE.**

156.3 (a) The payment rate for external fixed costs is the sum of the amounts in paragraphs
156.4 (b) to ~~(n)~~ (o).

156.5 (b) For a facility licensed as a nursing home, the portion related to the provider surcharge
156.6 under section 256.9657 is equal to \$8.86 per resident day. For a facility licensed as both a
156.7 nursing home and a boarding care home, the portion related to the provider surcharge under
156.8 section 256.9657 is equal to \$8.86 per resident day multiplied by the result of its number
156.9 of nursing home beds divided by its total number of licensed beds.

156.10 (c) The portion related to the licensure fee under section 144.122, paragraph (d), is the
156.11 amount of the fee divided by the sum of the facility's resident days.

156.12 (d) The portion related to development and education of resident and family advisory
156.13 councils under section 144A.33 is \$5 per resident day divided by 365.

156.14 (e) The portion related to scholarships is determined under section 256R.37.

156.15 (f) The portion related to planned closure rate adjustments is as determined under section
156.16 256R.40, subdivision 5, and Minnesota Statutes 2010, section 256B.436.

156.17 (g) The portion related to consolidation rate adjustments shall be as determined under
156.18 section 144A.071, subdivisions 4c, paragraph (a), clauses (5) and (6), and 4d.

156.19 (h) The portion related to single-bed room incentives is as determined under section
156.20 256R.41.

156.21 (i) The portions related to real estate taxes, special assessments, and payments made in
156.22 lieu of real estate taxes directly identified or allocated to the nursing facility are the actual
156.23 amounts divided by the sum of the facility's resident days. Allowable costs under this
156.24 paragraph for payments made by a nonprofit nursing facility that are in lieu of real estate
156.25 taxes shall not exceed the amount which the nursing facility would have paid to a city or
156.26 township and county for fire, police, sanitation services, and road maintenance costs had
156.27 real estate taxes been levied on that property for those purposes.

156.28 (j) The portion related to employer health insurance costs is the allowable costs divided
156.29 by the sum of the facility's resident days.

156.30 (k) The portion related to the Public Employees Retirement Association is actual costs
156.31 divided by the sum of the facility's resident days.

157.1 (l) The portion related to quality improvement incentive payment rate adjustments is
157.2 the amount determined under section 256R.39.

157.3 (m) The portion related to performance-based incentive payments is the amount
157.4 determined under section 256R.38.

157.5 (n) The portion related to special dietary needs is the amount determined under section
157.6 256R.51.

157.7 (o) The portion related to the rate adjustments for border city facilities is the amount
157.8 determined under section 256R.481.

157.9 Sec. 3. **[256R.481] RATE ADJUSTMENTS FOR BORDER CITY FACILITIES.**

157.10 (a) The commissioner shall allow each nonprofit nursing facility located within the
157.11 boundaries of the city of Breckenridge or Moorhead prior to January 1, 2015, to apply once
157.12 annually for a rate add-on to the facility's external fixed costs payment rate.

157.13 (b) A facility seeking an add-on to its external fixed costs payment rate under this section
157.14 must apply annually to the commissioner to receive the add-on. A facility must submit the
157.15 application within 60 calendar days of the effective date of any add-on under this section.
157.16 The commissioner may waive the deadlines required by this paragraph under extraordinary
157.17 circumstances.

157.18 (c) The commissioner shall provide the add-on to each eligible facility that applies by
157.19 the application deadline.

157.20 (d) The add-on to the external fixed costs payment rate is the difference on January 1
157.21 of the median total payment rate for case mix classification PA1 of the nonprofit facilities
157.22 located in an adjacent city in another state and in cities contiguous to the adjacent city minus
157.23 the eligible nursing facility's total payment rate for case mix classification PA1 as determined
157.24 under section 256R.22, subdivision 4.

157.25 **EFFECTIVE DATE.** The add-on to the external fixed costs payment rate described in
157.26 Minnesota Statutes, section 256R.481, is available for the rate years beginning on and after
157.27 January 1, 2021.

157.28 Sec. 4. **REPEALER.**

157.29 Minnesota Statutes 2018, section 256R.53, subdivision 2, is repealed effective January
157.30 1, 2021.

158.1 **ARTICLE 5**

158.2 **DISABILITY SERVICES**

158.3 Section 1. Minnesota Statutes 2018, section 245A.03, subdivision 7, is amended to read:

158.4 Subd. 7. **Licensing moratorium.** (a) The commissioner shall not issue an initial license
158.5 for child foster care licensed under Minnesota Rules, parts 2960.3000 to 2960.3340, or adult
158.6 foster care licensed under Minnesota Rules, parts 9555.5105 to 9555.6265, under this chapter
158.7 for a physical location that will not be the primary residence of the license holder for the
158.8 entire period of licensure. If a license is issued during this moratorium, and the license
158.9 holder changes the license holder's primary residence away from the physical location of
158.10 the foster care license, the commissioner shall revoke the license according to section
158.11 245A.07. The commissioner shall not issue an initial license for a community residential
158.12 setting licensed under chapter 245D. When approving an exception under this paragraph,
158.13 the commissioner shall consider the resource need determination process in paragraph (h),
158.14 the availability of foster care licensed beds in the geographic area in which the licensee
158.15 seeks to operate, the results of a person's choices during their annual assessment and service
158.16 plan review, and the recommendation of the local county board. The determination by the
158.17 commissioner is final and not subject to appeal. Exceptions to the moratorium include:

158.18 (1) foster care settings that are required to be registered under chapter 144D;

158.19 (2) foster care licenses replacing foster care licenses in existence on May 15, 2009, or
158.20 community residential setting licenses replacing adult foster care licenses in existence on
158.21 December 31, 2013, and determined to be needed by the commissioner under paragraph
158.22 (b);

158.23 (3) new foster care licenses or community residential setting licenses determined to be
158.24 needed by the commissioner under paragraph (b) for the closure of a nursing facility, ICF/DD,
158.25 or regional treatment center; restructuring of state-operated services that limits the capacity
158.26 of state-operated facilities; or allowing movement to the community for people who no
158.27 longer require the level of care provided in state-operated facilities as provided under section
158.28 256B.092, subdivision 13, or 256B.49, subdivision 24;

158.29 (4) new foster care licenses or community residential setting licenses determined to be
158.30 needed by the commissioner under paragraph (b) for persons requiring hospital level care;

158.31 (5) new foster care licenses or community residential setting licenses determined to be
158.32 needed by the commissioner for the transition of people from personal care assistance to
158.33 the home and community-based services;

159.1 (6) new foster care licenses or community residential setting licenses determined to be
159.2 needed by the commissioner for the transition of people from the residential care waiver
159.3 services to foster care services. This exception applies only when:

159.4 (i) the person's case manager provided the person with information about the choice of
159.5 service, service provider, and location of service to help the person make an informed choice;
159.6 and

159.7 (ii) the person's foster care services are less than or equal to the cost of the person's
159.8 services delivered in the residential care waiver service setting as determined by the lead
159.9 agency; or

159.10 (7) new foster care licenses or community residential setting licenses for people receiving
159.11 services under chapter 245D and residing in an unlicensed setting before May 1, 2017, and
159.12 for which a license is required. This exception does not apply to people living in their own
159.13 home. For purposes of this clause, there is a presumption that a foster care or community
159.14 residential setting license is required for services provided to three or more people in a
159.15 dwelling unit when the setting is controlled by the provider. A license holder subject to this
159.16 exception may rebut the presumption that a license is required by seeking a reconsideration
159.17 of the commissioner's determination. The commissioner's disposition of a request for
159.18 reconsideration is final and not subject to appeal under chapter 14. The exception is available
159.19 until June 30, ~~2018~~ 2019. This exception is available when:

159.20 (i) the person's case manager provided the person with information about the choice of
159.21 service, service provider, and location of service, including in the person's home, to help
159.22 the person make an informed choice; and

159.23 (ii) the person's services provided in the licensed foster care or community residential
159.24 setting are less than or equal to the cost of the person's services delivered in the unlicensed
159.25 setting as determined by the lead agency; or

159.26 (8) a vacancy in a setting granted an exception under clause (7), created between January
159.27 1, 2017, and the date of the exception request, by the departure of a person receiving services
159.28 under chapter 245D and residing in the unlicensed setting between January 1, 2017, and
159.29 May 1, 2017. This exception is available when the lead agency provides documentation to
159.30 the commissioner on the eligibility criteria being met. This exception is available until June
159.31 30, 2019.

159.32 (b) The commissioner shall determine the need for newly licensed foster care homes or
159.33 community residential settings as defined under this subdivision. As part of the determination,
159.34 the commissioner shall consider the availability of foster care capacity in the area in which

160.1 the licensee seeks to operate, and the recommendation of the local county board. The
160.2 determination by the commissioner must be final. A determination of need is not required
160.3 for a change in ownership at the same address.

160.4 (c) When an adult resident ~~served by the program moves out of a~~ for any reason
160.5 permanently vacates a bed in an adult foster care home that is not the primary residence of
160.6 the license holder ~~according to section 256B.49, subdivision 15, paragraph (f), or the a bed~~
160.7 in an adult community residential setting, the county shall immediately inform the
160.8 ~~Department of Human Services Licensing Division~~ commissioner. Within six months of
160.9 the second bed being permanently vacated, the department may commissioner shall decrease
160.10 the statewide licensed capacity for adult foster care settings by one bed for every two beds
160.11 vacated.

160.12 (d) Residential settings that would otherwise be subject to the decreased license capacity
160.13 established in paragraph (c) shall be exempt if the license holder's beds are occupied by
160.14 residents whose primary diagnosis is mental illness and the license holder is certified under
160.15 the requirements in subdivision 6a or section 245D.33.

160.16 (e) A resource need determination process, managed at the state level, using the available
160.17 reports required by section 144A.351, and other data and information shall be used to
160.18 determine where the reduced capacity determined under section 256B.493 will be
160.19 implemented. The commissioner shall consult with the stakeholders described in section
160.20 144A.351, and employ a variety of methods to improve the state's capacity to meet the
160.21 informed decisions of those people who want to move out of corporate foster care or
160.22 community residential settings, long-term service needs within budgetary limits, including
160.23 seeking proposals from service providers or lead agencies to change service type, capacity,
160.24 or location to improve services, increase the independence of residents, and better meet
160.25 needs identified by the long-term services and supports reports and statewide data and
160.26 information.

160.27 (f) At the time of application and reapplication for licensure, the applicant and the license
160.28 holder that are subject to the moratorium or an exclusion established in paragraph (a) are
160.29 required to inform the commissioner whether the physical location where the foster care
160.30 will be provided is or will be the primary residence of the license holder for the entire period
160.31 of licensure. If the primary residence of the applicant or license holder changes, the applicant
160.32 or license holder must notify the commissioner immediately. The commissioner shall print
160.33 on the foster care license certificate whether or not the physical location is the primary
160.34 residence of the license holder.

161.1 (g) License holders of foster care homes identified under paragraph (f) that are not the
161.2 primary residence of the license holder and that also provide services in the foster care home
161.3 that are covered by a federally approved home and community-based services waiver, as
161.4 authorized under section 256B.0915, 256B.092, or 256B.49, must inform the human services
161.5 licensing division that the license holder provides or intends to provide these waiver-funded
161.6 services.

161.7 (h) The commissioner may adjust capacity to address needs identified in section
161.8 144A.351. Under this authority, the commissioner may approve new licensed settings or
161.9 delicense existing settings. Delicensing of settings will be accomplished through a process
161.10 identified in section 256B.493. Annually, by August 1, the commissioner shall provide
161.11 information and data on capacity of licensed long-term services and supports, actions taken
161.12 under the subdivision to manage statewide long-term services and supports resources, and
161.13 any recommendations for change to the legislative committees with jurisdiction over the
161.14 health and human services budget.

161.15 (i) The commissioner must notify a license holder when its corporate foster care or
161.16 community residential setting licensed beds are reduced under this section. The notice of
161.17 reduction of licensed beds must be in writing and delivered to the license holder by certified
161.18 mail or personal service. The notice must state why the licensed beds are reduced and must
161.19 inform the license holder of its right to request reconsideration by the commissioner. The
161.20 license holder's request for reconsideration must be in writing. If mailed, the request for
161.21 reconsideration must be postmarked and sent to the commissioner within 20 calendar days
161.22 after the license holder's receipt of the notice of reduction of licensed beds. If a request for
161.23 reconsideration is made by personal service, it must be received by the commissioner within
161.24 20 calendar days after the license holder's receipt of the notice of reduction of licensed beds.

161.25 (j) The commissioner shall not issue an initial license for children's residential treatment
161.26 services licensed under Minnesota Rules, parts 2960.0580 to 2960.0700, under this chapter
161.27 for a program that Centers for Medicare and Medicaid Services would consider an institution
161.28 for mental diseases. Facilities that serve only private pay clients are exempt from the
161.29 moratorium described in this paragraph. The commissioner has the authority to manage
161.30 existing statewide capacity for children's residential treatment services subject to the
161.31 moratorium under this paragraph and may issue an initial license for such facilities if the
161.32 initial license would not increase the statewide capacity for children's residential treatment
161.33 services subject to the moratorium under this paragraph.

162.1 **EFFECTIVE DATE.** This section is effective July 1, 2019, except the amendment to
162.2 paragraph (a) adding clause (8) is effective retroactively from July 1, 2018, and applies to
162.3 exception requests made on or after that date.

162.4 Sec. 2. Minnesota Statutes 2018, section 245A.11, subdivision 2a, is amended to read:

162.5 Subd. 2a. **Adult foster care and community residential setting license capacity.** (a)
162.6 The commissioner shall issue adult foster care and community residential setting licenses
162.7 with a maximum licensed capacity of four beds, including nonstaff roomers and boarders,
162.8 except that the commissioner may issue a license with a capacity of ~~five~~ up to six beds,
162.9 including roomers and boarders, according to paragraphs (b) to (g).

162.10 (b) The license holder may have a maximum license capacity of five if all persons in
162.11 care are age 55 or over and do not have a serious and persistent mental illness or a
162.12 developmental disability.

162.13 (c) The commissioner may grant variances to paragraph (b) to allow a facility with a
162.14 licensed capacity of up to five persons to admit an individual under the age of 55 if the
162.15 variance complies with section 245A.04, subdivision 9, and approval of the variance is
162.16 recommended by the county in which the licensed facility is located.

162.17 (d) The commissioner may grant variances to paragraph (a) to allow the use of an
162.18 additional bed, up to five, for emergency crisis services for a person with serious and
162.19 persistent mental illness or a developmental disability, regardless of age, if the variance
162.20 complies with section 245A.04, subdivision 9, and approval of the variance is recommended
162.21 by the county in which the licensed facility is located.

162.22 (e) The commissioner may grant a variance to paragraph (b) to allow for the use of an
162.23 additional bed, up to five, for respite services, as defined in section 245A.02, for persons
162.24 with disabilities, regardless of age, if the variance complies with sections 245A.03,
162.25 subdivision 7, and 245A.04, subdivision 9, and approval of the variance is recommended
162.26 by the county in which the licensed facility is located. Respite care may be provided under
162.27 the following conditions:

162.28 (1) staffing ratios cannot be reduced below the approved level for the individuals being
162.29 served in the home on a permanent basis;

162.30 (2) no more than two different individuals can be accepted for respite services in any
162.31 calendar month and the total respite days may not exceed 120 days per program in any
162.32 calendar year;

163.1 (3) the person receiving respite services must have his or her own bedroom, which could
163.2 be used for alternative purposes when not used as a respite bedroom, and cannot be the
163.3 room of another person who lives in the facility; and

163.4 (4) individuals living in the facility must be notified when the variance is approved. The
163.5 provider must give 60 days' notice in writing to the residents and their legal representatives
163.6 prior to accepting the first respite placement. Notice must be given to residents at least two
163.7 days prior to service initiation, or as soon as the license holder is able if they receive notice
163.8 of the need for respite less than two days prior to initiation, each time a respite client will
163.9 be served, unless the requirement for this notice is waived by the resident or legal guardian.

163.10 (f) The commissioner may issue an adult foster care or community residential setting
163.11 license with a capacity of ~~five~~ six adults if the ~~fifth bed does~~ and sixth beds do not increase
163.12 the overall statewide capacity of licensed adult foster care or community residential setting
163.13 beds in homes that are not the primary residence of the license holder, as identified in a plan
163.14 submitted to the commissioner by the county, when the capacity is recommended by the
163.15 county licensing agency of the county in which the facility is located and if the
163.16 recommendation verifies that:

163.17 (1) the facility meets the physical environment requirements in the adult foster care
163.18 licensing rule;

163.19 (2) the ~~five-bed or six-bed~~ living arrangement is specified for each resident in the
163.20 resident's:

163.21 (i) individualized plan of care;

163.22 (ii) individual service plan under section 256B.092, subdivision 1b, if required; or

163.23 (iii) individual resident placement agreement under Minnesota Rules, part 9555.5105,
163.24 subpart 19, if required;

163.25 (3) the license holder obtains written and signed informed consent from each resident
163.26 or resident's legal representative documenting the resident's informed choice to remain
163.27 living in the home and that the resident's refusal to consent would not have resulted in
163.28 service termination; and

163.29 (4) the facility was licensed for adult foster care before ~~March 1, 2011~~ June 30, 2016.

163.30 (g) ~~The commissioner shall not issue a new adult foster care license under paragraph (f)~~
163.31 ~~after June 30, 2019~~. The commissioner shall allow a facility with an adult foster care license
163.32 issued under paragraph (f) ~~before June 30, 2019~~, to continue with a capacity of five or six
163.33 adults if the license holder continues to comply with the requirements in paragraph (f).

164.1 Sec. 3. Minnesota Statutes 2018, section 245D.03, subdivision 1, is amended to read:

164.2 Subdivision 1. **Applicability.** (a) The commissioner shall regulate the provision of home
164.3 and community-based services to persons with disabilities and persons age 65 and older
164.4 pursuant to this chapter. The licensing standards in this chapter govern the provision of
164.5 basic support services and intensive support services.

164.6 (b) Basic support services provide the level of assistance, supervision, and care that is
164.7 necessary to ensure the health and welfare of the person and do not include services that
164.8 are specifically directed toward the training, treatment, habilitation, or rehabilitation of the
164.9 person. Basic support services include:

164.10 (1) in-home and out-of-home respite care services as defined in section 245A.02,
164.11 subdivision 15, and under the brain injury, community alternative care, community access
164.12 for disability inclusion, developmental ~~disability~~ disabilities, and elderly waiver plans,
164.13 excluding out-of-home respite care provided to children in a family child foster care home
164.14 licensed under Minnesota Rules, parts 2960.3000 to 2960.3100, when the child foster care
164.15 license holder complies with the requirements under section 245D.06, subdivisions 5, 6, 7,
164.16 and 8, or successor provisions; and section 245D.061 or successor provisions, which must
164.17 be stipulated in the statement of intended use required under Minnesota Rules, part
164.18 2960.3000, subpart 4;

164.19 (2) adult companion services as defined under the brain injury, community access for
164.20 disability inclusion, community alternative care, and elderly waiver plans, excluding adult
164.21 companion services provided under the Corporation for National and Community Services
164.22 Senior Companion Program established under the Domestic Volunteer Service Act of 1973,
164.23 Public Law 98-288;

164.24 (3) personal support as defined under the developmental ~~disability~~ disabilities waiver
164.25 plan;

164.26 (4) 24-hour emergency assistance, personal emergency response as defined under the
164.27 community access for disability inclusion and developmental ~~disability~~ disabilities waiver
164.28 plans;

164.29 (5) night supervision services as defined under the brain injury, community access for
164.30 disability inclusion, community alternative care, and developmental disabilities waiver ~~plan~~
164.31 plans;

164.32 (6) homemaker services as defined under the community access for disability inclusion,
164.33 brain injury, community alternative care, developmental ~~disability~~ disabilities, and elderly

165.1 waiver plans, excluding providers licensed by the Department of Health under chapter 144A
165.2 and those providers providing cleaning services only; and

165.3 (7) individual community living support under section 256B.0915, subdivision 3j.

165.4 (c) Intensive support services provide assistance, supervision, and care that is necessary
165.5 to ensure the health and welfare of the person and services specifically directed toward the
165.6 training, habilitation, or rehabilitation of the person. Intensive support services include:

165.7 (1) intervention services, including:

165.8 (i) ~~behavioral~~ positive support services as defined under the brain injury and community
165.9 access for disability inclusion, community alternative care, and developmental disabilities
165.10 waiver plans;

165.11 (ii) in-home or out-of-home crisis respite services as defined under the brain injury,
165.12 community access for disability inclusion, community alternative care, and developmental
165.13 disability disabilities waiver ~~plan~~ plans; and

165.14 (iii) specialist services as defined under the current brain injury, community access for
165.15 disability inclusion, community alternative care, and developmental disability disabilities
165.16 waiver ~~plan~~ plans;

165.17 (2) in-home support services, including:

165.18 (i) in-home family support and supported living services as defined under the
165.19 developmental ~~disability~~ disabilities waiver plan;

165.20 (ii) independent living services training as defined under the brain injury and community
165.21 access for disability inclusion waiver plans;

165.22 (iii) semi-independent living services; and

165.23 (iv) individualized home supports services as defined under the brain injury, community
165.24 alternative care, and community access for disability inclusion waiver plans;

165.25 (3) residential supports and services, including:

165.26 (i) supported living services as defined under the developmental ~~disability~~ disabilities
165.27 waiver plan provided in a family or corporate child foster care residence, a family adult
165.28 foster care residence, a community residential setting, or a supervised living facility;

165.29 (ii) foster care services as defined in the brain injury, community alternative care, and
165.30 community access for disability inclusion waiver plans provided in a family or corporate

166.1 child foster care residence, a family adult foster care residence, or a community residential
166.2 setting; and

166.3 (iii) residential services provided to more than four persons with developmental
166.4 disabilities in a supervised living facility, including ICFs/DD;

166.5 (4) day services, including:

166.6 (i) structured day services as defined under the brain injury waiver plan;

166.7 (ii) day training and habilitation services under sections 252.41 to 252.46, and as defined
166.8 under the developmental ~~disability~~ disabilities waiver plan; and

166.9 (iii) prevocational services as defined under the brain injury and community access for
166.10 disability inclusion waiver plans; and

166.11 (5) employment exploration services as defined under the brain injury, community
166.12 alternative care, community access for disability inclusion, and developmental ~~disability~~
166.13 disabilities waiver plans;

166.14 (6) employment development services as defined under the brain injury, community
166.15 alternative care, community access for disability inclusion, and developmental ~~disability~~
166.16 disabilities waiver plans; and

166.17 (7) employment support services as defined under the brain injury, community alternative
166.18 care, community access for disability inclusion, and developmental ~~disability~~ disabilities
166.19 waiver plans.

166.20 Sec. 4. Minnesota Statutes 2018, section 245D.071, subdivision 5, is amended to read:

166.21 Subd. 5. **Service plan review and evaluation.** (a) The license holder must give the
166.22 person or the person's legal representative and case manager an opportunity to participate
166.23 in the ongoing review and development of the service plan and the methods used to support
166.24 the person and accomplish outcomes identified in subdivisions 3 and 4. At least once per
166.25 year, or within 30 days of a written request by the person, the person's legal representative,
166.26 or the case manager, the license holder, in coordination with the person's support team or
166.27 expanded support team, must meet with the person, the person's legal representative, and
166.28 the case manager, and participate in service plan review meetings following stated timelines
166.29 established in the person's coordinated service and support plan or coordinated service and
166.30 support plan addendum ~~or within 30 days of a written request by the person, the person's~~
166.31 ~~legal representative, or the case manager, at a minimum of once per year.~~ The purpose of
166.32 the service plan review is to determine whether changes are needed to the service plan based

167.1 on the assessment information, the license holder's evaluation of progress towards
167.2 accomplishing outcomes, or other information provided by the support team or expanded
167.3 support team.

167.4 (b) At least once per year, the license holder, in coordination with the person's support
167.5 team or expanded support team, must meet with the person, the person's legal representative,
167.6 and the case manager to discuss how technology might be used to meet the person's desired
167.7 outcomes. The coordinated service and support plan addendum must include a summary of
167.8 this discussion. The summary must include a statement regarding any decision made related
167.9 to the use of technology and a description of any further research that must be completed
167.10 before a decision regarding the use of technology can be made. Nothing in this paragraph
167.11 requires the coordinated service and support plan addendum to include the use of technology
167.12 for the provision of services.

167.13 ~~(b)~~ (c) The license holder must summarize the person's status and progress toward
167.14 achieving the identified outcomes and make recommendations and identify the rationale
167.15 for changing, continuing, or discontinuing implementation of supports and methods identified
167.16 in subdivision 4 in a report available at the time of the progress review meeting. The report
167.17 must be sent at least five working days prior to the progress review meeting if requested by
167.18 the team in the coordinated service and support plan or coordinated service and support
167.19 plan addendum.

167.20 ~~(c)~~ (d) The license holder must send the coordinated service and support plan addendum
167.21 to the person, the person's legal representative, and the case manager by mail within ten
167.22 working days of the progress review meeting. Within ten working days of the mailing of
167.23 the coordinated service and support plan addendum, the license holder must obtain dated
167.24 signatures from the person or the person's legal representative and the case manager to
167.25 document approval of any changes to the coordinated service and support plan addendum.

167.26 ~~(d)~~ (e) If, within ten working days of submitting changes to the coordinated service and
167.27 support plan and coordinated service and support plan addendum, the person or the person's
167.28 legal representative or case manager has not signed and returned to the license holder the
167.29 coordinated service and support plan or coordinated service and support plan addendum or
167.30 has not proposed written modifications to the license holder's submission, the submission
167.31 is deemed approved and the coordinated service and support plan addendum becomes
167.32 effective and remains in effect until the legal representative or case manager submits a
167.33 written request to revise the coordinated service and support plan addendum.

168.1 Sec. 5. Minnesota Statutes 2018, section 245D.09, subdivision 5, is amended to read:

168.2 Subd. 5. **Annual training.** A license holder must provide annual training to direct support
168.3 staff on the topics identified in subdivision 4, clauses (3) to (10). If the direct support staff
168.4 has a first aid certification, annual training under subdivision 4, clause (9), is not required
168.5 as long as the certification remains current. ~~A license holder must provide a minimum of~~
168.6 ~~24 hours of annual training to direct service staff providing intensive services and having~~
168.7 ~~fewer than five years of documented experience and 12 hours of annual training to direct~~
168.8 ~~service staff providing intensive services and having five or more years of documented~~
168.9 ~~experience in topics described in subdivisions 4 and 4a, paragraphs (a) to (f). Training on~~
168.10 ~~relevant topics received from sources other than the license holder may count toward training~~
168.11 ~~requirements. A license holder must provide a minimum of 12 hours of annual training to~~
168.12 ~~direct service staff providing basic services and having fewer than five years of documented~~
168.13 ~~experience and six hours of annual training to direct service staff providing basic services~~
168.14 ~~and having five or more years of documented experience.~~

168.15 Sec. 6. Minnesota Statutes 2018, section 245D.09, subdivision 5a, is amended to read:

168.16 Subd. 5a. **Alternative sources of training.** ~~The commissioner may approve online~~
168.17 ~~training and competency-based assessments in place of a specific number of hours of training~~
168.18 ~~in the topics covered in subdivision 4. The commissioner must provide a list of preapproved~~
168.19 ~~trainings that do not need approval for each individual license holder.~~

168.20 Orientation or training received by the staff person from sources other than the license
168.21 holder in the same subjects as identified in subdivision 4 may count toward the orientation
168.22 and annual training requirements if received in the 12-month period before the staff person's
168.23 date of hire. The license holder must maintain documentation of the training received from
168.24 other sources and of each staff person's competency in the required area according to the
168.25 requirements in subdivision 3.

168.26 Sec. 7. Minnesota Statutes 2018, section 245D.091, subdivision 2, is amended to read:

168.27 Subd. 2. ~~Behavior~~ **Positive support professional qualifications.** A ~~behavior~~ positive
168.28 support professional providing ~~behavioral~~ positive support services as identified in section
168.29 245D.03, subdivision 1, paragraph (c), clause (1), item (i), must have competencies in the
168.30 following areas as required under the brain injury ~~and~~ community access for disability
168.31 inclusion, community alternative care, and developmental disabilities waiver plans or
168.32 successor plans:

168.33 (1) ethical considerations;

- 169.1 (2) functional assessment;
- 169.2 (3) functional analysis;
- 169.3 (4) measurement of behavior and interpretation of data;
- 169.4 (5) selecting intervention outcomes and strategies;
- 169.5 (6) behavior reduction and elimination strategies that promote least restrictive approved
- 169.6 alternatives;
- 169.7 (7) data collection;
- 169.8 (8) staff and caregiver training;
- 169.9 (9) support plan monitoring;
- 169.10 (10) co-occurring mental disorders or neurocognitive disorder;
- 169.11 (11) demonstrated expertise with populations being served; and
- 169.12 (12) must be a:
- 169.13 (i) psychologist licensed under sections 148.88 to 148.98, who has stated to the Board
- 169.14 of Psychology competencies in the above identified areas;
- 169.15 (ii) clinical social worker licensed as an independent clinical social worker under chapter
- 169.16 148D, or a person with a master's degree in social work from an accredited college or
- 169.17 university, with at least 4,000 hours of post-master's supervised experience in the delivery
- 169.18 of clinical services in the areas identified in clauses (1) to (11);
- 169.19 (iii) physician licensed under chapter 147 and certified by the American Board of
- 169.20 Psychiatry and Neurology or eligible for board certification in psychiatry with competencies
- 169.21 in the areas identified in clauses (1) to (11);
- 169.22 (iv) licensed professional clinical counselor licensed under sections 148B.29 to 148B.39
- 169.23 with at least 4,000 hours of post-master's supervised experience in the delivery of clinical
- 169.24 services who has demonstrated competencies in the areas identified in clauses (1) to (11);
- 169.25 (v) person with a master's degree from an accredited college or university in one of the
- 169.26 behavioral sciences or related fields, with at least 4,000 hours of post-master's supervised
- 169.27 experience in the delivery of clinical services with demonstrated competencies in the areas
- 169.28 identified in clauses (1) to (11); ~~or~~
- 169.29 (vi) person with a master's degree or PhD in one of the behavioral sciences or related
- 169.30 fields with demonstrated expertise in positive support services; or

170.1 (vii) registered nurse who is licensed under sections 148.171 to 148.285, and who is
170.2 certified as a clinical specialist or as a nurse practitioner in adult or family psychiatric and
170.3 mental health nursing by a national nurse certification organization, or who has a master's
170.4 degree in nursing or one of the behavioral sciences or related fields from an accredited
170.5 college or university or its equivalent, with at least 4,000 hours of post-master's supervised
170.6 experience in the delivery of clinical services.

170.7 Sec. 8. Minnesota Statutes 2018, section 245D.091, subdivision 3, is amended to read:

170.8 Subd. 3. ~~Behavior~~ **Positive support analyst qualifications.** (a) A ~~behavior~~ positive
170.9 support analyst providing behavioral positive support services as identified in section
170.10 245D.03, subdivision 1, paragraph (c), clause (1), item (i), must have competencies in the
170.11 following areas as required under the brain injury ~~and~~ community access for disability
170.12 inclusion, community alternative care, and developmental disabilities waiver plans or
170.13 successor plans:

170.14 (1) have obtained a baccalaureate degree, master's degree, or PhD in a social services
170.15 discipline; ~~or~~

170.16 (2) meet the qualifications of a mental health practitioner as defined in section 245.462,
170.17 subdivision 17; or

170.18 (3) be a board-certified behavior analyst or board-certified assistant behavior analyst by
170.19 the Behavior Analyst Certification Board, Incorporated.

170.20 (b) In addition, a ~~behavior~~ positive support analyst must:

170.21 (1) have four years of supervised experience ~~working with individuals who exhibit~~
170.22 ~~challenging behaviors as well as co-occurring mental disorders or neurocognitive disorder~~
170.23 conducting functional behavior assessments and designing, implementing, and evaluating
170.24 effectiveness of positive practices behavior support strategies for people who exhibit
170.25 challenging behaviors as well as co-occurring mental disorders and neurocognitive disorder;

170.26 (2) have received ~~ten hours of instruction in functional assessment and functional analysis;~~
170.27 training prior to hire or within 90 calendar days of hire that includes:

170.28 (i) ten hours of instruction in functional assessment and functional analysis;

170.29 (ii) 20 hours of instruction in the understanding of the function of behavior;

170.30 (iii) ten hours of instruction on design of positive practices behavior support strategies;

170.31 (iv) 20 hours of instruction preparing written intervention strategies, designing data
170.32 collection protocols, training other staff to implement positive practice strategies,

171.1 summarizing and reporting program evaluation data, analyzing program evaluation data to
171.2 identify design flaws in behavioral interventions or failures in implementation fidelity, and
171.3 recommending enhancements based on evaluation data; and

171.4 (v) eight hours of instruction on principles of person-centered thinking;

171.5 ~~(3) have received 20 hours of instruction in the understanding of the function of behavior;~~

171.6 ~~(4) have received ten hours of instruction on design of positive practices behavior support~~
171.7 ~~strategies;~~

171.8 ~~(5) have received 20 hours of instruction on the use of behavior reduction approved~~
171.9 ~~strategies used only in combination with behavior positive practices strategies;~~

171.10 ~~(6)~~ (3) be determined by a ~~behavior~~ positive support professional to have the training
171.11 and prerequisite skills required to provide positive practice strategies as well as behavior
171.12 reduction approved and permitted intervention to the person who receives ~~behavioral~~ positive
171.13 support; and

171.14 ~~(7)~~ (4) be under the direct supervision of a ~~behavior~~ positive support professional.

171.15 (c) Meeting the qualifications for a positive support professional under subdivision 2
171.16 shall substitute for meeting the qualifications listed in paragraph (b).

171.17 Sec. 9. Minnesota Statutes 2018, section 245D.091, subdivision 4, is amended to read:

171.18 Subd. 4. **~~Behavior~~ Positive support specialist qualifications.** (a) A ~~behavior~~ positive
171.19 support specialist providing ~~behavioral~~ positive support services as identified in section
171.20 245D.03, subdivision 1, paragraph (c), clause (1), item (i), must have competencies in the
171.21 following areas as required under the brain injury ~~and~~ community access for disability
171.22 inclusion, community alternative care, and developmental disabilities waiver plans or
171.23 successor plans:

171.24 (1) have an associate's degree in a social services discipline; or

171.25 (2) have two years of supervised experience working with individuals who exhibit
171.26 challenging behaviors as well as co-occurring mental disorders or neurocognitive disorder.

171.27 (b) In addition, a behavior specialist must:

171.28 (1) have received training prior to hire or within 90 calendar days of hire that includes:

171.29 (i) a minimum of four hours of training in functional assessment;

171.30 ~~(2) have received~~ (ii) 20 hours of instruction in the understanding of the function of
171.31 behavior;

172.1 ~~(3) have received~~ (iii) ten hours of instruction on design of positive practices behavioral
172.2 support strategies; and

172.3 (iv) eight hours of instruction on principles of person-centered thinking;

172.4 ~~(4) (2)~~ be determined by a ~~behavior~~ positive support professional to have the training
172.5 and prerequisite skills required to provide positive practices strategies as well as behavior
172.6 reduction approved intervention to the person who receives ~~behavioral~~ positive support;
172.7 and

172.8 ~~(5) (3)~~ be under the direct supervision of a ~~behavior~~ positive support professional.

172.9 (c) Meeting the qualifications for a positive support professional under subdivision 2
172.10 shall substitute for meeting the qualifications listed in paragraphs (a) and (b).

172.11 Sec. 10. Minnesota Statutes 2018, section 252.275, subdivision 3, is amended to read:

172.12 Subd. 3. **Reimbursement.** Counties shall be reimbursed for all expenditures made
172.13 pursuant to subdivision 1 at a rate of ~~70~~ 85 percent, up to the allocation determined pursuant
172.14 to subdivisions 4 and 4b. However, the commissioner shall not reimburse costs of services
172.15 for any person if the costs exceed the state share of the average medical assistance costs for
172.16 services provided by intermediate care facilities for a person with a developmental disability
172.17 for the same fiscal year, and shall not reimburse costs of a onetime living allowance for any
172.18 person if the costs exceed \$1,500 in a state fiscal year. The commissioner may make
172.19 payments to each county in quarterly installments. The commissioner may certify an advance
172.20 of up to 25 percent of the allocation. Subsequent payments shall be made on a reimbursement
172.21 basis for reported expenditures and may be adjusted for anticipated spending patterns.

172.22 Sec. 11. **[256.488] ADAPTIVE FITNESS ACCESS GRANT.**

172.23 Subdivision 1. Definitions. (a) "Adaptive fitness" means the practice of physical fitness
172.24 by an individual with primary physical disabilities, either as a consequence of the natural
172.25 aging process or due to a developmental disability, mental health issue, congenital condition,
172.26 trauma, injury, or disease.

172.27 (b) "Adaptive fitness center" means a center with modified equipment, equipment
172.28 arrangement and space for access, and trainers with skills in modifying exercise programs
172.29 specific to the physical and cognitive needs of individuals with disabilities.

172.30 (c) "Commissioner" means the commissioner of human services.

172.31 (d) "Disability" has the meaning given in the Americans with Disabilities Act.

173.1 Subd. 2. **Establishment.** A statewide adaptive fitness access grant program is established
173.2 under the Department of Human Services to award grants to promote access to adaptive
173.3 fitness for individuals with disabilities.

173.4 Subd. 3. **Application and review.** (a) The commissioner must develop a grant application
173.5 that must contain, at a minimum:

173.6 (1) a description of the purpose or project for which the grant will be used;

173.7 (2) a description of the specific problem the grant intends to address;

173.8 (3) a description of achievable objectives, a work plan, and a timeline for implementation
173.9 and completion of processes or projects enabled by the grant;

173.10 (4) a description of the existing frameworks and experience providing adaptive fitness;
173.11 and

173.12 (5) a proposed process for documenting and evaluating results of the grant.

173.13 (b) An applicant must apply using the grant application developed by the commissioner.

173.14 (c) The commissioner shall review each application. The commissioner shall establish
173.15 criteria to evaluate applications, including but not limited to:

173.16 (1) the application is complete;

173.17 (2) the eligibility of the applicant;

173.18 (3) the thoroughness and clarity in identifying the specific problem the grant intends to
173.19 address;

173.20 (4) a description of the population demographics and service area of the proposed project;

173.21 (5) documentation the grant applicant has received cash or in-kind contributions of value
173.22 equal to the requested grant amount; and

173.23 (6) the proposed project's longevity and demonstrated financial sustainability after the
173.24 initial grant period.

173.25 (d) In evaluating applications, the commissioner may request additional information
173.26 regarding a proposed project, including information on project cost. An applicant's failure
173.27 to timely provide the information requested disqualifies an applicant.

173.28 Subd. 4. **Awards.** (a) The commissioner shall award grants to eligible applicants to
173.29 provide adaptive fitness for individuals with disabilities.

174.1 (b) The commissioner shall award grants to qualifying nonprofit organizations that
174.2 provide adaptive fitness in adaptive fitness centers. Grants must be used to assist one or
174.3 more qualified nonprofit organizations to provide adaptive fitness, including: (1) stay fit;
174.4 (2) activity-based locomotor exercise; (3) equipment necessary for adaptive fitness programs;
174.5 (4) operating expenses related to staffing of adaptive fitness programs; and (5) other adaptive
174.6 fitness programs as deemed appropriate by the commissioner.

174.7 (c) An applicant may apply for and the commissioner may award grants for two-year
174.8 periods, and the commissioner shall determine the number of grants awarded. The
174.9 commissioner may reallocate underspending among grantees within the same grant period.

174.10 Subd. 5. **Report.** Beginning December 1, 2020, and every two years thereafter, the
174.11 commissioner of human services shall submit a report to the chairs and ranking minority
174.12 members of the legislative committees with jurisdiction over health and human services.
174.13 The report shall, at a minimum, include the amount of funding awarded for each project, a
174.14 description of the programs and services funded, plans for the long-term sustainability of
174.15 the projects, and data on outcomes for the programs and services funded. Grantees must
174.16 provide information and data requested by the commissioner to support the development
174.17 of this report.

174.18 Sec. 12. Minnesota Statutes 2018, section 256B.0625, subdivision 19a, is amended to
174.19 read:

174.20 Subd. 19a. **Personal care assistance services.** Medical assistance covers personal care
174.21 assistance services in a recipient's home. Effective January 1, ~~2010~~ 2020, to qualify for
174.22 personal care assistance services, a recipient must require assistance and be determined
174.23 dependent in one critical activity of daily living as defined in section 256B.0659, subdivision
174.24 1, paragraph ~~(b)~~ (e), or in a Level I behavior as defined in section 256B.0659, subdivision
174.25 1, paragraph (c), or have a behavior that shows increased vulnerability due to cognitive
174.26 deficits or socially inappropriate behavior that requires assistance at least four times per
174.27 week. Recipients or responsible parties must be able to identify the recipient's needs, direct
174.28 and evaluate task accomplishment, and provide for health and safety. Approved hours may
174.29 be used outside the home when normal life activities take them outside the home. To use
174.30 personal care assistance services at school, the recipient or responsible party must provide
174.31 written authorization in the care plan identifying the chosen provider and the daily amount
174.32 of services to be used at school. Total hours for services, whether actually performed inside
174.33 or outside the recipient's home, cannot exceed that which is otherwise allowed for personal
174.34 care assistance services in an in-home setting according to sections 256B.0651 to 256B.0654.

175.1 Medical assistance does not cover personal care assistance services for residents of a hospital,
175.2 nursing facility, intermediate care facility, health care facility licensed by the commissioner
175.3 of health, or unless a resident who is otherwise eligible is on leave from the facility and the
175.4 facility either pays for the personal care assistance services or forgoes the facility per diem
175.5 for the leave days that personal care assistance services are used. All personal care assistance
175.6 services must be provided according to sections 256B.0651 to 256B.0654. Personal care
175.7 assistance services may not be reimbursed if the personal care assistant is the spouse or paid
175.8 guardian of the recipient or the parent of a recipient under age 18, or the responsible party
175.9 or the family foster care provider of a recipient who cannot direct the recipient's own care
175.10 unless, in the case of a foster care provider, a county or state case manager visits the recipient
175.11 as needed, but not less than every six months, to monitor the health and safety of the recipient
175.12 and to ensure the goals of the care plan are met. Notwithstanding the provisions of section
175.13 256B.0659, the unpaid guardian or conservator of an adult, who is not the responsible party
175.14 and not the personal care provider organization, may be reimbursed to provide personal
175.15 care assistance services to the recipient if the guardian or conservator meets all criteria for
175.16 a personal care assistant according to section 256B.0659, and shall not be considered to
175.17 have a service provider interest for purposes of participation on the screening team under
175.18 section 256B.092, subdivision 7.

175.19 **EFFECTIVE DATE.** This section is effective January 1, 2020, or upon federal approval,
175.20 whichever is later. The commissioner shall implement the modified eligibility criteria as
175.21 annual assessments occur. The commissioner shall notify the revisor of statutes when federal
175.22 approval is obtained.

175.23 Sec. 13. Minnesota Statutes 2018, section 256B.0652, subdivision 6, is amended to read:

175.24 Subd. 6. **Authorization; personal care assistance and qualified professional.** (a) All
175.25 personal care assistance services, supervision by a qualified professional, and additional
175.26 services beyond the limits established in subdivision 11, must be authorized by the
175.27 commissioner or the commissioner's designee before services begin except for the
175.28 assessments established in subdivision 11 and section 256B.0911. The authorization for
175.29 personal care assistance and qualified professional services under section 256B.0659 must
175.30 be completed within 30 days after receiving a complete request.

175.31 (b) The amount of personal care assistance services authorized must be based on the
175.32 recipient's home care rating. The home care rating shall be determined by the commissioner
175.33 or the commissioner's designee based on information submitted to the commissioner

176.1 identifying the following for recipients with dependencies in two or more activities of daily
176.2 living:

176.3 (1) total number of dependencies of activities of daily living as defined in section
176.4 256B.0659;

176.5 (2) presence of complex health-related needs as defined in section 256B.0659; and

176.6 (3) presence of Level I behavior as defined in section 256B.0659.

176.7 (c) For purposes meeting the criteria in paragraph (b), the methodology to determine
176.8 total time for personal care assistance services for each home care rating is based on the
176.9 median paid units per day for each home care rating from fiscal year 2007 data for the
176.10 personal care assistance program. Each home care rating has a base level of hours assigned.
176.11 Additional time is added through the assessment and identification of the following:

176.12 (1) 30 additional minutes per day for a dependency in each critical activity of daily living
176.13 as defined in section 256B.0659;

176.14 (2) 30 additional minutes per day for each complex health-related function as defined
176.15 in section 256B.0659; and

176.16 (3) 30 additional minutes per day for each behavior issue as defined in section 256B.0659,
176.17 subdivision 4, paragraph (d).

176.18 (d) Effective July 1, 2011, the home care rating for recipients who have a dependency
176.19 in one activity of daily living or Level I behavior shall equal no more than two units per
176.20 day. Effective January 1, 2020, the home care rating for recipients who have a dependency
176.21 in one critical activity of daily living or one Level I behavior or that require assistance with
176.22 a behavior that shows increased vulnerability due to cognitive deficits or socially
176.23 inappropriate behavior at least four times per week shall equal no more than two units per
176.24 day. Recipients with this home care rating are not subject to the methodology in paragraph
176.25 (c) and are not eligible for more than two units per day.

176.26 (e) A limit of 96 units of qualified professional supervision may be authorized for each
176.27 recipient receiving personal care assistance services. A request to the commissioner to
176.28 exceed this total in a calendar year must be requested by the personal care provider agency
176.29 on a form approved by the commissioner.

176.30 **EFFECTIVE DATE.** This section is effective January 1, 2020, or upon federal approval,
176.31 whichever is later. The commissioner shall implement the modified eligibility criteria as
176.32 annual assessments occur. The commissioner shall notify the revisor of statutes when federal
176.33 approval is obtained.

177.1 Sec. 14. Minnesota Statutes 2018, section 256B.0658, is amended to read:

177.2 **256B.0658 HOUSING ACCESS GRANTS.**

177.3 The commissioner of human services shall award through a competitive process contracts
177.4 for grants to public and private agencies to support and assist individuals ~~eligible for publicly~~
177.5 ~~funded home and community-based services, including state plan home care~~ with a disability
177.6 as defined in section 256B.051, subdivision 2, paragraph (e), to access housing. Grants may
177.7 be awarded to agencies that may include, but are not limited to, the following supports:
177.8 assessment to ensure suitability of housing, accompanying an individual to look at housing,
177.9 filling out applications and rental agreements, meeting with landlords, helping with Section
177.10 8 or other program applications, helping to develop a budget, obtaining furniture and
177.11 household goods, if necessary, and assisting with any problems that may arise with housing.

177.12 Sec. 15. Minnesota Statutes 2018, section 256B.0659, subdivision 3a, is amended to read:

177.13 Subd. 3a. **Assessment; defined.** (a) "Assessment" means a review and evaluation of a
177.14 recipient's need for personal care assistance services conducted in person. Assessments for
177.15 personal care assistance services shall be conducted by the county public health nurse or a
177.16 certified public health nurse under contract with the county except when a long-term care
177.17 consultation assessment is being conducted for the purposes of determining a person's
177.18 eligibility for home and community-based waiver services including personal care assistance
177.19 services according to section 256B.0911. During the transition to MnCHOICES, a certified
177.20 assessor may complete the assessment defined in this subdivision. An in-person assessment
177.21 must include: documentation of health status, determination of need, evaluation of service
177.22 effectiveness, identification of appropriate services, service plan development or modification,
177.23 coordination of services, referrals and follow-up to appropriate payers and community
177.24 resources, completion of required reports, recommendation of service authorization, and
177.25 consumer education. Once the need for personal care assistance services is determined under
177.26 this section, the county public health nurse or certified public health nurse under contract
177.27 with the county is responsible for communicating this recommendation to the commissioner
177.28 and the recipient. An in-person assessment must occur at least annually or when there is a
177.29 significant change in the recipient's condition or when there is a change in the need for
177.30 personal care assistance services. A service update may substitute for the annual face-to-face
177.31 assessment when there is not a significant change in recipient condition or a change in the
177.32 need for personal care assistance service. A service update may be completed by telephone,
177.33 used when there is no need for an increase in personal care assistance services, and used
177.34 for two consecutive assessments if followed by a face-to-face assessment. A service update

178.1 must be completed on a form approved by the commissioner. A service update or review
178.2 for temporary increase includes a review of initial baseline data, evaluation of service
178.3 effectiveness, redetermination of service need, modification of service plan and appropriate
178.4 referrals, update of initial forms, obtaining service authorization, and on going consumer
178.5 education. Assessments or reassessments must be completed on forms provided by the
178.6 commissioner within 30 days of a request for home care services by a recipient or responsible
178.7 party.

178.8 (b) This subdivision expires when notification is given by the commissioner as described
178.9 in section 256B.0911, subdivision 3a.

178.10 Sec. 16. Minnesota Statutes 2018, section 256B.0659, subdivision 11, is amended to read:

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

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

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

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

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

178.19 (3) enroll with the department as a personal care assistant after clearing a background
178.20 study. Except as provided in subdivision 11a, before a personal care assistant provides
178.21 services, the personal care assistance provider agency must initiate a background study on
178.22 the personal care assistant under chapter 245C, and the personal care assistance provider
178.23 agency must have received a notice from the commissioner that the personal care assistant
178.24 is:

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

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

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

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

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

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

179.4 (8) effective January 1, 2010, complete standardized training as determined by the
179.5 commissioner before completing enrollment. The training must be available in languages
179.6 other than English and to those who need accommodations due to disabilities. Personal care
179.7 assistant training must include successful completion of the following training components:
179.8 basic first aid, vulnerable adult, child maltreatment, OSHA universal precautions, basic
179.9 roles and responsibilities of personal care assistants including information about assistance
179.10 with lifting and transfers for recipients, emergency preparedness, orientation to positive
179.11 behavioral practices, fraud issues, and completion of time sheets. Upon completion of the
179.12 training components, the personal care assistant must demonstrate the competency to provide
179.13 assistance to recipients;

179.14 (9) complete training and orientation on the needs of the recipient; and

179.15 (10) be limited to providing and being paid for up to 275 hours per month of personal
179.16 care assistance services regardless of the number of recipients being served or the number
179.17 of personal care assistance provider agencies enrolled with. The number of hours worked
179.18 per day shall not be disallowed by the department unless in violation of the law.

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

179.21 (c) Persons who do not qualify as a personal care assistant include parents, stepparents,
179.22 and legal guardians of minors; spouses; paid legal guardians of adults; family foster care
179.23 providers, except as otherwise allowed in section 256B.0625, subdivision 19a; and staff of
179.24 a residential setting.

179.25 (d) Personal care assistance services qualify for the enhanced rate described in subdivision
179.26 17a if the personal care assistant providing the services:

179.27 (1) provides services, according to the care plan in subdivision 7, to a recipient who
179.28 qualifies for ten or more hours per day of personal care assistance services; and

179.29 (2) satisfies the current requirements of Medicare for training and competency or
179.30 competency evaluation of home health aides or nursing assistants, as provided in Code of
179.31 Federal Regulations, title 42, section 483.151 or 484.36, or alternative state-approved training
179.32 or competency requirements.

179.33 **EFFECTIVE DATE.** This section is effective July 1, 2019.

180.1 Sec. 17. Minnesota Statutes 2018, section 256B.0659, is amended by adding a subdivision
180.2 to read:

180.3 Subd. 17a. **Enhanced rate.** An enhanced rate of 110 percent of the rate paid for personal
180.4 care assistance services shall be paid for services provided to persons who qualify for ten
180.5 or more hours of personal care assistance service per day when provided by a personal care
180.6 assistant who meets the requirements of subdivision 11, paragraph (d). The enhanced rate
180.7 for personal care assistance services includes, and is not in addition to, any rate adjustments
180.8 implemented by the commissioner to comply with the terms of a collective bargaining
180.9 agreement between the state of Minnesota and an exclusive representative of individual
180.10 providers under section 179A.54 for increased financial incentives for providing services
180.11 to people with complex needs.

180.12 **EFFECTIVE DATE.** This section is effective July 1, 2019.

180.13 Sec. 18. Minnesota Statutes 2018, section 256B.0659, subdivision 21, is amended to read:

180.14 Subd. 21. **Requirements for provider enrollment of personal care assistance provider**
180.15 **agencies.** (a) All personal care assistance provider agencies must provide, at the time of
180.16 enrollment, reenrollment, and revalidation as a personal care assistance provider agency in
180.17 a format determined by the commissioner, information and documentation that includes,
180.18 but is not limited to, the following:

180.19 (1) the personal care assistance provider agency's current contact information including
180.20 address, telephone number, and e-mail address;

180.21 (2) proof of surety bond coverage. Upon new enrollment, or if the provider's Medicaid
180.22 revenue in the previous calendar year is up to and including \$300,000, the provider agency
180.23 must purchase a surety bond of \$50,000. If the Medicaid revenue in the previous year is
180.24 over \$300,000, the provider agency must purchase a surety bond of \$100,000. The surety
180.25 bond must be in a form approved by the commissioner, must be renewed annually, and must
180.26 allow for recovery of costs and fees in pursuing a claim on the bond;

180.27 (3) proof of fidelity bond coverage in the amount of \$20,000;

180.28 (4) proof of workers' compensation insurance coverage;

180.29 (5) proof of liability insurance;

180.30 (6) a description of the personal care assistance provider agency's organization identifying
180.31 the names of all owners, managing employees, staff, board of directors, and the affiliations
180.32 of the directors, owners, or staff to other service providers;

181.1 (7) a copy of the personal care assistance provider agency's written policies and
181.2 procedures including: hiring of employees; training requirements; service delivery; and
181.3 employee and consumer safety including process for notification and resolution of consumer
181.4 grievances, identification and prevention of communicable diseases, and employee
181.5 misconduct;

181.6 (8) copies of all other forms the personal care assistance provider agency uses in the
181.7 course of daily business including, but not limited to:

181.8 (i) a copy of the personal care assistance provider agency's time sheet if the time sheet
181.9 varies from the standard time sheet for personal care assistance services approved by the
181.10 commissioner, and a letter requesting approval of the personal care assistance provider
181.11 agency's nonstandard time sheet;

181.12 (ii) the personal care assistance provider agency's template for the personal care assistance
181.13 care plan; and

181.14 (iii) the personal care assistance provider agency's template for the written agreement
181.15 in subdivision 20 for recipients using the personal care assistance choice option, if applicable;

181.16 (9) a list of all training and classes that the personal care assistance provider agency
181.17 requires of its staff providing personal care assistance services;

181.18 (10) documentation that the personal care assistance provider agency and staff have
181.19 successfully completed all the training required by this section, including the requirements
181.20 under subdivision 11, paragraph (d), if enhanced personal care assistance services are
181.21 provided and submitted for an enhanced rate under subdivision 17a;

181.22 (11) documentation of the agency's marketing practices;

181.23 (12) disclosure of ownership, leasing, or management of all residential properties that
181.24 is used or could be used for providing home care services;

181.25 (13) documentation that the agency will use the following percentages of revenue
181.26 generated from the medical assistance rate paid for personal care assistance services for
181.27 employee personal care assistant wages and benefits: 72.5 percent of revenue in the personal
181.28 care assistance choice option and 72.5 percent of revenue from other personal care assistance
181.29 providers. The revenue generated by the qualified professional and the reasonable costs
181.30 associated with the qualified professional shall not be used in making this calculation; and

181.31 (14) effective May 15, 2010, documentation that the agency does not burden recipients'
181.32 free exercise of their right to choose service providers by requiring personal care assistants
181.33 to sign an agreement not to work with any particular personal care assistance recipient or

182.1 for another personal care assistance provider agency after leaving the agency and that the
182.2 agency is not taking action on any such agreements or requirements regardless of the date
182.3 signed.

182.4 (b) Personal care assistance provider agencies shall provide the information specified
182.5 in paragraph (a) to the commissioner at the time the personal care assistance provider agency
182.6 enrolls as a vendor or upon request from the commissioner. The commissioner shall collect
182.7 the information specified in paragraph (a) from all personal care assistance providers
182.8 beginning July 1, 2009.

182.9 (c) All personal care assistance provider agencies shall require all employees in
182.10 management and supervisory positions and owners of the agency who are active in the
182.11 day-to-day management and operations of the agency to complete mandatory training as
182.12 determined by the commissioner before enrollment of the agency as a provider. Employees
182.13 in management and supervisory positions and owners who are active in the day-to-day
182.14 operations of an agency who have completed the required training as an employee with a
182.15 personal care assistance provider agency do not need to repeat the required training if they
182.16 are hired by another agency, if they have completed the training within the past three years.
182.17 By September 1, 2010, the required training must be available with meaningful access
182.18 according to title VI of the Civil Rights Act and federal regulations adopted under that law
182.19 or any guidance from the United States Health and Human Services Department. The
182.20 required training must be available online or by electronic remote connection. The required
182.21 training must provide for competency testing. Personal care assistance provider agency
182.22 billing staff shall complete training about personal care assistance program financial
182.23 management. This training is effective July 1, 2009. Any personal care assistance provider
182.24 agency enrolled before that date shall, if it has not already, complete the provider training
182.25 within 18 months of July 1, 2009. Any new owners or employees in management and
182.26 supervisory positions involved in the day-to-day operations are required to complete
182.27 mandatory training as a requisite of working for the agency. Personal care assistance provider
182.28 agencies certified for participation in Medicare as home health agencies are exempt from
182.29 the training required in this subdivision. When available, Medicare-certified home health
182.30 agency owners, supervisors, or managers must successfully complete the competency test.

182.31 **EFFECTIVE DATE.** This section is effective July 1, 2019.

182.32 Sec. 19. Minnesota Statutes 2018, section 256B.0659, subdivision 24, is amended to read:

182.33 Subd. 24. **Personal care assistance provider agency; general duties.** A personal care
182.34 assistance provider agency shall:

- 183.1 (1) enroll as a Medicaid provider meeting all provider standards, including completion
183.2 of the required provider training;
- 183.3 (2) comply with general medical assistance coverage requirements;
- 183.4 (3) demonstrate compliance with law and policies of the personal care assistance program
183.5 to be determined by the commissioner;
- 183.6 (4) comply with background study requirements;
- 183.7 (5) verify and keep records of hours worked by the personal care assistant and qualified
183.8 professional;
- 183.9 (6) not engage in any agency-initiated direct contact or marketing in person, by phone,
183.10 or other electronic means to potential recipients, guardians, or family members;
- 183.11 (7) pay the personal care assistant and qualified professional based on actual hours of
183.12 services provided;
- 183.13 (8) withhold and pay all applicable federal and state taxes;
- 183.14 (9) ~~effective January 1, 2010,~~ document that the agency uses a minimum of 72.5 percent
183.15 of the revenue generated by the medical assistance rate for personal care assistance services
183.16 for employee personal care assistant wages and benefits. The revenue generated by the
183.17 qualified professional and the reasonable costs associated with the qualified professional
183.18 shall not be used in making this calculation;
- 183.19 (10) make the arrangements and pay unemployment insurance, taxes, workers'
183.20 compensation, liability insurance, and other benefits, if any;
- 183.21 (11) enter into a written agreement under subdivision 20 before services are provided;
- 183.22 (12) report suspected neglect and abuse to the common entry point according to section
183.23 256B.0651;
- 183.24 (13) provide the recipient with a copy of the home care bill of rights at start of service;
183.25 ~~and~~
- 183.26 (14) request reassessments at least 60 days prior to the end of the current authorization
183.27 for personal care assistance services, on forms provided by the commissioner; and
- 183.28 (15) document that the agency uses the additional revenue due to the enhanced rate under
183.29 subdivision 17a for the wages and benefits of the PCAs whose services meet the requirements
183.30 under subdivision 11, paragraph (d).

183.31 **EFFECTIVE DATE.** This section is effective July 1, 2019.

184.1 Sec. 20. Minnesota Statutes 2018, section 256B.0659, subdivision 28, is amended to read:

184.2 Subd. 28. **Personal care assistance provider agency; required documentation.** (a)

184.3 Required documentation must be completed and kept in the personal care assistance provider
184.4 agency file or the recipient's home residence. The required documentation consists of:

184.5 (1) employee files, including:

184.6 (i) applications for employment;

184.7 (ii) background study requests and results;

184.8 (iii) orientation records about the agency policies;

184.9 (iv) trainings completed with demonstration of competence, including verification of

184.10 the completion of training required under subdivision 11, paragraph (d), for any services

184.11 billed at the enhanced rate under subdivision 17a;

184.12 (v) supervisory visits;

184.13 (vi) evaluations of employment; and

184.14 (vii) signature on fraud statement;

184.15 (2) recipient files, including:

184.16 (i) demographics;

184.17 (ii) emergency contact information and emergency backup plan;

184.18 (iii) personal care assistance service plan;

184.19 (iv) personal care assistance care plan;

184.20 (v) month-to-month service use plan;

184.21 (vi) all communication records;

184.22 (vii) start of service information, including the written agreement with recipient; and

184.23 (viii) date the home care bill of rights was given to the recipient;

184.24 (3) agency policy manual, including:

184.25 (i) policies for employment and termination;

184.26 (ii) grievance policies with resolution of consumer grievances;

184.27 (iii) staff and consumer safety;

184.28 (iv) staff misconduct; and

185.1 (v) staff hiring, service delivery, staff and consumer safety, staff misconduct, and
185.2 resolution of consumer grievances;

185.3 (4) time sheets for each personal care assistant along with completed activity sheets for
185.4 each recipient served; and

185.5 (5) agency marketing and advertising materials and documentation of marketing activities
185.6 and costs.

185.7 (b) The commissioner may assess a fine of up to \$500 on provider agencies that do not
185.8 consistently comply with the requirements of this subdivision.

185.9 **EFFECTIVE DATE.** This section is effective July 1, 2019.

185.10 Sec. 21. Minnesota Statutes 2018, section 256B.0911, subdivision 1a, is amended to read:

185.11 Subd. 1a. **Definitions.** For purposes of this section, the following definitions apply:

185.12 (a) Until additional requirements apply under paragraph (b), "long-term care consultation
185.13 services" means:

185.14 (1) intake for and access to assistance in identifying services needed to maintain an
185.15 individual in the most inclusive environment;

185.16 (2) providing recommendations for and referrals to cost-effective community services
185.17 that are available to the individual;

185.18 (3) development of an individual's person-centered community support plan;

185.19 (4) providing information regarding eligibility for Minnesota health care programs;

185.20 (5) face-to-face long-term care consultation assessments, which may be completed in a
185.21 hospital, nursing facility, intermediate care facility for persons with developmental disabilities
185.22 (ICF/DDs), regional treatment centers, or the person's current or planned residence;

185.23 (6) determination of home and community-based waiver and other service eligibility as
185.24 required under sections 256B.0913, 256B.0915, 256B.092, and 256B.49, including level
185.25 of care determination for individuals who need an institutional level of care as determined
185.26 under subdivision 4e, based on assessment and community support plan development,
185.27 appropriate referrals to obtain necessary diagnostic information, and including an eligibility
185.28 determination for consumer-directed community supports;

185.29 (7) providing recommendations for institutional placement when there are no
185.30 cost-effective community services available;

186.1 (8) providing access to assistance to transition people back to community settings after
186.2 institutional admission; and

186.3 (9) providing information about competitive employment, with or without supports, for
186.4 school-age youth and working-age adults and referrals to the Disability Linkage Line and
186.5 Disability Benefits 101 to ensure that an informed choice about competitive employment
186.6 can be made. For the purposes of this subdivision, "competitive employment" means work
186.7 in the competitive labor market that is performed on a full-time or part-time basis in an
186.8 integrated setting, and for which an individual is compensated at or above the minimum
186.9 wage, but not less than the customary wage and level of benefits paid by the employer for
186.10 the same or similar work performed by individuals without disabilities.

186.11 (b) Upon statewide implementation of lead agency requirements in subdivisions 2b, 2c,
186.12 and 3a, "long-term care consultation services" also means:

186.13 (1) service eligibility determination for state plan ~~home care~~ services identified in:

186.14 (i) section 256B.0625, subdivisions ~~7~~, 19a; and 19c;

186.15 (ii) consumer support grants under section 256.476; or

186.16 (iii) section 256B.85;

186.17 (2) notwithstanding provisions in Minnesota Rules, parts 9525.0004 to 9525.0024,
186.18 ~~determination of eligibility for gaining access to~~ case management services available under
186.19 sections 256B.0621, subdivision 2, ~~paragraph clause~~ (4), and 256B.0924₂, and Minnesota
186.20 Rules, part 9525.0016;

186.21 (3) ~~determination of institutional level of care, home and community-based service~~
186.22 ~~waiver, and other service of eligibility as required under section 256B.092, determination~~
186.23 ~~of eligibility for family support grants under section 252.32, for semi-independent living~~
186.24 ~~services under section 252.275, and day training and habilitation services under section~~
186.25 ~~256B.092~~; and

186.26 (4) obtaining necessary diagnostic information to determine eligibility under clauses (2)
186.27 and (3).

186.28 (c) "Long-term care options counseling" means the services provided by the linkage
186.29 lines as mandated by sections 256.01, subdivision 24, and 256.975, subdivision 7, and also
186.30 includes telephone assistance and follow up once a long-term care consultation assessment
186.31 has been completed.

187.1 (d) "Minnesota health care programs" means the medical assistance program under this
187.2 chapter and the alternative care program under section 256B.0913.

187.3 (e) "Lead agencies" means counties administering or tribes and health plans under
187.4 contract with the commissioner to administer long-term care consultation assessment and
187.5 support planning services.

187.6 (f) "Person-centered planning" is a process that includes the active participation of a
187.7 person in the planning of the person's services, including in making meaningful and informed
187.8 choices about the person's own goals, talents, and objectives, as well as making meaningful
187.9 and informed choices about the services the person receives. For the purposes of this section,
187.10 "informed choice" means a voluntary choice of services by a person from all available
187.11 service options based on accurate and complete information concerning all available service
187.12 options and concerning the person's own preferences, abilities, goals, and objectives. In
187.13 order for a person to make an informed choice, all available options must be developed and
187.14 presented to the person to empower the person to make decisions.

187.15 Sec. 22. Minnesota Statutes 2018, section 256B.0911, subdivision 3a, is amended to read:

187.16 Subd. 3a. **Assessment and support planning.** (a) Persons requesting assessment, services
187.17 planning, or other assistance intended to support community-based living, including persons
187.18 who need assessment in order to determine waiver or alternative care program eligibility,
187.19 must be visited by a long-term care consultation team within 20 calendar days after the date
187.20 on which an assessment was requested or recommended. Upon statewide implementation
187.21 of subdivisions 2b, 2c, and 5, this requirement also applies to an assessment of a person
187.22 requesting personal care assistance services ~~and home care nursing. The commissioner shall~~
187.23 ~~provide at least a 90-day notice to lead agencies prior to the effective date of this requirement.~~
187.24 Face-to-face assessments must be conducted according to paragraphs (b) to (i).

187.25 (b) Upon implementation of subdivisions 2b, 2c, and 5, lead agencies shall use certified
187.26 assessors to conduct the assessment. For a person with complex health care needs, a public
187.27 health or registered nurse from the team must be consulted.

187.28 (c) The MnCHOICES assessment provided by the commissioner to lead agencies must
187.29 be used to complete a comprehensive, conversation-based, person-centered assessment.
187.30 The assessment must include the health, psychological, functional, environmental, and
187.31 social needs of the individual necessary to develop a community support plan that meets
187.32 the individual's needs and preferences.

188.1 (d) The assessment must be conducted in a face-to-face conversational interview with
188.2 the person being assessed ~~and~~. The person's legal representative must provide input during
188.3 the assessment process and may do so remotely if requested. At the request of the person,
188.4 other individuals may participate in the assessment to provide information on the needs,
188.5 strengths, and preferences of the person necessary to develop a community support plan
188.6 that ensures the person's health and safety. Except for legal representatives or family members
188.7 invited by the person, persons participating in the assessment may not be a provider of
188.8 service or have any financial interest in the provision of services. For persons who are to
188.9 be assessed for elderly waiver customized living or adult day services under section
188.10 256B.0915, with the permission of the person being assessed or the person's designated or
188.11 legal representative, the client's current or proposed provider of services may submit a copy
188.12 of the provider's nursing assessment or written report outlining its recommendations regarding
188.13 the client's care needs. The person conducting the assessment must notify the provider of
188.14 the date by which this information is to be submitted. This information shall be provided
188.15 to the person conducting the assessment prior to the assessment. For a person who is to be
188.16 assessed for waiver services under section 256B.092 or 256B.49, with the permission of
188.17 the person being assessed or the person's designated legal representative, the person's current
188.18 provider of services may submit a written report outlining recommendations regarding the
188.19 person's care needs ~~prepared by a direct service employee with at least 20 hours of service~~
188.20 ~~to that client. The person conducting the assessment or reassessment must notify the provider~~
188.21 ~~of the date by which this information is to be submitted. This information shall be provided~~
188.22 ~~to the person conducting the assessment and the person or the person's legal representative,~~
188.23 ~~and must be considered prior to the finalization of the assessment or reassessment~~ the person
188.24 completed in consultation with someone who is known to the person and has interaction
188.25 with the person on a regular basis. The provider must submit the report at least 60 days
188.26 before the end of the person's current service agreement. The certified assessor must consider
188.27 the content of the submitted report prior to finalizing the person's assessment or reassessment.

188.28 (e) The certified assessor and the individual responsible for developing the coordinated
188.29 service and support plan must complete the community support plan and the coordinated
188.30 service and support plan no more than 60 calendar days from the assessment visit. The
188.31 person or the person's legal representative must be provided with a written community
188.32 support plan within ~~40 calendar days of the assessment visit~~ the timelines established by
188.33 the commissioner, regardless of whether the ~~individual~~ person is eligible for Minnesota
188.34 health care programs.

189.1 (f) For a person being assessed for elderly waiver services under section 256B.0915, a
189.2 provider who submitted information under paragraph (d) shall receive the final written
189.3 community support plan when available and the Residential Services Workbook.

189.4 (g) The written community support plan must include:

189.5 (1) a summary of assessed needs as defined in paragraphs (c) and (d);

189.6 (2) the individual's options and choices to meet identified needs, including all available
189.7 options for case management services and providers, including service provided in a
189.8 non-disability-specific setting;

189.9 (3) identification of health and safety risks and how those risks will be addressed,
189.10 including personal risk management strategies;

189.11 (4) referral information; and

189.12 (5) informal caregiver supports, if applicable.

189.13 For a person determined eligible for state plan home care under subdivision 1a, paragraph
189.14 (b), clause (1), the person or person's representative must also receive a copy of the home
189.15 care service plan developed by the certified assessor.

189.16 (h) A person may request assistance in identifying community supports without
189.17 participating in a complete assessment. Upon a request for assistance identifying community
189.18 support, the person must be transferred or referred to long-term care options counseling
189.19 services available under sections 256.975, subdivision 7, and 256.01, subdivision 24, for
189.20 telephone assistance and follow up.

189.21 (i) The person has the right to make the final decision between institutional placement
189.22 and community placement after the recommendations have been provided, except as provided
189.23 in section 256.975, subdivision 7a, paragraph (d).

189.24 (j) The lead agency must give the person receiving assessment or support planning, or
189.25 the person's legal representative, materials, and forms supplied by the commissioner
189.26 containing the following information:

189.27 (1) written recommendations for community-based services and consumer-directed
189.28 options;

189.29 (2) documentation that the most cost-effective alternatives available were offered to the
189.30 individual. For purposes of this clause, "cost-effective" means community services and
189.31 living arrangements that cost the same as or less than institutional care. For an individual
189.32 found to meet eligibility criteria for home and community-based service programs under

190.1 section 256B.0915 or 256B.49, "cost-effectiveness" has the meaning found in the federally
190.2 approved waiver plan for each program;

190.3 (3) the need for and purpose of preadmission screening conducted by long-term care
190.4 options counselors according to section 256.975, subdivisions 7a to 7c, if the person selects
190.5 nursing facility placement. If the individual selects nursing facility placement, the lead
190.6 agency shall forward information needed to complete the level of care determinations and
190.7 screening for developmental disability and mental illness collected during the assessment
190.8 to the long-term care options counselor using forms provided by the commissioner;

190.9 (4) the role of long-term care consultation assessment and support planning in eligibility
190.10 determination for waiver and alternative care programs, and state plan home care, case
190.11 management, and other services as defined in subdivision 1a, paragraphs (a), clause (6),
190.12 and (b);

190.13 (5) information about Minnesota health care programs;

190.14 (6) the person's freedom to accept or reject the recommendations of the team;

190.15 (7) the person's right to confidentiality under the Minnesota Government Data Practices
190.16 Act, chapter 13;

190.17 (8) the certified assessor's decision regarding the person's need for institutional level of
190.18 care as determined under criteria established in subdivision 4e and the certified assessor's
190.19 decision regarding eligibility for all services and programs as defined in subdivision 1a,
190.20 paragraphs (a), clause (6), and (b); and

190.21 (9) the person's right to appeal the certified assessor's decision regarding eligibility for
190.22 all services and programs as defined in subdivision 1a, paragraphs (a), clauses (6), (7), and
190.23 (8), and (b), and incorporating the decision regarding the need for institutional level of care
190.24 or the lead agency's final decisions regarding public programs eligibility according to section
190.25 256.045, subdivision 3. The certified assessor must verbally communicate this appeal right
190.26 to the person and must visually point out where in the document the right to appeal is stated.

190.27 (k) Face-to-face assessment completed as part of eligibility determination for the
190.28 alternative care, elderly waiver, developmental disabilities, community access for disability
190.29 inclusion, community alternative care, and brain injury waiver programs under sections
190.30 256B.0913, 256B.0915, 256B.092, and 256B.49 is valid to establish service eligibility for
190.31 no more than 60 calendar days after the date of assessment.

190.32 (l) The effective eligibility start date for programs in paragraph (k) can never be prior
190.33 to the date of assessment. If an assessment was completed more than 60 days before the

191.1 effective waiver or alternative care program eligibility start date, assessment and support
 191.2 plan information must be updated and documented in the department's Medicaid Management
 191.3 Information System (MMIS). Notwithstanding retroactive medical assistance coverage of
 191.4 state plan services, the effective date of eligibility for programs included in paragraph (k)
 191.5 cannot be prior to the date the most recent updated assessment is completed.

191.6 (m) If an eligibility update is completed within 90 days of the previous face-to-face
 191.7 assessment and documented in the department's Medicaid Management Information System
 191.8 (MMIS), the effective date of eligibility for programs included in paragraph (k) is the date
 191.9 of the previous face-to-face assessment when all other eligibility requirements are met.

191.10 (n) At the time of reassessment, the certified assessor shall assess each person receiving
 191.11 waiver services currently residing in a community residential setting, or licensed adult foster
 191.12 care home that is not the primary residence of the license holder, or in which the license
 191.13 holder is not the primary caregiver, to determine if that person would prefer to be served in
 191.14 a community-living setting as defined in section 256B.49, subdivision 23. The certified
 191.15 assessor shall offer the person, through a person-centered planning process, the option to
 191.16 receive alternative housing and service options.

191.17 Sec. 23. Minnesota Statutes 2018, section 256B.0911, subdivision 3f, is amended to read:

191.18 Subd. 3f. **Long-term care reassessments and community support plan updates.** (a)
 191.19 Prior to a face-to-face reassessment, the certified assessor must review the person's most
 191.20 recent assessment. Reassessments must be tailored using the professional judgment of the
 191.21 assessor to the person's known needs, strengths, preferences, and circumstances.
 191.22 Reassessments provide information to support the person's informed choice and opportunities
 191.23 to express choice regarding activities that contribute to quality of life, as well as information
 191.24 and opportunity to identify goals related to desired employment, community activities, and
 191.25 preferred living environment. Reassessments ~~allow for~~ require a review of the most recent
 191.26 assessment, review of the current coordinated service and support plan's effectiveness,
 191.27 monitoring of services, and the development of an updated person-centered community
 191.28 support plan. Reassessments verify continued eligibility or offer alternatives as warranted
 191.29 and provide an opportunity for quality assurance of service delivery. Face-to-face assessments
 191.30 reassessments must be conducted annually or as required by federal and state laws and rules.
 191.31 For reassessments, the certified assessor and the individual responsible for developing the
 191.32 coordinated service and support plan must ensure the continuity of care for the person
 191.33 receiving services and complete the updated community support plan and the updated
 191.34 coordinated service and support plan no more than 60 days from the reassessment visit.

192.1 (b) The commissioner shall develop mechanisms for providers and case managers to
192.2 share information with the assessor to facilitate a reassessment and support planning process
192.3 tailored to the person's current needs and preferences.

192.4 Sec. 24. Minnesota Statutes 2018, section 256B.0911, is amended by adding a subdivision
192.5 to read:

192.6 Subd. 3g. **Assessments for Rule 185 case management.** Unless otherwise required by
192.7 federal law, the county agency is not required to conduct or arrange for an annual needs
192.8 reassessment by a certified assessor. The case manager who works on behalf of the person
192.9 to identify the person's needs and to minimize the impact of the disability on the person's
192.10 life must instead develop a person-centered service plan based on the person's assessed
192.11 needs and preferences. The person-centered service plan must be reviewed annually for
192.12 persons with developmental disabilities who are receiving only case management services
192.13 under Minnesota Rules, part 9525.0036, and who make an informed choice to decline an
192.14 assessment under this section.

192.15 Sec. 25. Minnesota Statutes 2018, section 256B.0911, subdivision 5, is amended to read:

192.16 Subd. 5. **Administrative activity.** (a) The commissioner shall streamline the processes,
192.17 including timelines for when assessments need to be completed, required to provide the
192.18 services in this section and shall implement integrated solutions to automate the business
192.19 processes to the extent necessary for community support plan approval, reimbursement,
192.20 program planning, evaluation, and policy development.

192.21 (b) The commissioner of human services shall work with lead agencies responsible for
192.22 conducting long-term consultation services to modify the MnCHOICES application and
192.23 assessment policies to create efficiencies while ensuring federal compliance with medical
192.24 assistance and long-term services and supports eligibility criteria.

192.25 (c) The commissioner shall work with lead agencies responsible for conducting long-term
192.26 consultation services to develop a set of measurable benchmarks sufficient to demonstrate
192.27 quarterly improvement in the average time per assessment and other mutually agreed upon
192.28 measures of increasing efficiency. The commissioner shall collect data on these benchmarks
192.29 and provide to the lead agencies and the chairs and ranking minority members of the
192.30 legislative committees with jurisdiction over human services an annual trend analysis of
192.31 the data in order to demonstrate the commissioner's compliance with the requirements of
192.32 this subdivision.

193.1 Sec. 26. Minnesota Statutes 2018, section 256B.0915, subdivision 6, is amended to read:

193.2 Subd. 6. **Implementation of coordinated service and support plan.** (a) Each elderly
193.3 waiver client shall be provided a copy of a written coordinated service and support plan
193.4 ~~which~~ that:

193.5 (1) is developed with and signed by the recipient within ~~ten working days after the case~~
193.6 ~~manager receives the assessment information and written community support plan as~~
193.7 ~~described in section 256B.0911, subdivision 3a, from the certified assessor~~ the timelines
193.8 established by the commissioner. The timeline for completing the community support plan
193.9 under section 256B.0911, subdivision 3a, and the coordinated service and support plan must
193.10 not exceed 60 calendar days from the assessment visit;

193.11 (2) includes the person's need for service and identification of service needs that will be
193.12 or that are met by the person's relatives, friends, and others, as well as community services
193.13 used by the general public;

193.14 (3) reasonably ensures the health and welfare of the recipient;

193.15 (4) identifies the person's preferences for services as stated by the person or the person's
193.16 legal guardian or conservator;

193.17 (5) reflects the person's informed choice between institutional and community-based
193.18 services, as well as choice of services, supports, and providers, including available case
193.19 manager providers;

193.20 (6) identifies long-range and short-range goals for the person;

193.21 (7) identifies specific services and the amount, frequency, duration, and cost of the
193.22 services to be provided to the person based on assessed needs, preferences, and available
193.23 resources;

193.24 (8) includes information about the right to appeal decisions under section 256.045; and

193.25 (9) includes the authorized annual and estimated monthly amounts for the services.

193.26 (b) In developing the coordinated service and support plan, the case manager should
193.27 also include the use of volunteers, religious organizations, social clubs, and civic and service
193.28 organizations to support the individual in the community. The lead agency must be held
193.29 harmless for damages or injuries sustained through the use of volunteers and agencies under
193.30 this paragraph, including workers' compensation liability.

194.1 Sec. 27. Minnesota Statutes 2018, section 256B.0915, subdivision 10, is amended to read:

194.2 Subd. 10. **Waiver payment rates; managed care organizations.** The commissioner
194.3 shall adjust the elderly waiver capitation payment rates for managed care organizations paid
194.4 under section 256B.69, subdivisions 6b and 23, to reflect the maximum service rate limits
194.5 for customized living services and 24-hour customized living services under subdivisions
194.6 3e and 3h, and the rate adjustment under subdivision 18. Medical assistance rates paid to
194.7 customized living providers by managed care organizations under this section shall not
194.8 exceed the maximum service rate limits and component rates as determined by the
194.9 commissioner under subdivisions 3e and 3h, plus any rate adjustment under subdivision
194.10 18.

194.11 Sec. 28. Minnesota Statutes 2018, section 256B.0915, is amended by adding a subdivision
194.12 to read:

194.13 Subd. 18. **Disproportionate share establishment customized living rate**
194.14 **adjustment.** (a) For purposes of this section, "designated disproportionate share
194.15 establishment" means a housing with services establishment registered under chapter 144D
194.16 that meets the requirements of paragraph (d).

194.17 (b) A housing with services establishment registered under chapter 144D may apply
194.18 annually between June 1 and June 15 to the commissioner to be designated as a
194.19 disproportionate share establishment. The applying housing with services establishment
194.20 must apply to the commissioner in the manner determined by the commissioner. The applying
194.21 housing with services establishment must document as a percentage the census of elderly
194.22 waiver participants residing in the establishment on May 31 of the year of application.

194.23 (c) Only a housing with services establishment registered under chapter 144D with a
194.24 census of at least 50 percent elderly waiver participants on May 31 of the application year
194.25 is eligible under this section for designation as a disproportionate share establishment.

194.26 (d) By June 30, the commissioner shall designate as a disproportionate share establishment
194.27 any housing with services establishment that complies with the requirements of paragraph
194.28 (b) and meets the eligibility criteria described in paragraph (c).

194.29 (e) A designated disproportionate share establishment's customized living rate adjustment
194.30 is the sum of 0.83 plus the product of 0.36 multiplied by the percentage of elderly waiver
194.31 participants residing in the establishment as reported on the establishment's most recent
194.32 application for designation as a disproportionate share establishment. No establishment may
194.33 receive a customized living rate adjustment greater than 1.10.

195.1 (f) The commissioner shall multiply the customized living rate and 24-hour customized
195.2 living rate for a designated disproportionate share establishment by the amount determined
195.3 under paragraph (e).

195.4 (g) The value of the rate adjustment under paragraph (e) shall not be included in an
195.5 individual elderly waiver client's monthly case mix budget cap.

195.6 **EFFECTIVE DATE.** This section is effective January 1, 2020, or upon federal approval,
195.7 whichever is later, and applies to rates paid on or after January 1, 2021. The commissioner
195.8 of human services shall inform the revisor of statutes when federal approval is obtained.

195.9 Sec. 29. Minnesota Statutes 2018, section 256B.092, subdivision 1b, is amended to read:

195.10 Subd. 1b. **Coordinated service and support plan.** (a) Each recipient of home and
195.11 community-based waived services shall be provided a copy of the written coordinated
195.12 service and support plan ~~which~~ that:

195.13 (1) is developed with and signed by the recipient within ~~ten working days after the case~~
195.14 ~~manager receives the assessment information and written community support plan as~~
195.15 ~~described in section 256B.0911, subdivision 3a, from the certified assessor~~ the timelines
195.16 established by the commissioner. The timeline for completing the community support plan
195.17 under section 256B.0911, subdivision 3a, and the coordinated service and support plan must
195.18 not exceed 60 calendar days from the assessment visit;

195.19 (2) includes the person's need for service, including identification of service needs that
195.20 will be or that are met by the person's relatives, friends, and others, as well as community
195.21 services used by the general public;

195.22 (3) reasonably ensures the health and welfare of the recipient;

195.23 (4) identifies the person's preferences for services as stated by the person, the person's
195.24 legal guardian or conservator, or the parent if the person is a minor, including the person's
195.25 choices made on self-directed options and on services and supports to achieve employment
195.26 goals;

195.27 (5) provides for an informed choice, as defined in section 256B.77, subdivision 2,
195.28 paragraph (o), of service and support providers, and identifies all available options for case
195.29 management services and providers;

195.30 (6) identifies long-range and short-range goals for the person;

195.31 (7) identifies specific services and the amount and frequency of the services to be provided
195.32 to the person based on assessed needs, preferences, and available resources. The coordinated

196.1 service and support plan shall also specify other services the person needs that are not
196.2 available;

196.3 (8) identifies the need for an individual program plan to be developed by the provider
196.4 according to the respective state and federal licensing and certification standards, and
196.5 additional assessments to be completed or arranged by the provider after service initiation;

196.6 (9) identifies provider responsibilities to implement and make recommendations for
196.7 modification to the coordinated service and support plan;

196.8 (10) includes notice of the right to request a conciliation conference or a hearing under
196.9 section 256.045;

196.10 (11) is agreed upon and signed by the person, the person's legal guardian or conservator,
196.11 or the parent if the person is a minor, and the authorized county representative;

196.12 (12) is reviewed by a health professional if the person has overriding medical needs that
196.13 impact the delivery of services; and

196.14 (13) includes the authorized annual and monthly amounts for the services.

196.15 (b) In developing the coordinated service and support plan, the case manager is
196.16 encouraged to include the use of volunteers, religious organizations, social clubs, and civic
196.17 and service organizations to support the individual in the community. The lead agency must
196.18 be held harmless for damages or injuries sustained through the use of volunteers and agencies
196.19 under this paragraph, including workers' compensation liability.

196.20 (c) Approved, written, and signed changes to a consumer's services that meet the criteria
196.21 in this subdivision shall be an addendum to that consumer's individual service plan.

196.22 Sec. 30. Minnesota Statutes 2018, section 256B.092, is amended by adding a subdivision
196.23 to read:

196.24 Subd. 12a. **Developmental disabilities waiver growth limit.** The commissioner shall
196.25 limit the total number of people receiving developmental disabilities waiver services to the
196.26 number of people receiving developmental disabilities waiver services on June 30, 2019.
196.27 The commissioner shall only add new recipients when an existing recipient permanently
196.28 leaves the program. The commissioner shall reserve capacity, within enrollment limits, to
196.29 re-enroll persons who temporarily discontinue and then resume waiver services within 90
196.30 days of the date that services were discontinued. When adding a new recipient, the
196.31 commissioner shall target persons who meet the priorities for accessing waiver services
196.32 identified in subdivision 12. The allocation limits include conversions from intermediate

197.1 care facilities for persons with developmental disabilities unless capacity at the facility is
197.2 permanently converted to home and community-based services through the developmental
197.3 disabilities waiver.

197.4 Sec. 31. Minnesota Statutes 2018, section 256B.0921, is amended to read:

197.5 **256B.0921 HOME AND COMMUNITY-BASED SERVICES INCENTIVE**
197.6 **INNOVATION POOL.**

197.7 The commissioner of human services shall develop an initiative to provide incentives
197.8 for innovation in: (1) achieving integrated competitive employment; (2) achieving integrated
197.9 competitive employment for youth under age 25 upon their graduation from school; (3)
197.10 living in the most integrated setting; and (4) other outcomes determined by the commissioner.
197.11 The commissioner shall seek requests for proposals and shall contract with one or more
197.12 entities to provide incentive payments for meeting identified outcomes.

197.13 Sec. 32. Minnesota Statutes 2018, section 256B.49, is amended by adding a subdivision
197.14 to read:

197.15 **Subd. 11b. Community access for disability inclusion waiver growth limit.** The
197.16 commissioner shall limit the total number of people receiving community access for disability
197.17 inclusion waiver services to the number of people receiving community access for disability
197.18 inclusion waiver services on June 30, 2019. The commissioner shall only add new recipients
197.19 when an existing recipient permanently leaves the program. The commissioner shall reserve
197.20 capacity, within enrollment limits, to re-enroll persons who temporarily discontinue and
197.21 then resume waiver services within 90 days of the date that services were discontinued.
197.22 When adding a new recipient, the commissioner shall target individuals who meet the
197.23 priorities for accessing waiver services identified in subdivision 11a. The allocation limits
197.24 includes conversions and diversions from nursing facilities.

197.25 Sec. 33. Minnesota Statutes 2018, section 256B.49, subdivision 13, is amended to read:

197.26 **Subd. 13. Case management.** (a) Each recipient of a home and community-based waiver
197.27 shall be provided case management services by qualified vendors as described in the federally
197.28 approved waiver application. The case management service activities provided must include:
197.29 (1) finalizing the written coordinated service and support plan within ~~ten working days~~
197.30 ~~after the case manager receives the plan from the certified assessor~~ the timelines established
197.31 by the commissioner. The timeline for completing the community support plan under section

198.1 256B.0911, subdivision 3a, and the coordinated service and support plan must not exceed
198.2 60 calendar days from the assessment visit;

198.3 (2) informing the recipient or the recipient's legal guardian or conservator of service
198.4 options;

198.5 (3) assisting the recipient in the identification of potential service providers and available
198.6 options for case management service and providers, including services provided in a
198.7 non-disability-specific setting;

198.8 (4) assisting the recipient to access services and assisting with appeals under section
198.9 256.045; and

198.10 (5) coordinating, evaluating, and monitoring of the services identified in the service
198.11 plan.

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

198.15 (1) finalizing the coordinated service and support plan;

198.16 (2) ongoing assessment and monitoring of the person's needs and adequacy of the
198.17 approved coordinated service and support plan; and

198.18 (3) adjustments to the coordinated service and support plan.

198.19 (c) Case management services must be provided by a public or private agency that is
198.20 enrolled as a medical assistance provider determined by the commissioner to meet all of
198.21 the requirements in the approved federal waiver plans. Case management services must not
198.22 be provided to a recipient by a private agency that has any financial interest in the provision
198.23 of any other services included in the recipient's coordinated service and support plan. For
198.24 purposes of this section, "private agency" means any agency that is not identified as a lead
198.25 agency under section 256B.0911, subdivision 1a, paragraph (e).

198.26 (d) For persons who need a positive support transition plan as required in chapter 245D,
198.27 the case manager shall participate in the development and ongoing evaluation of the plan
198.28 with the expanded support team. At least quarterly, the case manager, in consultation with
198.29 the expanded support team, shall evaluate the effectiveness of the plan based on progress
198.30 evaluation data submitted by the licensed provider to the case manager. The evaluation must
198.31 identify whether the plan has been developed and implemented in a manner to achieve the
198.32 following within the required timelines:

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

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

199.4 (3) accomplishment of identified outcomes.

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

199.8 Sec. 34. Minnesota Statutes 2018, section 256B.49, subdivision 14, is amended to read:

199.9 Subd. 14. **Assessment and reassessment.** (a) Assessments and reassessments shall be
199.10 conducted by certified assessors according to section 256B.0911, subdivision 2b. The
199.11 certified assessor, with the permission of the recipient or the recipient's designated legal
199.12 representative, may invite other individuals to attend the assessment. With the permission
199.13 of the recipient or the recipient's designated legal representative, the recipient's current
199.14 provider of services may submit a written report outlining their recommendations regarding
199.15 the recipient's care needs prepared by a direct service employee ~~with at least 20 hours of~~
199.16 ~~service to that client. The certified assessor must notify the provider of the date by which~~
199.17 ~~this information is to be submitted. This information shall be provided to the certified~~
199.18 ~~assessor and the person or the person's legal representative and must be considered prior to~~
199.19 ~~the finalization of the assessment or reassessment~~ who is familiar with the person. The
199.20 provider must submit the report at least 60 days before the end of the person's current service
199.21 agreement. The certified assessor must consider the content of the submitted report prior
199.22 to finalizing the person's assessment or reassessment.

199.23 (b) There must be a determination that the client requires a hospital level of care or a
199.24 nursing facility level of care as defined in section 256B.0911, subdivision 4e, at initial and
199.25 subsequent assessments to initiate and maintain participation in the waiver program.

199.26 (c) Regardless of other assessments identified in section 144.0724, subdivision 4, as
199.27 appropriate to determine nursing facility level of care for purposes of medical assistance
199.28 payment for nursing facility services, only face-to-face assessments conducted according
199.29 to section 256B.0911, subdivisions 3a, 3b, and 4d, that result in a hospital level of care
199.30 determination or a nursing facility level of care determination must be accepted for purposes
199.31 of initial and ongoing access to waiver services payment.

200.1 (d) Recipients who are found eligible for home and community-based services under
200.2 this section before their 65th birthday may remain eligible for these services after their 65th
200.3 birthday if they continue to meet all other eligibility factors.

200.4 Sec. 35. Minnesota Statutes 2018, section 256B.4914, subdivision 2, is amended to read:

200.5 Subd. 2. **Definitions.** (a) For purposes of this section, the following terms have the
200.6 meanings given them, unless the context clearly indicates otherwise.

200.7 (b) "Commissioner" means the commissioner of human services.

200.8 (c) "Component value" means underlying factors that are part of the cost of providing
200.9 services that are built into the waiver rates methodology to calculate service rates.

200.10 (d) "Customized living tool" means a methodology for setting service rates that delineates
200.11 and documents the amount of each component service included in a recipient's customized
200.12 living service plan.

200.13 (e) "Direct care staff" means employees providing direct services to an individual
200.14 receiving services under this section. Direct care staff excludes executive, managerial, or
200.15 administrative staff.

200.16 ~~(e)~~ (f) "Disability waiver rates system" means a statewide system that establishes rates
200.17 that are based on uniform processes and captures the individualized nature of waiver services
200.18 and recipient needs.

200.19 ~~(f)~~ (g) "Individual staffing" means the time spent as a one-to-one interaction specific to
200.20 an individual recipient by staff to provide direct support and assistance with activities of
200.21 daily living, instrumental activities of daily living, and training to participants, and is based
200.22 on the requirements in each individual's coordinated service and support plan under section
200.23 245D.02, subdivision 4b; any coordinated service and support plan addendum under section
200.24 245D.02, subdivision 4c; and an assessment tool. Provider observation of an individual's
200.25 needs must also be considered.

200.26 ~~(g)~~ (h) "Lead agency" means a county, partnership of counties, or tribal agency charged
200.27 with administering waived services under sections 256B.092 and 256B.49.

200.28 ~~(h)~~ (i) "Median" means the amount that divides distribution into two equal groups,
200.29 one-half above the median and one-half below the median.

200.30 ~~(i)~~ (j) "Payment or rate" means reimbursement to an eligible provider for services
200.31 provided to a qualified individual based on an approved service authorization.

201.1 ~~(j)~~ (k) "Rates management system" means a web-based software application that uses a
201.2 framework and component values, as determined by the commissioner, to establish service
201.3 rates.

201.4 ~~(k)~~ (l) "Recipient" means a person receiving home and community-based services funded
201.5 under any of the disability waivers.

201.6 ~~(l)~~ (m) "Shared staffing" means time spent by employees, not defined under paragraph
201.7 (f), providing or available to provide more than one individual with direct support and
201.8 assistance with activities of daily living as defined under section 256B.0659, subdivision
201.9 1, paragraph (b); instrumental activities of daily living as defined under section 256B.0659,
201.10 subdivision 1, paragraph (i); ancillary activities needed to support individual services; and
201.11 training to participants, and is based on the requirements in each individual's coordinated
201.12 service and support plan under section 245D.02, subdivision 4b; any coordinated service
201.13 and support plan addendum under section 245D.02, subdivision 4c; an assessment tool; and
201.14 provider observation of an individual's service need. Total shared staffing hours are divided
201.15 proportionally by the number of individuals who receive the shared service provisions.

201.16 ~~(m)~~ (n) "Staffing ratio" means the number of recipients a service provider employee
201.17 supports during a unit of service based on a uniform assessment tool, provider observation,
201.18 case history, and the recipient's services of choice, and not based on the staffing ratios under
201.19 section 245D.31.

201.20 ~~(n)~~ (o) "Unit of service" means the following:

201.21 (1) for residential support services under subdivision 6, a unit of service is a day. Any
201.22 portion of any calendar day, within allowable Medicaid rules, where an individual spends
201.23 time in a residential setting is billable as a day;

201.24 (2) for day services under subdivision 7:

201.25 (i) for day training and habilitation services, a unit of service is either:

201.26 (A) a day unit of service is defined as six or more hours of time spent providing direct
201.27 services and transportation; or

201.28 (B) a partial day unit of service is defined as fewer than six hours of time spent providing
201.29 direct services and transportation; and

201.30 (C) for new day service recipients after January 1, 2014, 15 minute units of service must
201.31 be used for fewer than six hours of time spent providing direct services and transportation;

202.1 (ii) for adult day and structured day services, a unit of service is a day or 15 minutes. A
202.2 day unit of service is six or more hours of time spent providing direct services;

202.3 (iii) for prevocational services, a unit of service is a day or ~~an hour~~ 15 minutes. A day
202.4 unit of service is six or more hours of time spent providing direct service;

202.5 (3) for unit-based services with programming under subdivision 8:

202.6 (i) for supported living services, a unit of service is a day or 15 minutes. When a day
202.7 rate is authorized, any portion of a calendar day where an individual receives services is
202.8 billable as a day; and

202.9 (ii) for all other services, a unit of service is 15 minutes; and

202.10 (4) for unit-based services without programming under subdivision 9, a unit of service
202.11 is 15 minutes.

202.12 Sec. 36. Minnesota Statutes 2018, section 256B.4914, subdivision 3, is amended to read:

202.13 Subd. 3. **Applicable services.** Applicable services are those authorized under the state's
202.14 home and community-based services waivers under sections 256B.092 and 256B.49,
202.15 including the following, as defined in the federally approved home and community-based
202.16 services plan:

202.17 (1) 24-hour customized living;

202.18 (2) adult day care;

202.19 (3) adult day care bath;

202.20 ~~(4) behavioral programming;~~

202.21 ~~(5)~~ (4) companion services;

202.22 ~~(6)~~ (5) customized living;

202.23 ~~(7)~~ (6) day training and habilitation;

202.24 (7) employment development services;

202.25 (8) employment exploration services;

202.26 (9) employment support services;

202.27 ~~(8)~~ (10) housing access coordination;

202.28 ~~(9)~~ (11) independent living skills;

202.29 (12) independent living skills specialist services;

- 203.1 (13) individualized home supports;
- 203.2 ~~(10)~~ (14) in-home family support;
- 203.3 ~~(11)~~ (15) night supervision;
- 203.4 ~~(12)~~ (16) personal support;
- 203.5 (17) positive support service;
- 203.6 ~~(13)~~ (18) prevocational services;
- 203.7 ~~(14)~~ (19) residential care services;
- 203.8 ~~(15)~~ (20) residential support services;
- 203.9 ~~(16)~~ (21) respite services;
- 203.10 ~~(17)~~ (22) structured day services;
- 203.11 ~~(18)~~ (23) supported employment services;
- 203.12 ~~(19)~~ (24) supported living services;
- 203.13 ~~(20)~~ (25) transportation services; and
- 203.14 ~~(21) individualized home supports;~~
- 203.15 ~~(22) independent living skills specialist services;~~
- 203.16 ~~(23) employment exploration services;~~
- 203.17 ~~(24) employment development services;~~
- 203.18 ~~(25) employment support services; and~~
- 203.19 (26) other services as approved by the federal government in the state home and
- 203.20 community-based services plan.

203.21 Sec. 37. Minnesota Statutes 2018, section 256B.4914, subdivision 5, is amended to read:

203.22 Subd. 5. **Base wage index and standard component values.** (a) The base wage index
203.23 is established to determine staffing costs associated with providing services to individuals
203.24 receiving home and community-based services. For purposes of developing and calculating
203.25 the proposed base wage, Minnesota-specific wages taken from job descriptions and standard
203.26 occupational classification (SOC) codes from the Bureau of Labor Statistics as defined in
203.27 the most recent edition of the Occupational Handbook must be used. The base wage index
203.28 must be calculated as follows:

203.29 (1) for residential direct care staff, the sum of:

204.1 (i) 15 percent of the subtotal of 50 percent of the median wage for personal and home
204.2 health aide (SOC code 39-9021); 30 percent of the median wage for nursing assistant (SOC
204.3 code 31-1014); and 20 percent of the median wage for social and human services aide (SOC
204.4 code 21-1093); and

204.5 (ii) 85 percent of the subtotal of 20 percent of the median wage for home health aide
204.6 (SOC code 31-1011); 20 percent of the median wage for personal and home health aide
204.7 (SOC code 39-9021); 20 percent of the median wage for nursing assistant (SOC code
204.8 31-1014); 20 percent of the median wage for psychiatric technician (SOC code 29-2053);
204.9 and 20 percent of the median wage for social and human services aide (SOC code 21-1093);

204.10 (2) for day services, 20 percent of the median wage for nursing assistant (SOC code
204.11 31-1014); 20 percent of the median wage for psychiatric technician (SOC code 29-2053);
204.12 and 60 percent of the median wage for social and human services aide (SOC code 21-1093);

204.13 (3) for residential asleep-overnight staff, the wage is the minimum wage in Minnesota
204.14 for large employers, except in a family foster care setting, the wage is 36 percent of the
204.15 minimum wage in Minnesota for large employers;

204.16 (4) for behavior program analyst staff, 100 percent of the median wage for mental health
204.17 counselors (SOC code 21-1014);

204.18 (5) for behavior program professional staff, 100 percent of the median wage for clinical
204.19 counseling and school psychologist (SOC code 19-3031);

204.20 (6) for behavior program specialist staff, 100 percent of the median wage for psychiatric
204.21 technicians (SOC code 29-2053);

204.22 (7) for supportive living services staff, 20 percent of the median wage for nursing assistant
204.23 (SOC code 31-1014); 20 percent of the median wage for psychiatric technician (SOC code
204.24 29-2053); and 60 percent of the median wage for social and human services aide (SOC code
204.25 21-1093);

204.26 (8) for housing access coordination staff, 100 percent of the median wage for community
204.27 and social services specialist (SOC code 21-1099);

204.28 (9) for in-home family support staff, 20 percent of the median wage for nursing aide
204.29 (SOC code 31-1012); 30 percent of the median wage for community social service specialist
204.30 (SOC code 21-1099); 40 percent of the median wage for social and human services aide
204.31 (SOC code 21-1093); and ten percent of the median wage for psychiatric technician (SOC
204.32 code 29-2053);

205.1 (10) for individualized home supports services staff, 40 percent of the median wage for
205.2 community social service specialist (SOC code 21-1099); 50 percent of the median wage
205.3 for social and human services aide (SOC code 21-1093); and ten percent of the median
205.4 wage for psychiatric technician (SOC code 29-2053);

205.5 (11) for independent living skills staff, 40 percent of the median wage for community
205.6 social service specialist (SOC code 21-1099); 50 percent of the median wage for social and
205.7 human services aide (SOC code 21-1093); and ten percent of the median wage for psychiatric
205.8 technician (SOC code 29-2053);

205.9 (12) for independent living skills specialist staff, 100 percent of mental health and
205.10 substance abuse social worker (SOC code 21-1023);

205.11 (13) for supported employment staff, 20 percent of the median wage for nursing assistant
205.12 (SOC code 31-1014); 20 percent of the median wage for psychiatric technician (SOC code
205.13 29-2053); and 60 percent of the median wage for social and human services aide (SOC code
205.14 21-1093);

205.15 (14) for employment support services staff, 50 percent of the median wage for
205.16 rehabilitation counselor (SOC code 21-1015); and 50 percent of the median wage for
205.17 community and social services specialist (SOC code 21-1099);

205.18 (15) for employment exploration services staff, 50 percent of the median wage for
205.19 rehabilitation counselor (SOC code 21-1015); and 50 percent of the median wage for
205.20 community and social services specialist (SOC code 21-1099);

205.21 (16) for employment development services staff, 50 percent of the median wage for
205.22 education, guidance, school, and vocational counselors (SOC code 21-1012); and 50 percent
205.23 of the median wage for community and social services specialist (SOC code 21-1099);

205.24 (17) for adult companion staff, 50 percent of the median wage for personal and home
205.25 care aide (SOC code 39-9021); and 50 percent of the median wage for nursing assistant
205.26 (SOC code 31-1014);

205.27 (18) for night supervision staff, 20 percent of the median wage for home health aide
205.28 (SOC code 31-1011); 20 percent of the median wage for personal and home health aide
205.29 (SOC code 39-9021); 20 percent of the median wage for nursing assistant (SOC code
205.30 31-1014); 20 percent of the median wage for psychiatric technician (SOC code 29-2053);
205.31 and 20 percent of the median wage for social and human services aide (SOC code 21-1093);

206.1 (19) for respite staff, 50 percent of the median wage for personal and home care aide
206.2 (SOC code 39-9021); and 50 percent of the median wage for nursing assistant (SOC code
206.3 31-1014);

206.4 (20) for personal support staff, 50 percent of the median wage for personal and home
206.5 care aide (SOC code 39-9021); and 50 percent of the median wage for nursing assistant
206.6 (SOC code 31-1014);

206.7 (21) for supervisory staff, 100 percent of the median wage for community and social
206.8 services specialist (SOC code 21-1099), with the exception of the supervisor of behavior
206.9 professional, behavior analyst, and behavior specialists, which is 100 percent of the median
206.10 wage for clinical counseling and school psychologist (SOC code 19-3031);

206.11 (22) for registered nurse staff, 100 percent of the median wage for registered nurses
206.12 (SOC code 29-1141); and

206.13 (23) for licensed practical nurse staff, 100 percent of the median wage for licensed
206.14 practical nurses (SOC code 29-2061).

206.15 (b) The commissioner shall adjust the base wage index in paragraph (j) with a competitive
206.16 workforce factor of 4.7 percent to provide increased compensation to direct care staff. A
206.17 provider shall use the additional revenue from the competitive workforce factor to increase
206.18 wages for or to improve benefits provided to direct care staff.

206.19 (c) Beginning February 1, 2021, and every two years thereafter, the commissioner shall
206.20 report to the chairs and ranking minority members of the legislative committees and divisions
206.21 with jurisdiction over health and human services policy and finance an analysis of the
206.22 competitive workforce factor. The report shall include recommendations to adjust the
206.23 competitive workforce factor using (1) the most recently available wage data by SOC code
206.24 of the weighted average wage for direct care staff for residential services and direct care
206.25 staff for day services; (2) the most recently available wage data by SOC code of the weighted
206.26 average wage of comparable occupations; and (3) labor market data as required under
206.27 subdivision 10a, paragraph (g). The commissioner shall not recommend in any biennial
206.28 report an increase or decrease of the competitive workforce factor by more than two
206.29 percentage points from the current value. If, after a biennial analysis for the next report, the
206.30 competitive workforce factor is less than or equal to zero, the commissioner shall recommend
206.31 a competitive workforce factor of zero.

206.32 ~~(b)~~ (d) Component values for residential support services are:

206.33 (1) supervisory span of control ratio: 11 percent;

- 207.1 (2) employee vacation, sick, and training allowance ratio: 8.71 percent;
- 207.2 (3) employee-related cost ratio: 23.6 percent;
- 207.3 (4) general administrative support ratio: 13.25 percent;
- 207.4 (5) program-related expense ratio: 1.3 percent; and
- 207.5 (6) absence and utilization factor ratio: 3.9 percent.
- 207.6 ~~(e)~~ (e) Component values for family foster care are:
- 207.7 (1) supervisory span of control ratio: 11 percent;
- 207.8 (2) employee vacation, sick, and training allowance ratio: 8.71 percent;
- 207.9 (3) employee-related cost ratio: 23.6 percent;
- 207.10 (4) general administrative support ratio: 3.3 percent;
- 207.11 (5) program-related expense ratio: 1.3 percent; and
- 207.12 (6) absence factor: 1.7 percent.
- 207.13 ~~(d)~~ (f) Component values for day services for all services are:
- 207.14 (1) supervisory span of control ratio: 11 percent;
- 207.15 (2) employee vacation, sick, and training allowance ratio: 8.71 percent;
- 207.16 (3) employee-related cost ratio: 23.6 percent;
- 207.17 (4) program plan support ratio: 5.6 percent;
- 207.18 (5) client programming and support ratio: ten percent;
- 207.19 (6) general administrative support ratio: 13.25 percent;
- 207.20 (7) program-related expense ratio: 1.8 percent; and
- 207.21 (8) absence and utilization factor ratio: 9.4 percent.
- 207.22 ~~(e)~~ (g) Component values for unit-based services with programming are:
- 207.23 (1) supervisory span of control ratio: 11 percent;
- 207.24 (2) employee vacation, sick, and training allowance ratio: 8.71 percent;
- 207.25 (3) employee-related cost ratio: 23.6 percent;
- 207.26 (4) program plan supports ratio: 15.5 percent;
- 207.27 (5) client programming and supports ratio: 4.7 percent;

208.1 (6) general administrative support ratio: 13.25 percent;

208.2 (7) program-related expense ratio: 6.1 percent; and

208.3 (8) absence and utilization factor ratio: 3.9 percent.

208.4 ~~(f)~~ (h) Component values for unit-based services without programming except respite
208.5 are:

208.6 (1) supervisory span of control ratio: 11 percent;

208.7 (2) employee vacation, sick, and training allowance ratio: 8.71 percent;

208.8 (3) employee-related cost ratio: 23.6 percent;

208.9 (4) program plan support ratio: 7.0 percent;

208.10 (5) client programming and support ratio: 2.3 percent;

208.11 (6) general administrative support ratio: 13.25 percent;

208.12 (7) program-related expense ratio: 2.9 percent; and

208.13 (8) absence and utilization factor ratio: 3.9 percent.

208.14 ~~(g)~~ (i) Component values for unit-based services without programming for respite are:

208.15 (1) supervisory span of control ratio: 11 percent;

208.16 (2) employee vacation, sick, and training allowance ratio: 8.71 percent;

208.17 (3) employee-related cost ratio: 23.6 percent;

208.18 (4) general administrative support ratio: 13.25 percent;

208.19 (5) program-related expense ratio: 2.9 percent; and

208.20 (6) absence and utilization factor ratio: 3.9 percent.

208.21 ~~(h) On July 1, 2017, the commissioner shall update the base wage index in paragraph~~

208.22 ~~(a) based on the wage data by standard occupational code (SOC) from the Bureau of Labor~~

208.23 ~~Statistics available on December 31, 2016. The commissioner shall publish these updated~~

208.24 ~~values and load them into the rate management system.~~ (j) On July 1, 2022, and every five

208.25 two years thereafter, the commissioner shall update the base wage index in paragraph (a)

208.26 based on ~~the most recently available~~ wage data by SOC from the Bureau of Labor Statistics

208.27 available 30 months and one day prior to the scheduled update. The commissioner shall

208.28 publish these updated values and load them into the rate management system.

209.1 ~~(i) On July 1, 2017, the commissioner shall update the framework components in~~
209.2 ~~paragraph (d), clause (5); paragraph (e), clause (5); and paragraph (f), clause (5); subdivision~~
209.3 ~~6, clauses (8) and (9); and subdivision 7, clauses (10), (16), and (17), for changes in the~~
209.4 ~~Consumer Price Index. The commissioner will adjust these values higher or lower by the~~
209.5 ~~percentage change in the Consumer Price Index-All Items, United States city average~~
209.6 ~~(CPI-U) from January 1, 2014, to January 1, 2017. The commissioner shall publish these~~
209.7 ~~updated values and load them into the rate management system. (k) On July 1, 2022, and~~
209.8 ~~every five two years thereafter, the commissioner shall update the framework components~~
209.9 ~~in paragraph (d) (f), clause (5); paragraph (e) (g), clause (5); and paragraph (f) (h), clause~~
209.10 ~~(5); subdivision 6, clauses (8) and (9); and subdivision 7, clauses (10), (16), and (17), for~~
209.11 ~~changes in the Consumer Price Index. The commissioner shall adjust these values higher~~
209.12 ~~or lower by the percentage change in the CPI-U from the date of the previous update to the~~
209.13 ~~date of the data most recently available 30 months and one day prior to the scheduled update.~~
209.14 ~~The commissioner shall publish these updated values and load them into the rate management~~
209.15 ~~system.~~

209.16 (l) Upon the implementation of automatic inflation adjustments under paragraphs (j)
209.17 and (k), rate adjustments authorized under section 256B.439, subdivision 7; Laws 2013,
209.18 chapter 108, article 7, section 60; and Laws 2014, chapter 312, article 27, section 75, shall
209.19 be removed from service rates calculated under this section.

209.20 (m) Any rate adjustments applied to the service rates calculated under this section outside
209.21 of the cost components and rate methodology specified in this section shall be removed
209.22 from rate calculations upon implementation of automatic inflation adjustments under
209.23 paragraphs (j) and (k).

209.24 ~~(j) (n)~~ In this subdivision, if Bureau of Labor Statistics occupational codes or Consumer
209.25 Price Index items are unavailable in the future, the commissioner shall recommend to the
209.26 legislature codes or items to update and replace missing component values.

209.27 (o) The commissioner shall update the general administrative support ratio in paragraph
209.28 (d), clause (4); paragraph (e), clause (4); paragraph (f), clause (6); paragraph (g), clause (6);
209.29 paragraph (h), clause (6); and paragraph (i), clause (4), for any changes to the annual licensing
209.30 fee under section 245A.10, subdivision 4, paragraph (b). The commissioner shall adjust
209.31 these ratios higher or lower by an amount equal in value to the percent change in general
209.32 administrative support costs attributable to the change in the licensing fee. The commissioner
209.33 shall publish these updated ratios and load them into the rate management system.

210.1 **EFFECTIVE DATE.** This section is effective January 1, 2021, or upon federal approval,
210.2 whichever is later, except the new paragraphs (b) and (o) are effective January 1, 2020, or
210.3 upon federal approval, whichever is later. The commissioner of human services shall notify
210.4 the revisor of statutes when federal approval is obtained.

210.5 Sec. 38. Minnesota Statutes 2018, section 256B.4914, subdivision 6, is amended to read:

210.6 Subd. 6. **Payments for residential support services.** (a) Payments for residential support
210.7 services, as defined in sections 256B.092, subdivision 11, and 256B.49, subdivision 22,
210.8 must be calculated as follows:

210.9 (1) determine the number of shared staffing and individual direct staff hours to meet a
210.10 recipient's needs provided on site or through monitoring technology;

210.11 (2) personnel hourly wage rate must be based on the 2009 Bureau of Labor Statistics
210.12 Minnesota-specific rates or rates derived by the commissioner as provided in subdivision
210.13 5. This is defined as the direct-care rate;

210.14 (3) for a recipient requiring customization for deaf and hard-of-hearing language
210.15 accessibility under subdivision 12, add the customization rate provided in subdivision 12
210.16 to the result of clause (2). This is defined as the customized direct-care rate;

210.17 (4) multiply the number of shared and individual direct staff hours provided on site or
210.18 through monitoring technology and nursing hours by the appropriate staff wages in
210.19 subdivision 5, paragraph (a), or the customized direct-care rate;

210.20 (5) multiply the number of shared and individual direct staff hours provided on site or
210.21 through monitoring technology and nursing hours by the product of the supervision span
210.22 of control ratio in subdivision 5, paragraph ~~(b)~~ (d), clause (1), and the appropriate supervision
210.23 wage in subdivision 5, paragraph (a), clause (21);

210.24 (6) combine the results of clauses (4) and (5), excluding any shared and individual direct
210.25 staff hours provided through monitoring technology, and multiply the result by one plus
210.26 the employee vacation, sick, and training allowance ratio in subdivision 5, paragraph ~~(b)~~
210.27 (d), clause (2). This is defined as the direct staffing cost;

210.28 (7) for employee-related expenses, multiply the direct staffing cost, excluding any shared
210.29 and individual direct staff hours provided through monitoring technology, by one plus the
210.30 employee-related cost ratio in subdivision 5, paragraph ~~(b)~~ (d), clause (3);

210.31 (8) for client programming and supports, the commissioner shall add \$2,179; and

211.1 (9) for transportation, if provided, the commissioner shall add \$1,680, or \$3,000 if
211.2 customized for adapted transport, based on the resident with the highest assessed need.

211.3 (b) The total rate must be calculated using the following steps:

211.4 (1) subtotal paragraph (a), clauses (7) to (9), and the direct staffing cost of any shared
211.5 and individual direct staff hours provided through monitoring technology that was excluded
211.6 in clause (7);

211.7 (2) sum the standard general and administrative rate, the program-related expense ratio,
211.8 and the absence and utilization ratio;

211.9 (3) divide the result of clause (1) by one minus the result of clause (2). This is the total
211.10 payment amount; and

211.11 (4) adjust the result of clause (3) by a factor to be determined by the commissioner to
211.12 adjust for regional differences in the cost of providing services.

211.13 (c) The payment methodology for customized living, 24-hour customized living, and
211.14 residential care services must be the customized living tool. Revisions to the customized
211.15 living tool must be made to reflect the services and activities unique to disability-related
211.16 recipient needs.

211.17 (d) For individuals enrolled prior to January 1, 2014, the days of service authorized must
211.18 meet or exceed the days of service used to convert service agreements in effect on December
211.19 1, 2013, and must not result in a reduction in spending or service utilization due to conversion
211.20 during the implementation period under section 256B.4913, subdivision 4a. If during the
211.21 implementation period, an individual's historical rate, including adjustments required under
211.22 section 256B.4913, subdivision 4a, paragraph (c), is equal to or greater than the rate
211.23 determined in this subdivision, the number of days authorized for the individual is 365.

211.24 (e) The number of days authorized for all individuals enrolling after January 1, 2014,
211.25 in residential services must include every day that services start and end.

211.26 Sec. 39. Minnesota Statutes 2018, section 256B.4914, subdivision 7, is amended to read:

211.27 Subd. 7. **Payments for day programs.** Payments for services with day programs
211.28 including adult day care, day treatment and habilitation, prevocational services, and structured
211.29 day services must be calculated as follows:

211.30 (1) determine the number of units of service and staffing ratio to meet a recipient's needs:

211.31 (i) the staffing ratios for the units of service provided to a recipient in a typical week
211.32 must be averaged to determine an individual's staffing ratio; and

212.1 (ii) the commissioner, in consultation with service providers, shall develop a uniform
212.2 staffing ratio worksheet to be used to determine staffing ratios under this subdivision;

212.3 (2) personnel hourly wage rates must be based on the 2009 Bureau of Labor Statistics
212.4 Minnesota-specific rates or rates derived by the commissioner as provided in subdivision
212.5 5;

212.6 (3) for a recipient requiring customization for deaf and hard-of-hearing language
212.7 accessibility under subdivision 12, add the customization rate provided in subdivision 12
212.8 to the result of clause (2). This is defined as the customized direct-care rate;

212.9 (4) multiply the number of day program direct staff hours and nursing hours by the
212.10 appropriate staff wage in subdivision 5, paragraph (a), or the customized direct-care rate;

212.11 (5) multiply the number of day direct staff hours by the product of the supervision span
212.12 of control ratio in subdivision 5, paragraph ~~(d)~~ (f), clause (1), and the appropriate supervision
212.13 wage in subdivision 5, paragraph (a), clause (21);

212.14 (6) combine the results of clauses (4) and (5), and multiply the result by one plus the
212.15 employee vacation, sick, and training allowance ratio in subdivision 5, paragraph ~~(d)~~ (f),
212.16 clause (2). This is defined as the direct staffing rate;

212.17 (7) for program plan support, multiply the result of clause (6) by one plus the program
212.18 plan support ratio in subdivision 5, paragraph ~~(d)~~ (f), clause (4);

212.19 (8) for employee-related expenses, multiply the result of clause (7) by one plus the
212.20 employee-related cost ratio in subdivision 5, paragraph ~~(d)~~ (f), clause (3);

212.21 (9) for client programming and supports, multiply the result of clause (8) by one plus
212.22 the client programming and support ratio in subdivision 5, paragraph ~~(d)~~ (f), clause (5);

212.23 (10) for program facility costs, add \$19.30 per week with consideration of staffing ratios
212.24 to meet individual needs;

212.25 (11) for adult day bath services, add \$7.01 per 15 minute unit;

212.26 (12) this is the subtotal rate;

212.27 (13) sum the standard general and administrative rate, the program-related expense ratio,
212.28 and the absence and utilization factor ratio;

212.29 (14) divide the result of clause (12) by one minus the result of clause (13). This is the
212.30 total payment amount;

213.1 (15) adjust the result of clause (14) by a factor to be determined by the commissioner
213.2 to adjust for regional differences in the cost of providing services;

213.3 (16) for transportation provided as part of day training and habilitation for an individual
213.4 who does not require a lift, add:

213.5 (i) \$10.50 for a trip between zero and ten miles for a nonshared ride in a vehicle without
213.6 a lift, \$8.83 for a shared ride in a vehicle without a lift, and \$9.25 for a shared ride in a
213.7 vehicle with a lift;

213.8 (ii) \$15.75 for a trip between 11 and 20 miles for a nonshared ride in a vehicle without
213.9 a lift, \$10.58 for a shared ride in a vehicle without a lift, and \$11.88 for a shared ride in a
213.10 vehicle with a lift;

213.11 (iii) \$25.75 for a trip between 21 and 50 miles for a nonshared ride in a vehicle without
213.12 a lift, \$13.92 for a shared ride in a vehicle without a lift, and \$16.88 for a shared ride in a
213.13 vehicle with a lift; or

213.14 (iv) \$33.50 for a trip of 51 miles or more for a nonshared ride in a vehicle without a lift,
213.15 \$16.50 for a shared ride in a vehicle without a lift, and \$20.75 for a shared ride in a vehicle
213.16 with a lift;

213.17 (17) for transportation provided as part of day training and habilitation for an individual
213.18 who does require a lift, add:

213.19 (i) \$19.05 for a trip between zero and ten miles for a nonshared ride in a vehicle with a
213.20 lift, and \$15.05 for a shared ride in a vehicle with a lift;

213.21 (ii) \$32.16 for a trip between 11 and 20 miles for a nonshared ride in a vehicle with a
213.22 lift, and \$28.16 for a shared ride in a vehicle with a lift;

213.23 (iii) \$58.76 for a trip between 21 and 50 miles for a nonshared ride in a vehicle with a
213.24 lift, and \$58.76 for a shared ride in a vehicle with a lift; or

213.25 (iv) \$80.93 for a trip of 51 miles or more for a nonshared ride in a vehicle with a lift,
213.26 and \$80.93 for a shared ride in a vehicle with a lift.

213.27 Sec. 40. Minnesota Statutes 2018, section 256B.4914, subdivision 8, is amended to read:

213.28 Subd. 8. **Payments for unit-based services with programming.** Payments for unit-based
213.29 services with programming, including behavior programming, housing access coordination,
213.30 in-home family support, independent living skills training, independent living skills specialist
213.31 services, individualized home supports, hourly supported living services, employment
213.32 exploration services, employment development services, supported employment, and

- 214.1 employment support services provided to an individual outside of any day or residential
214.2 service plan must be calculated as follows, unless the services are authorized separately
214.3 under subdivision 6 or 7:
- 214.4 (1) determine the number of units of service to meet a recipient's needs;
- 214.5 (2) personnel hourly wage rate must be based on the 2009 Bureau of Labor Statistics
214.6 Minnesota-specific rates or rates derived by the commissioner as provided in subdivision
214.7 5;
- 214.8 (3) for a recipient requiring customization for deaf and hard-of-hearing language
214.9 accessibility under subdivision 12, add the customization rate provided in subdivision 12
214.10 to the result of clause (2). This is defined as the customized direct-care rate;
- 214.11 (4) multiply the number of direct staff hours by the appropriate staff wage in subdivision
214.12 5, paragraph (a), or the customized direct-care rate;
- 214.13 (5) multiply the number of direct staff hours by the product of the supervision span of
214.14 control ratio in subdivision 5, paragraph ~~(e)~~ (g), clause (1), and the appropriate supervision
214.15 wage in subdivision 5, paragraph (a), clause (21);
- 214.16 (6) combine the results of clauses (4) and (5), and multiply the result by one plus the
214.17 employee vacation, sick, and training allowance ratio in subdivision 5, paragraph ~~(e)~~ (g),
214.18 clause (2). This is defined as the direct staffing rate;
- 214.19 (7) for program plan support, multiply the result of clause (6) by one plus the program
214.20 plan supports ratio in subdivision 5, paragraph ~~(e)~~ (g), clause (4);
- 214.21 (8) for employee-related expenses, multiply the result of clause (7) by one plus the
214.22 employee-related cost ratio in subdivision 5, paragraph ~~(e)~~ (g), clause (3);
- 214.23 (9) for client programming and supports, multiply the result of clause (8) by one plus
214.24 the client programming and supports ratio in subdivision 5, paragraph ~~(e)~~ (g), clause (5);
- 214.25 (10) this is the subtotal rate;
- 214.26 (11) sum the standard general and administrative rate, the program-related expense ratio,
214.27 and the absence and utilization factor ratio;
- 214.28 (12) divide the result of clause (10) by one minus the result of clause (11). This is the
214.29 total payment amount;
- 214.30 (13) for supported employment provided in a shared manner, divide the total payment
214.31 amount in clause (12) by the number of service recipients, not to exceed three. For
214.32 employment support services provided in a shared manner, divide the total payment amount

215.1 in clause (12) by the number of service recipients, not to exceed six. For independent living
215.2 skills training and individualized home supports provided in a shared manner, divide the
215.3 total payment amount in clause (12) by the number of service recipients, not to exceed two;
215.4 and

215.5 (14) adjust the result of clause (13) by a factor to be determined by the commissioner
215.6 to adjust for regional differences in the cost of providing services.

215.7 Sec. 41. Minnesota Statutes 2018, section 256B.4914, subdivision 9, is amended to read:

215.8 Subd. 9. **Payments for unit-based services without programming.** Payments for
215.9 unit-based services without programming, including night supervision, personal support,
215.10 respite, and companion care provided to an individual outside of any day or residential
215.11 service plan must be calculated as follows unless the services are authorized separately
215.12 under subdivision 6 or 7:

215.13 (1) for all services except respite, determine the number of units of service to meet a
215.14 recipient's needs;

215.15 (2) personnel hourly wage rates must be based on the 2009 Bureau of Labor Statistics
215.16 Minnesota-specific rate or rates derived by the commissioner as provided in subdivision 5;

215.17 (3) for a recipient requiring customization for deaf and hard-of-hearing language
215.18 accessibility under subdivision 12, add the customization rate provided in subdivision 12
215.19 to the result of clause (2). This is defined as the customized direct care rate;

215.20 (4) multiply the number of direct staff hours by the appropriate staff wage in subdivision
215.21 5 or the customized direct care rate;

215.22 (5) multiply the number of direct staff hours by the product of the supervision span of
215.23 control ratio in subdivision 5, paragraph ~~(f)~~ (h), clause (1), and the appropriate supervision
215.24 wage in subdivision 5, paragraph (a), clause (21);

215.25 (6) combine the results of clauses (4) and (5), and multiply the result by one plus the
215.26 employee vacation, sick, and training allowance ratio in subdivision 5, paragraph ~~(f)~~ (h),
215.27 clause (2). This is defined as the direct staffing rate;

215.28 (7) for program plan support, multiply the result of clause (6) by one plus the program
215.29 plan support ratio in subdivision 5, paragraph ~~(f)~~ (h), clause (4);

215.30 (8) for employee-related expenses, multiply the result of clause (7) by one plus the
215.31 employee-related cost ratio in subdivision 5, paragraph ~~(f)~~ (h), clause (3);

216.1 (9) for client programming and supports, multiply the result of clause (8) by one plus
216.2 the client programming and support ratio in subdivision 5, paragraph ~~(h)~~ (h), clause (5);

216.3 (10) this is the subtotal rate;

216.4 (11) sum the standard general and administrative rate, the program-related expense ratio,
216.5 and the absence and utilization factor ratio;

216.6 (12) divide the result of clause (10) by one minus the result of clause (11). This is the
216.7 total payment amount;

216.8 (13) for respite services, determine the number of day units of service to meet an
216.9 individual's needs;

216.10 (14) personnel hourly wage rates must be based on the 2009 Bureau of Labor Statistics
216.11 Minnesota-specific rate or rates derived by the commissioner as provided in subdivision 5;

216.12 (15) for a recipient requiring deaf and hard-of-hearing customization under subdivision
216.13 12, add the customization rate provided in subdivision 12 to the result of clause (14). This
216.14 is defined as the customized direct care rate;

216.15 (16) multiply the number of direct staff hours by the appropriate staff wage in subdivision
216.16 5, paragraph (a);

216.17 (17) multiply the number of direct staff hours by the product of the supervisory span of
216.18 control ratio in subdivision 5, paragraph ~~(g)~~ (i), clause (1), and the appropriate supervision
216.19 wage in subdivision 5, paragraph (a), clause (21);

216.20 (18) combine the results of clauses (16) and (17), and multiply the result by one plus
216.21 the employee vacation, sick, and training allowance ratio in subdivision 5, paragraph ~~(g)~~
216.22 (i), clause (2). This is defined as the direct staffing rate;

216.23 (19) for employee-related expenses, multiply the result of clause (18) by one plus the
216.24 employee-related cost ratio in subdivision 5, paragraph ~~(g)~~ (i), clause (3);

216.25 (20) this is the subtotal rate;

216.26 (21) sum the standard general and administrative rate, the program-related expense ratio,
216.27 and the absence and utilization factor ratio;

216.28 (22) divide the result of clause (20) by one minus the result of clause (21). This is the
216.29 total payment amount; and

216.30 (23) adjust the result of clauses (12) and (22) by a factor to be determined by the
216.31 commissioner to adjust for regional differences in the cost of providing services.

217.1 Sec. 42. Minnesota Statutes 2018, section 256B.4914, subdivision 10, is amended to read:

217.2 Subd. 10. **Updating payment values and additional information.** ~~(a) From January~~
217.3 ~~1, 2014, through December 31, 2017, the commissioner shall develop and implement uniform~~
217.4 ~~procedures to refine terms and adjust values used to calculate payment rates in this section.~~

217.5 ~~(b)~~ (a) No later than July 1, 2014, the commissioner shall, within available resources,
217.6 begin to conduct research and gather data and information from existing state systems or
217.7 other outside sources on the following items:

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

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

217.12 (3) the distinct underlying costs for services provided by a license holder under sections
217.13 245D.05, 245D.06, 245D.07, 245D.071, 245D.081, and 245D.09, and for services provided
217.14 by a license holder certified under section 245D.33.

217.15 ~~(c) Beginning January 1, 2014, through December 31, 2018, using a statistically valid~~
217.16 ~~set of rates management system data, the commissioner, in consultation with stakeholders,~~
217.17 ~~shall analyze for each service the average difference in the rate on December 31, 2013, and~~
217.18 ~~the framework rate at the individual, provider, lead agency, and state levels. The~~
217.19 ~~commissioner shall issue semiannual reports to the stakeholders on the difference in rates~~
217.20 ~~by service and by county during the banding period under section 256B.4913, subdivision~~
217.21 ~~4a. The commissioner shall issue the first report by October 1, 2014, and the final report~~
217.22 ~~shall be issued by December 31, 2018.~~

217.23 ~~(d)~~ (b) No later than July 1, 2014, the commissioner, in consultation with stakeholders,
217.24 shall begin the review and evaluation of the following values already in subdivisions ~~6~~ 5 to
217.25 9, or issues that impact all services, including, but not limited to:

217.26 (1) values for transportation rates;

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

217.28 (3) values for indirect services;

217.29 (4) values for nursing;

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

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

- 218.1 (7) values for unemployment insurance as part of employee-related expenses;
- 218.2 (8) direct care workforce labor market measures;
- 218.3 (9) any changes in state or federal law with a direct impact on the underlying cost of
- 218.4 providing home and community-based services; ~~and~~
- 218.5 ~~(9)~~ (10) outcome measures, determined by the commissioner, for home and
- 218.6 community-based services rates determined under this section; and
- 218.7 (11) different competitive workforce factors by service.
- 218.8 ~~(e)~~ (c) The commissioner shall report to the chairs and the ranking minority members
- 218.9 of the legislative committees and divisions with jurisdiction over health and human services
- 218.10 policy and finance with the information and data gathered under paragraphs ~~(b) to (d)~~ (a)
- 218.11 and (b) on the following dates:
- 218.12 ~~(1) January 15, 2015, with preliminary results and data;~~
- 218.13 ~~(2) January 15, 2016, with a status implementation update, and additional data and~~
- 218.14 ~~summary information;~~
- 218.15 ~~(3) January 15, 2017, with the full report; and~~
- 218.16 ~~(4) January 15, 2020~~ 2021, with another full report, and a full report once every four
- 218.17 years thereafter.
- 218.18 ~~(f) The commissioner shall implement a regional adjustment factor to all rate calculations~~
- 218.19 ~~in subdivisions 6 to 9, effective no later than January 1, 2015.~~ (d) Beginning ~~July 1, 2017~~
- 218.20 January 1, 2022, the commissioner shall renew analysis and implement changes to the
- 218.21 regional adjustment factors ~~when adjustments required under subdivision 5, paragraph (h),~~
- 218.22 ~~occur~~ once every six years. Prior to implementation, the commissioner shall consult with
- 218.23 stakeholders on the methodology to calculate the adjustment.
- 218.24 ~~(g)~~ (e) The commissioner shall provide a public notice via LISTSERV in October of
- 218.25 each year beginning October 1, 2014, containing information detailing legislatively approved
- 218.26 changes in:
- 218.27 (1) calculation values including derived wage rates and related employee and
- 218.28 administrative factors;
- 218.29 (2) service utilization;
- 218.30 (3) county and tribal allocation changes; and

219.1 (4) information on adjustments made to calculation values and the timing of those
219.2 adjustments.

219.3 The information in this notice must be effective January 1 of the following year.

219.4 ~~(h)~~ (f) When the available shared staffing hours in a residential setting are insufficient
219.5 to meet the needs of an individual who enrolled in residential services after January 1, 2014,
219.6 or insufficient to meet the needs of an individual with a service agreement adjustment
219.7 described in section 256B.4913, subdivision 4a, paragraph (f), then individual staffing hours
219.8 shall be used.

219.9 ~~(i) The commissioner shall study the underlying cost of absence and utilization for day~~
219.10 ~~services. Based on the commissioner's evaluation of the data collected under this paragraph,~~
219.11 ~~the commissioner shall make recommendations to the legislature by January 15, 2018, for~~
219.12 ~~changes, if any, to the absence and utilization factor ratio component value for day services.~~

219.13 ~~(j)~~ (g) Beginning July 1, 2017, the commissioner shall collect transportation and trip
219.14 information for all day services through the rates management system.

219.15 (h) The commissioner, in consultation with stakeholders, shall study value-based models
219.16 and outcome-based payment strategies for fee-for-service home and community-based
219.17 services and report to the legislative committees with jurisdiction over the disability waiver
219.18 rate system by October 1, 2020, with recommended strategies to improve the quality,
219.19 efficiency, and effectiveness of services.

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

219.21 Sec. 43. Minnesota Statutes 2018, section 256B.4914, subdivision 10a, is amended to
219.22 read:

219.23 Subd. 10a. **Reporting and analysis of cost data.** (a) The commissioner must ensure
219.24 that wage values and component values in subdivisions 5 to 9 reflect the cost to provide the
219.25 service. As determined by the commissioner, in consultation with stakeholders identified
219.26 in section 256B.4913, subdivision 5, a provider enrolled to provide services with rates
219.27 determined under this section must submit requested cost data to the commissioner to support
219.28 research on the cost of providing services that have rates determined by the disability waiver
219.29 rates system. Requested cost data may include, but is not limited to:

219.30 (1) worker wage costs;

219.31 (2) benefits paid;

219.32 (3) supervisor wage costs;

- 220.1 (4) executive wage costs;
- 220.2 (5) vacation, sick, and training time paid;
- 220.3 (6) taxes, workers' compensation, and unemployment insurance costs paid;
- 220.4 (7) administrative costs paid;
- 220.5 (8) program costs paid;
- 220.6 (9) transportation costs paid;
- 220.7 (10) vacancy rates; and
- 220.8 (11) other data relating to costs required to provide services requested by the
220.9 commissioner.
- 220.10 (b) At least once in any five-year period, a provider must submit cost data for a fiscal
220.11 year that ended not more than 18 months prior to the submission date. The commissioner
220.12 shall provide each provider a 90-day notice prior to its submission due date. If a provider
220.13 fails to submit required reporting data, the commissioner shall provide notice to providers
220.14 that have not provided required data 30 days after the required submission date, and a second
220.15 notice for providers who have not provided required data 60 days after the required
220.16 submission date. The commissioner shall temporarily suspend payments to the provider if
220.17 cost data is not received 90 days after the required submission date. Withheld payments
220.18 shall be made once data is received by the commissioner.
- 220.19 (c) The commissioner shall conduct a random validation of data submitted under
220.20 paragraph (a) to ensure data accuracy. The commissioner shall analyze cost documentation
220.21 in paragraph (a) and provide recommendations for adjustments to cost components.
- 220.22 (d) The commissioner shall analyze cost documentation in paragraph (a) and, in
220.23 consultation with stakeholders identified in section 256B.4913, subdivision 5, may submit
220.24 recommendations on component values and inflationary factor adjustments to the chairs
220.25 and ranking minority members of the legislative committees with jurisdiction over human
220.26 services every four years beginning January 1, ~~2020~~ 2021. The commissioner shall make
220.27 recommendations in conjunction with reports submitted to the legislature according to
220.28 subdivision 10, paragraph ~~(e)~~ (c). The commissioner shall release cost data in an aggregate
220.29 form, and cost data from individual providers shall not be released except as provided for
220.30 in current law.
- 220.31 (e) The commissioner, in consultation with stakeholders identified in section 256B.4913,
220.32 subdivision 5, shall develop and implement a process for providing training and technical

221.1 assistance necessary to support provider submission of cost documentation required under
221.2 paragraph (a).

221.3 (f) By December 31, 2020, providers paid with rates calculated under subdivision 5,
221.4 paragraph (b), shall identify additional revenues from the competitive workforce factor and
221.5 prepare a written distribution plan for the revenues. A provider shall make the provider's
221.6 distribution plan available and accessible to all direct care staff for a minimum of one
221.7 calendar year. Upon request, a provider shall submit the written distribution plan to the
221.8 commissioner.

221.9 (g) Providers enrolled to provide services with rates determined under section 256B.4914,
221.10 subdivision 3, shall submit labor market data to the commissioner annually on or before
221.11 November 1, including but not limited to:

221.12 (1) number of direct care staff;

221.13 (2) wages of direct care staff;

221.14 (3) overtime wages of direct care staff;

221.15 (4) hours worked by direct care staff;

221.16 (5) overtime hours worked by direct care staff;

221.17 (6) benefits provided to direct care staff;

221.18 (7) direct care staff job vacancies; and

221.19 (8) direct care staff retention rates.

221.20 (h) The commissioner shall publish annual reports on provider and state-level labor
221.21 market data, including but not limited to the data obtained under paragraph (g).

221.22 (i) The commissioner shall temporarily suspend payments to the provider if data requested
221.23 under paragraph (g) is not received 90 days after the required submission date. Withheld
221.24 payments shall be made once data is received by the commissioner.

221.25 **EFFECTIVE DATE.** This section is effective the day following final enactment except
221.26 paragraph (g) is effective November 1, 2019, and paragraph (h) is effective February 1,
221.27 2020.

221.28 Sec. 44. Minnesota Statutes 2018, section 256B.493, subdivision 1, is amended to read:

221.29 Subdivision 1. **Commissioner's duties; report.** The commissioner of human services
221.30 has the authority to manage statewide licensed corporate foster care or community residential
221.31 settings capacity, including the reduction and realignment of licensed capacity of a current

222.1 foster care or community residential setting to accomplish the consolidation or closure of
 222.2 settings. The commissioner shall implement a program for planned closure of licensed
 222.3 corporate adult foster care or community residential settings, necessary as a preferred method
 222.4 to: (1) respond to the informed decisions of those individuals who want to move out of these
 222.5 settings into other types of community settings; and (2) achieve ~~necessary budgetary savings~~
 222.6 the reduction of statewide licensed capacity required in section 245A.03, subdivision 7,
 222.7 paragraphs (c) and (d). Closure determinations by the commissioner are final and not subject
 222.8 to appeal.

222.9 Sec. 45. Minnesota Statutes 2018, section 256B.5013, subdivision 1, is amended to read:

222.10 Subdivision 1. **Variable rate adjustments.** (a) ~~For rate years beginning on or after~~
 222.11 ~~October 1, 2000,~~ When there is a documented increase in the needs of a current ICF/DD
 222.12 recipient, the county of financial responsibility may recommend a variable rate to enable
 222.13 the facility to meet the individual's increased needs. Variable rate adjustments made under
 222.14 this subdivision replace payments for persons with special needs for crisis intervention
 222.15 services under section 256B.501, subdivision 8a. ~~Effective July 1, 2003, facilities with a~~
 222.16 ~~base rate above the 50th percentile of the statewide average reimbursement rate for a Class~~
 222.17 ~~A facility or Class B facility, whichever matches the facility licensure, are not eligible for~~
 222.18 ~~a variable rate adjustment. Variable rate adjustments may not exceed a 12-month period,~~
 222.19 ~~except when approved for purposes established in paragraph (b), clause (1).~~ Once approved,
 222.20 variable rate adjustments must continue to remain in place unless there is an identified
 222.21 change in need. A review of needed resources must be done at the time of the individual's
 222.22 annual support plan meeting. A request to adjust the resources of the individual must be
 222.23 submitted if any change in need is identified. Variable rate adjustments approved solely on
 222.24 the basis of changes on a developmental disabilities screening document will end June 30,
 222.25 2002.

222.26 (b) The county of financial responsibility must act on a variable rate request within 30
 222.27 days and notify the initiator of the request of the county's recommendation in writing.

222.28 ~~(b)~~ (c) A variable rate may be recommended by the county of financial responsibility
 222.29 for increased needs in the following situations:

222.30 (1) a need for resources due to an individual's full or partial retirement from participation
 222.31 in a day training and habilitation service when the individual: (i) has reached the age of 65
 222.32 or has a change in health condition that makes it difficult for the person to participate in
 222.33 day training and habilitation services over an extended period of time because it is medically

223.1 contraindicated; and (ii) has expressed a desire for change through the developmental
223.2 disability screening process under section 256B.092;

223.3 (2) a need for additional resources for intensive short-term programming which is
223.4 necessary prior to an individual's discharge to a less restrictive, more integrated setting;

223.5 (3) a demonstrated medical need that significantly impacts the type or amount of services
223.6 needed by the individual; ~~or~~

223.7 (4) a demonstrated behavioral or cognitive need that significantly impacts the type or
223.8 amount of services needed by the individual; or

223.9 ~~(e) The county of financial responsibility must justify the purpose, the projected length~~
223.10 ~~of time, and the additional funding needed for the facility to meet the needs of the individual.~~

223.11 ~~(d) The facility shall provide an annual report to the county case manager on the use of~~
223.12 ~~the variable rate funds and the status of the individual on whose behalf the funds were~~
223.13 ~~approved. The county case manager will forward the facility's report with a recommendation~~
223.14 ~~to the commissioner to approve or disapprove a continuation of the variable rate.~~

223.15 ~~(e) Funds made available through the variable rate process that are not used by the facility~~
223.16 ~~to meet the needs of the individual for whom they were approved shall be returned to the~~
223.17 ~~state.~~

223.18 (5) a demonstrated increased need for staff assistance, changes in the type of staff
223.19 credentials needed, or a need for expert consultation based on assessments conducted prior
223.20 to the annual support plan meeting.

223.21 (d) Variable rate requests must include the following information:

223.22 (1) the service needs change;

223.23 (2) the variable rate requested and the difference from the current rate;

223.24 (3) a basis for the underlying costs used for the variable rate and any accompanying
223.25 documentation; and

223.26 (4) documentation of the expected outcomes to be achieved and the frequency of progress
223.27 monitoring associated with the rate increase.

223.28 **EFFECTIVE DATE.** This section is effective July 1, 2019, or upon federal approval,
223.29 whichever is later. The commissioner of human services shall inform the revisor of statutes
223.30 when federal approval is obtained.

224.1 Sec. 46. Minnesota Statutes 2018, section 256B.5013, subdivision 6, is amended to read:

224.2 Subd. 6. **Commissioner's responsibilities.** The commissioner shall:

224.3 (1) make a determination to approve, deny, or modify a request for a variable rate
224.4 adjustment within 30 days of the receipt of the completed application;

224.5 (2) notify the ICF/DD facility and county case manager of the ~~duration and conditions~~
224.6 ~~of variable rate adjustment approvals~~ determination; and

224.7 (3) modify MMIS II service agreements to reimburse ICF/DD facilities for approved
224.8 variable rates.

224.9 Sec. 47. Minnesota Statutes 2018, section 256B.5015, subdivision 2, is amended to read:

224.10 Subd. 2. **Services during the day.** (a) Services during the day, as defined in section
224.11 256B.501, but excluding day training and habilitation services, shall be paid as a pass-through
224.12 payment ~~no later than January 1, 2004~~. The commissioner shall establish rates for these
224.13 services, other than day training and habilitation services, at ~~levels that do not exceed 75~~
224.14 100 percent of a recipient's day training and habilitation service costs prior to the service
224.15 change.

224.16 (b) An individual qualifies for services during the day under paragraph (a) if:

224.17 (1) through consultation with the individual and their support team or interdisciplinary
224.18 team, it has been determined that the individual's needs can best be met through partial or
224.19 full retirement from:

224.20 (i) participation in a day training and habilitation service; or

224.21 (ii) the use of services during the day in the individual's home environment; and

224.22 (2) in consultation with the individual and their support team or interdisciplinary team,
224.23 an individualized plan has been developed with designated outcomes that:

224.24 (i) addresses the support needs and desires contained in the person-centered plan or
224.25 individual support plan; and

224.26 (ii) includes goals that focus on community integration as appropriate for the individual.

224.27 (c) When establishing a rate for these services, the commissioner shall also consider an
224.28 individual recipient's needs as identified in the ~~individualized service~~ individual support
224.29 plan and the person's need for active treatment as defined under federal regulations. The
224.30 pass-through payments for services during the day shall be paid separately by the

225.1 commissioner and shall not be included in the computation of the ICF/DD facility total
225.2 payment rate.

225.3 Sec. 48. Minnesota Statutes 2018, section 256B.85, subdivision 3, is amended to read:

225.4 Subd. 3. **Eligibility.** (a) CFSS is available to a person who meets one of the following:

225.5 (1) is an enrollee of medical assistance as determined under section 256B.055, 256B.056,
225.6 or 256B.057, subdivisions 5 and 9;

225.7 (2) is a participant in the alternative care program under section 256B.0913;

225.8 (3) is a waiver participant as defined under section 256B.0915, 256B.092, 256B.093, or
225.9 256B.49; or

225.10 (4) has medical services identified in a person's individualized education program and
225.11 is eligible for services as determined in section 256B.0625, subdivision 26.

225.12 (b) In addition to meeting the eligibility criteria in paragraph (a), a person must also
225.13 meet all of the following:

225.14 (1) based on an assessment under section 256B.0911, require assistance and be determined
225.15 dependent in one critical activity of daily living or one Level I behavior based on assessment
225.16 under section 256B.0911 or have a behavior that shows increased vulnerability due to
225.17 cognitive deficits or socially inappropriate behavior that requires assistance at least four
225.18 times per week; and

225.19 (2) is not a participant under a family support grant under section 252.32.

225.20 (c) A pregnant woman eligible for medical assistance under section 256B.055, subdivision
225.21 6, is eligible for CFSS without federal financial participation if the woman: (1) is eligible
225.22 for CFSS under paragraphs (a) and (b); and (2) does not meet institutional level of care, as
225.23 determined under section 256B.0911.

225.24 Sec. 49. Minnesota Statutes 2018, section 256B.85, subdivision 8, is amended to read:

225.25 Subd. 8. **Determination of CFSS service authorization amount.** (a) All community
225.26 first services and supports must be authorized by the commissioner or the commissioner's
225.27 designee before services begin. The authorization for CFSS must be completed as soon as
225.28 possible following an assessment but no later than 40 calendar days from the date of the
225.29 assessment.

226.1 (b) The amount of CFSS authorized must be based on the participant's home care rating
226.2 described in paragraphs (d) and (e) and any additional service units for which the participant
226.3 qualifies as described in paragraph (f).

226.4 (c) The home care rating shall be determined by the commissioner or the commissioner's
226.5 designee based on information submitted to the commissioner identifying the following for
226.6 a participant:

226.7 (1) the total number of dependencies of activities of daily living;

226.8 (2) the presence of complex health-related needs; and

226.9 (3) the presence of Level I behavior.

226.10 (d) The methodology to determine the total service units for CFSS for each home care
226.11 rating is based on the median paid units per day for each home care rating from fiscal year
226.12 2007 data for the PCA program.

226.13 (e) Each home care rating is designated by the letters ~~P~~ LT through Z and EN and has
226.14 the following base number of service units assigned:

226.15 (1) ~~P~~ LT home care rating requires ~~Level I behavior or one to three dependencies in~~
226.16 ~~ADLs and qualifies the person for five service units~~ the presence of increased vulnerability
226.17 due to cognitive deficits and socially inappropriate behavior that requires assistance at least
226.18 four times per week, the presence of a Level I behavior, or a dependency in one critical
226.19 activity of daily living, and qualifies the person for two service units;

226.20 (2) P home care rating requires two to three dependencies in ADLs, one of which must
226.21 be a critical ADL, and qualifies the person for five services units;

226.22 (3) Q home care rating requires Level I behavior and ~~one~~ two to three dependencies in
226.23 ADLs, one of which must be a critical ADL, and qualifies the person for six service units;

226.24 ~~(3)~~ (4) R home care rating requires a complex health-related need and ~~one~~ two to three
226.25 dependencies in ADLs, one of which must be a critical ADL, and qualifies the person for
226.26 seven service units;

226.27 ~~(4)~~ (5) S home care rating requires four to six dependencies in ADLs, one of which must
226.28 be a critical ADL, and qualifies the person for ten service units;

226.29 ~~(5)~~ (6) T home care rating requires Level I behavior and four to six dependencies in
226.30 ADLs ~~and Level I behavior,~~ one of which must be a critical ADL, and qualifies the person
226.31 for 11 service units;

227.1 ~~(6)~~ (7) U home care rating requires four to six dependencies in ADLs, one of which
227.2 must be a critical ADL, and a complex health-related need and qualifies the person for 14
227.3 service units;

227.4 ~~(7)~~ (8) V home care rating requires seven to eight dependencies in ADLs and qualifies
227.5 the person for 17 service units;

227.6 ~~(8)~~ (9) W home care rating requires seven to eight dependencies in ADLs and Level I
227.7 behavior and qualifies the person for 20 service units;

227.8 ~~(9)~~ (10) Z home care rating requires seven to eight dependencies in ADLs and a complex
227.9 health-related need and qualifies the person for 30 service units; and

227.10 ~~(10)~~ (11) EN home care rating includes ventilator dependency as defined in section
227.11 256B.0651, subdivision 1, paragraph (g). A person who meets the definition of
227.12 ventilator-dependent and the EN home care rating and utilize a combination of CFSS and
227.13 home care nursing services is limited to a total of 96 service units per day for those services
227.14 in combination. Additional units may be authorized when a person's assessment indicates
227.15 a need for two staff to perform activities. Additional time is limited to 16 service units per
227.16 day.

227.17 (f) Additional service units are provided through the assessment and identification of
227.18 the following:

227.19 (1) 30 additional minutes per day for a dependency in each critical activity of daily
227.20 living;

227.21 (2) 30 additional minutes per day for each complex health-related need; and

227.22 (3) 30 additional minutes per day when the behavior requires assistance at least four
227.23 times per week for one or more of the following behaviors:

227.24 (i) level I behavior;

227.25 (ii) increased vulnerability due to cognitive deficits or socially inappropriate behavior;

227.26 or

227.27 (iii) increased need for assistance for participants who are verbally aggressive or resistive
227.28 to care so that the time needed to perform activities of daily living is increased.

227.29 (g) The service budget for budget model participants shall be based on:

227.30 (1) assessed units as determined by the home care rating; and

227.31 (2) an adjustment needed for administrative expenses.

228.1 Sec. 50. Minnesota Statutes 2018, section 256C.23, is amended by adding a subdivision
228.2 to read:

228.3 Subd. 7. **Family and community intervener.** "Family and community intervener"
228.4 means a paraprofessional, specifically trained in deafblindness, who works one-on-one with
228.5 a child who is deafblind to provide critical connections to people and the environment.

228.6 Sec. 51. Minnesota Statutes 2018, section 256C.261, is amended to read:

228.7 **256C.261 SERVICES FOR PERSONS WHO ARE DEAFBLIND.**

228.8 (a) The commissioner of human services shall use at least 35 percent of the deafblind
228.9 services biennial base level grant funding for services and other supports for a child who is
228.10 deafblind and the child's family. The commissioner shall use at least 25 percent of the
228.11 deafblind services biennial base level grant funding for services and other supports for an
228.12 adult who is deafblind.

228.13 The commissioner shall award grants for the purposes of:

228.14 (1) providing services and supports to persons who are deafblind; and

228.15 (2) developing and providing training to counties and the network of senior citizen
228.16 service providers. The purpose of the training grants is to teach counties how to use existing
228.17 programs that capture federal financial participation to meet the needs of eligible persons
228.18 who are deafblind and to build capacity of senior service programs to meet the needs of
228.19 seniors with a dual sensory hearing and vision loss.

228.20 (b) The commissioner may make grants:

228.21 (1) for services and training provided by organizations; and

228.22 (2) to develop and administer consumer-directed services.

228.23 (c) Consumer-directed services shall be provided in whole by grant-funded providers.

228.24 The Deaf and Hard-of-Hearing Services Division's regional service centers shall not provide
228.25 any aspect of a grant-funded consumer-directed services program.

228.26 (d) Any entity that is able to satisfy the grant criteria is eligible to receive a grant under
228.27 paragraph (a).

228.28 (e) Deafblind service providers may, but are not required to, provide intervener services
228.29 as part of the service package provided with grant funds under this section. Intervener
228.30 services include services provided by a family and community intervener as described in
228.31 paragraph (f).

229.1 (f) The family and community intervener, as defined in section 256C.23, subdivision 7,
229.2 provides services to open channels of communication between the child and others; facilitate
229.3 the development or use of receptive and expressive communication skills by the child; and
229.4 develop and maintain a trusting, interactive relationship that promotes social and emotional
229.5 well-being. The family and community intervener also provides access to information and
229.6 the environment, and facilitates opportunities for learning and development. A family and
229.7 community intervener must have specific training in deafblindness, building language and
229.8 communication skills, and intervention strategies.

229.9 Sec. 52. Minnesota Statutes 2018, section 256I.03, subdivision 8, is amended to read:

229.10 Subd. 8. **Supplementary services.** "Supplementary services" means housing support
229.11 services provided to individuals in addition to room and board including, but not limited
229.12 to, oversight and up to 24-hour supervision, medication reminders, assistance with
229.13 transportation, arranging for meetings and appointments, and arranging for medical and
229.14 social services, and services identified in section 256I.03, subdivision 12.

229.15 Sec. 53. Minnesota Statutes 2018, section 256I.04, subdivision 2b, is amended to read:

229.16 Subd. 2b. **Housing support agreements.** (a) Agreements between agencies and providers
229.17 of housing support must be in writing on a form developed and approved by the commissioner
229.18 and must specify the name and address under which the establishment subject to the
229.19 agreement does business and under which the establishment, or service provider, if different
229.20 from the group residential housing establishment, is licensed by the Department of Health
229.21 or the Department of Human Services; the specific license or registration from the
229.22 Department of Health or the Department of Human Services held by the provider and the
229.23 number of beds subject to that license; the address of the location or locations at which
229.24 group residential housing is provided under this agreement; the per diem and monthly rates
229.25 that are to be paid from housing support funds for each eligible resident at each location;
229.26 the number of beds at each location which are subject to the agreement; whether the license
229.27 holder is a not-for-profit corporation under section 501(c)(3) of the Internal Revenue Code;
229.28 and a statement that the agreement is subject to the provisions of sections 256I.01 to 256I.06
229.29 and subject to any changes to those sections.

229.30 (b) Providers are required to verify the following minimum requirements in the
229.31 agreement:

229.32 (1) current license or registration, including authorization if managing or monitoring
229.33 medications;

- 230.1 (2) all staff who have direct contact with recipients meet the staff qualifications;
- 230.2 (3) the provision of housing support;
- 230.3 (4) the provision of supplementary services, if applicable;
- 230.4 (5) reports of adverse events, including recipient death or serious injury; ~~and~~
- 230.5 (6) submission of residency requirements that could result in recipient eviction; and
- 230.6 (7) confirmation that the provider will not limit or restrict the number of hours an
- 230.7 applicant or recipient chooses to be employed, as specified in subdivision 5.

230.8 (c) Agreements may be terminated with or without cause by the commissioner, the

230.9 agency, or the provider with two calendar months prior notice. The commissioner may

230.10 immediately terminate an agreement under subdivision 2d.

230.11 Sec. 54. Minnesota Statutes 2018, section 256I.04, is amended by adding a subdivision

230.12 to read:

230.13 Subd. 2h. **Required supplementary services.** Providers of supplementary services shall

230.14 ensure that recipients have, at a minimum, assistance with services as identified in the

230.15 recipient's professional statement of need under section 256I.03, subdivision 12. Providers

230.16 of supplementary services shall maintain case notes with the date and description of services

230.17 provided to individual recipients.

230.18 Sec. 55. Minnesota Statutes 2018, section 256I.04, is amended by adding a subdivision

230.19 to read:

230.20 Subd. 5. **Employment.** A provider is prohibited from limiting or restricting the number

230.21 of hours an applicant or recipient is employed.

230.22 Sec. 56. Minnesota Statutes 2018, section 256I.05, subdivision 1r, is amended to read:

230.23 Subd. 1r. **Supplemental rate; Anoka County.** (a) Notwithstanding the provisions in

230.24 this section, a county agency shall negotiate a supplemental rate for 42 beds in addition to

230.25 the rate specified in subdivision 1, not to exceed the maximum rate allowed under subdivision

230.26 1a, including any legislatively authorized inflationary adjustments, for a housing support

230.27 provider that is located in Anoka County and provides emergency housing on the former

230.28 Anoka Regional Treatment Center campus.

230.29 (b) Notwithstanding the provisions in this section, a county agency shall negotiate a

230.30 supplemental rate for six beds in addition to the rate specified in subdivision 1, not to exceed

231.1 the maximum rate allowed under subdivision 1a, including any legislatively authorized
231.2 inflationary adjustments, for a housing support provider located in Anoka County that
231.3 operates a 12-bed facility and provides room and board and supplementary services to
231.4 individuals 18 to 24 years of age.

231.5 **EFFECTIVE DATE.** This section is effective July 1, 2019.

231.6 Sec. 57. **[268A.061] HOME AND COMMUNITY-BASED PROVIDERS.**

231.7 Subdivision 1. **Home and community-based provider eligibility for**
231.8 **payments.** Notwithstanding Minnesota Rules, part 3300.5060, subparts 14 to 16, the
231.9 commissioner shall make payments for job-related services, vocational adjustment training,
231.10 and vocational evaluation services to any home and community-based services provider
231.11 licensed as an intensive support services provider under chapter 245D with whom the
231.12 commissioner has signed a limited-use vendor operating agreement.

231.13 Subd. 2. **Limited-use agreements with home and community-based providers.** A
231.14 limited-use vendor operating agreement under this section may not limit the dollar amount
231.15 the provider may receive annually. The limited-use vendor operating agreement available
231.16 under this section must specify at a minimum that payments under the agreement are limited
231.17 to vocational rehabilitation services provided to individuals to whom the provider has
231.18 previously provided day services as described under section 245D.03, subdivision 1,
231.19 paragraph (c), clause (4), or any of the employment services described under section 245D.03,
231.20 subdivision 1, paragraph (c), clauses (5) to (7).

231.21 Subd. 3. **Required limited-use agreements.** The commissioner must enter into a
231.22 limited-use vendor operating agreement that meets at least the minimal requirements of
231.23 subdivision 2 with a provider eligible under subdivision 1 if:

231.24 (1) the home and community-based provider is not a current vocational rehabilitation
231.25 services provider;

231.26 (2) each individual to be served under the limited-use vendor operating agreement was
231.27 receiving day or employment services from the provider immediately prior to the provider
231.28 -serving the individual under the terms of the agreement; and

231.29 (3) each individual to be served under the limited-use vendor operating agreement has
231.30 made an informed choice to remain with the provider.

232.1 Sec. 58. Laws 2017, First Special Session chapter 6, article 1, section 44, is amended to
232.2 read:

232.3 Sec. 44. **EXPANSION OF CONSUMER-DIRECTED COMMUNITY SUPPORTS**
232.4 **BUDGET METHODOLOGY EXCEPTION.**

232.5 (a) No later than September 30, 2017, if necessary, the commissioner of human services
232.6 shall submit an amendment to the Centers for Medicare and Medicaid Services for the home
232.7 and community-based services waivers authorized under Minnesota Statutes, sections
232.8 256B.092 and 256B.49, to expand the exception to the consumer-directed community
232.9 supports budget methodology under Laws 2015, chapter 71, article 7, section 54, to provide
232.10 up to 30 percent more funds for either:

232.11 (1) consumer-directed community supports participants who have a coordinated service
232.12 and support plan which identifies the need for an increased amount of services or supports
232.13 under consumer-directed community supports than the amount they are currently receiving
232.14 under the consumer-directed community supports budget methodology:

232.15 (i) to increase the amount of time a person works or otherwise improves employment
232.16 opportunities;

232.17 (ii) to plan a transition to, move to, or live in a setting described in Minnesota Statutes,
232.18 section 256D.44, subdivision 5, ~~paragraph (f), clause (1), item (ii), or paragraph (g), clause~~
232.19 (1), item (iii); or

232.20 (iii) to develop and implement a positive behavior support plan; or

232.21 (2) home and community-based waiver participants who are currently using licensed
232.22 providers for (i) employment supports or services during the day; or (ii) residential services,
232.23 either of which cost more annually than the person would spend under a consumer-directed
232.24 community supports plan for any or all of the supports needed to meet the goals identified
232.25 in paragraph (a), clause (1), items (i), (ii), and (iii).

232.26 (b) The exception under paragraph (a), clause (1), is limited to those persons who can
232.27 demonstrate that they will have to discontinue using consumer-directed community supports
232.28 and accept other non-self-directed waiver services because their supports needed for the
232.29 goals described in paragraph (a), clause (1), items (i), (ii), and (iii), cannot be met within
232.30 the consumer-directed community supports budget limits.

232.31 (c) The exception under paragraph (a), clause (2), is limited to those persons who can
232.32 demonstrate that, upon choosing to become a consumer-directed community supports

233.1 participant, the total cost of services, including the exception, will be less than the cost of
233.2 current waiver services.

233.3 Sec. 59. Laws 2017, First Special Session chapter 6, article 1, section 45, is amended to
233.4 read:

233.5 Sec. 45. **CONSUMER-DIRECTED COMMUNITY SUPPORTS BUDGET**
233.6 **METHODOLOGY ~~EXCEPTION FOR PERSONS LEAVING INSTITUTIONS AND~~**
233.7 **~~CRISIS RESIDENTIAL SETTINGS.~~**

233.8 Subdivision 1. Exception for persons leaving institutions and crisis residential
233.9 settings. (a) By September 30, 2017, the commissioner shall establish an institutional and
233.10 crisis bed consumer-directed community supports budget exception process in the home
233.11 and community-based services waivers under Minnesota Statutes, sections 256B.092 and
233.12 256B.49. This budget exception process shall be available for any individual who:

233.13 (1) is not offered available and appropriate services within 60 days since approval for
233.14 discharge from the individual's current institutional setting; and

233.15 (2) requires services that are more expensive than appropriate services provided in a
233.16 noninstitutional setting using the consumer-directed community supports option.

233.17 (b) Institutional settings for purposes of this exception include intermediate care facilities
233.18 for persons with developmental disabilities; nursing facilities; acute care hospitals; Anoka
233.19 Metro Regional Treatment Center; Minnesota Security Hospital; and crisis beds. The budget
233.20 exception shall be limited to no more than the amount of appropriate services provided in
233.21 a noninstitutional setting as determined by the lead agency managing the individual's home
233.22 and community-based services waiver. The lead agency shall notify the Department of
233.23 Human Services of the budget exception.

233.24 Subd. 2. Shared services. (a) Medical assistance payments for shared services under
233.25 consumer-directed community supports are limited to this subdivision.

233.26 (b) For purposes of this subdivision, "shared services" means services provided at the
233.27 same time by the same direct care worker for individuals who have entered into an agreement
233.28 to share consumer-directed community support services.

233.29 (c) Shared services may include services in the personal assistance category as outlined
233.30 in the consumer-directed community supports community support plan and shared services
233.31 agreement, except:

233.32 (1) services for more than three individuals provided by one worker at one time;

- 234.1 (2) use of more than one worker for the shared services; and
- 234.2 (3) a child care program licensed under chapter 245A or operated by a local school
- 234.3 district or private school.
- 234.4 (d) The individuals or, as needed, their representatives shall develop the plan for shared
- 234.5 services when developing or amending the consumer-directed community supports plan,
- 234.6 and must follow the consumer-directed community supports process for approval of the
- 234.7 plan by the lead agency. The plan for shared services in an individual's consumer-directed
- 234.8 community supports plan shall include the intention to utilize shared services based on
- 234.9 individuals' needs and preferences.
- 234.10 (e) Individuals sharing services must use the same financial management services
- 234.11 provider.
- 234.12 (f) Individuals whose consumer-directed community supports community support plans
- 234.13 include the intention to utilize shared services must also jointly develop, with the support
- 234.14 of their representatives as needed, a shared services agreement. This agreement must include:
- 234.15 (1) the names of the individuals receiving shared services;
- 234.16 (2) the individuals' representative, if identified in their consumer-directed community
- 234.17 supports plans, and their duties;
- 234.18 (3) the names of the case managers;
- 234.19 (4) the financial management services provider;
- 234.20 (5) the shared services that must be provided;
- 234.21 (6) the schedule for shared services;
- 234.22 (7) the location where shared services must be provided;
- 234.23 (8) the training specific to each individual served;
- 234.24 (9) the training specific to providing shared services to the individuals identified in the
- 234.25 agreement;
- 234.26 (10) instructions to follow all required documentation for time and services provided;
- 234.27 (11) a contingency plan for each of the individuals that accounts for service provision
- 234.28 and billing in the absence of one of the individuals in a shared services setting due to illness
- 234.29 or other circumstances;
- 234.30 (12) signatures of all parties involved in the shared services; and

235.1 (13) agreement by each of the individuals who are sharing services on the number of
235.2 shared hours for services provided.

235.3 (g) Any individual or any individual's representative may withdraw from participating
235.4 in a shared services agreement at any time.

235.5 (h) The lead agency for each individual must authorize the use of the shared services
235.6 option based on the criteria that the shared service is appropriate to meet the needs, health,
235.7 and safety of each individual for whom they provide case management or care coordination.

235.8 (i) Nothing in this subdivision must be construed to reduce the total authorized
235.9 consumer-directed community supports budget for an individual.

235.10 (j) No later than September 30, 2019, the commissioner of human services shall:

235.11 (1) submit an amendment to the Centers for Medicare and Medicaid Services for the
235.12 home and community-based services waivers authorized under Minnesota Statutes, sections
235.13 256B.092 and 256B.49, to allow for a shared services option under consumer-directed
235.14 community supports; and

235.15 (2) with stakeholder input, develop guidance for shared services in consumer-directed
235.16 community-supports within the Community Based Services Manual. Guidance must include:

235.17 (i) recommendations for negotiating payment for one-to-two and one-to-three services;
235.18 and

235.19 (ii) a template of the shared services agreement.

235.20 **EFFECTIVE DATE.** This section is effective October 1, 2019, or upon federal approval,
235.21 whichever is later, except for subdivision 2, paragraph (j), which is effective the day
235.22 following final enactment. The commissioner of human services shall notify the revisor of
235.23 statutes when federal approval is obtained.

235.24 **Sec. 60. DAY TRAINING AND HABILITATION DISABILITY WAIVER RATE**
235.25 **SYSTEM TRANSITION GRANTS.**

235.26 (a) The commissioner of human services shall establish annual grants to day training
235.27 and habilitation providers that are projected to experience a funding gap upon the full
235.28 implementation of Minnesota Statutes, section 256B.4914.

235.29 (b) In order to be eligible for a grant under this section, a day training and habilitation
235.30 disability waiver provider must:

235.31 (1) serve at least 100 waiver service participants;

236.1 (2) be projected to receive a reduction in annual revenue from medical assistance for
236.2 day services during the first year of full implementation of disability waiver rate system
236.3 framework rates under Minnesota Statutes, section 256B.4914, of at least 15 percent and
236.4 at least \$300,000 compared to the annual medical assistance revenue for day services the
236.5 provider received during the last full year during which banded rates under Minnesota
236.6 Statutes, section 256B.4913, subdivision 4a, were effective; and

236.7 (3) agree to develop, submit, and implement a sustainability plan as provided in paragraph

236.8 (c) A recipient of a grant under this section must develop a sustainability plan in
236.9 partnership with the commissioner of human services. The sustainability plan must include:

236.10 (1) a review of all the provider's costs and an assessment of whether the provider is
236.11 implementing available cost-control options appropriately;

236.12 (2) a review of all the provider's revenue and an assessment of whether the provider is
236.13 leveraging available resources appropriately; and

236.14 (3) a practical strategy for closing the funding gap described in paragraph (b), clause
236.15 (2).

236.16 (d) The commissioner of human services shall provide technical assistance and financial
236.17 management advice to grant recipients as they develop and implement their sustainability
236.18 plans.

236.19 (e) In order to be eligible for an annual grant renewal, a grant recipient must demonstrate
236.20 to the commissioner of human services that it made a good faith effort to close the revenue
236.21 gap described in paragraph (b), clause (2).

236.22 **Sec. 61. DIRECTION TO COMMISSIONER OF HUMAN SERVICES;**
236.23 **MNCHOICES 2.0.**

236.24 (a) The commissioner of human services must ensure that the MnCHOICES 2.0
236.25 assessment and support planning tool incorporates a qualitative approach with open-ended
236.26 questions and a conversational, culturally sensitive approach to interviewing that captures
236.27 the assessor's professional judgment based on the person's responses.

236.28 (b) If the commissioner of human services convenes a working group or consults with
236.29 stakeholders for the purposes of modifying the assessment and support planning process or
236.30 tool, the commissioner must include members of the disability community, including
236.31 representatives of organizations and individuals involved in assessment and support planning.

237.1 (c) Until MnCHOICES 2.0 is fully implemented, the commissioner shall permit counties
237.2 to use the most recent legacy documents related to long-term service and supports
237.3 assessments and shall reimburse counties in the same amount as the commissioner would
237.4 were the county using the MnCHOICES assessment tool.

237.5 **Sec. 62. DIRECTION TO THE COMMISSIONER OF HUMAN SERVICES;**
237.6 **PAYMENTS FOR COUNTY HUMAN SERVICES ACTIVITIES.**

237.7 By December 1, 2019, the commissioner of human services shall provide a report to the
237.8 chairs and ranking minority members of the legislative committees with jurisdiction over
237.9 human services finance and policy proposing a rate per assessment to be paid to counties
237.10 and tribes for all medical assistance and county human services activities currently reimbursed
237.11 via a random moment time study. The commissioner, in developing the proposal, shall use
237.12 past estimates of time spent on each relevant activity. The commissioner's report shall
237.13 include an explanation of how the commissioner determines the portion of capitated rates
237.14 paid to health plans attributable to each type of activity also performed by a county or tribe.
237.15 The commissioner's proposal must include a single rate per activity for each activity for all
237.16 populations, but may also include an alternative proposal for different rates per activity for
237.17 each activity for different populations.

237.18 **Sec. 63. DIRECTION TO THE COMMISSIONER OF HUMAN SERVICES;**
237.19 **BARRIERS TO INDEPENDENT LIVING.**

237.20 By December 1, 2019, the commissioner of human services shall submit to the chairs
237.21 and ranking minority members of the legislative committees with jurisdiction over human
237.22 services finance and policy a report describing state and federal regulatory barriers, including
237.23 provisions of the Fair Housing Act, that create barriers to independent living for persons
237.24 with disabilities. In developing the report, the commissioner shall consult with stakeholders,
237.25 including individuals with disabilities, advocacy organizations, and service providers.

237.26 **Sec. 64. ADULT FOSTER CARE MORATORIUM EXEMPTION.**

237.27 An adult foster care setting located in Elk River, Sherburne County, and licensed in
237.28 2003 to serve four people is exempt from the moratorium under Minnesota Statutes, section
237.29 245A.03, subdivision 7, until July 1, 2020.

237.30 **EFFECTIVE DATE.** This section is effective July 1, 2019.

238.1 Sec. 65. **DIRECTION TO COMMISSIONER; BI AND CADI WAIVER**
238.2 **CUSTOMIZED LIVING SERVICES PROVIDER LOCATED IN HENNEPIN**
238.3 **COUNTY.**

238.4 (a) The commissioner of human services shall allow a housing with services establishment
238.5 located in Minneapolis that provides customized living and 24-hour customized living
238.6 services for clients enrolled in the brain injury (BI) or community access for disability
238.7 inclusion (CADI) waiver and had a capacity to serve 66 clients as of July 1, 2017, to transfer
238.8 service capacity of up to 66 clients to no more than three new housing with services
238.9 establishments located in Hennepin County.

238.10 (b) Notwithstanding Minnesota Statutes, section 256B.492, the commissioner shall
238.11 determine that the new housing with services establishments described under paragraph (a)
238.12 meet the BI and CADI waiver customized living and 24-hour customized living size
238.13 limitation exception for clients receiving those services at the new housing with services
238.14 establishments described under paragraph (a).

238.15 Sec. 66. **DIRECTION TO THE COMMISSIONER OF HUMAN SERVICES;**
238.16 **PERSONAL CARE ASSISTANCE SERVICES COMPARABILITY WAIVER.**

238.17 The commissioner of human services shall submit by July 1, 2019, a waiver request to
238.18 the Centers for Medicare and Medicaid Services to allow people receiving personal care
238.19 assistance services as of December 31, 2019, to continue their eligibility for personal care
238.20 assistance services under the personal care assistance service eligibility criteria in effect on
238.21 December 31, 2019.

238.22 Sec. 67. **DIRECTION TO THE COMMISSIONER OF HUMAN SERVICES;**
238.23 **TRANSITION PERIOD FOR MODIFIED ELIGIBILITY OF PERSONAL CARE**
238.24 **ASSISTANCE.**

238.25 (a) Beginning at the latest date permissible under federal law, the modified eligibility
238.26 criteria under Minnesota Statutes, section 256B.0625, subdivision 19a, and Minnesota
238.27 Statutes, section 256B.0652, subdivision 6, paragraphs (b) and (d), shall apply on a rolling
238.28 basis, at the time of annual assessments, to people receiving personal care assistance as of
238.29 December 31, 2019.

238.30 (b) The commissioner shall establish a transition period for people receiving personal
238.31 care assistance services as of December 31, 2019, who, at the time of the annual assessment
238.32 described in paragraph (a), are determined to be ineligible for personal care assistance
238.33 services. Service authorizations for this transition period shall not exceed one year.

239.1 **EFFECTIVE DATE.** This section is effective January 1, 2020, or upon federal approval,
239.2 whichever is later. The commissioner shall notify the revisor of statutes when federal
239.3 approval is obtained and when personal care assistance services provided under paragraph
239.4 (b) have expired.

239.5 Sec. 68. **DIRECTION TO THE COMMISSIONER; REPORT ON ELIGIBILITY**
239.6 **FOR PERSONAL CARE ASSISTANCE AND ACCESS TO DEVELOPMENTAL**
239.7 **DISABILITIES AND COMMUNITY ACCESS FOR DISABILITY INCLUSION**
239.8 **WAIVERS.**

239.9 By December 15, 2020, the commissioner shall submit a report to chairs and ranking
239.10 minority members of the legislative committees with jurisdiction over human services on
239.11 modifications to the eligibility criteria for the personal care assistance program and limits
239.12 on the growth of the developmental disabilities and community access for disability inclusion
239.13 waivers enacted following the 2019 legislative session. The report shall include the impact
239.14 on people receiving or requesting services and any recommendations. By February 15, 2021,
239.15 the commissioner shall supplement the December 15, 2020, report with updated data and
239.16 information.

239.17 Sec. 69. **DIRECTION TO THE COMMISSIONER OF HUMAN SERVICES;**
239.18 **INTERMEDIATE CARE FACILITY FOR PERSONS WITH DEVELOPMENTAL**
239.19 **DISABILITIES LEVEL OF CARE CRITERIA.**

239.20 By February 1, 2020, the commissioner of human services shall submit to the chairs and
239.21 ranking minority members of the legislative committees with jurisdiction over health and
239.22 human services finance and policy recommended language to codify in Minnesota Statutes
239.23 the commissioner's existing criteria for the determination of need for intermediate care
239.24 facility for persons with developmental disabilities level of care. The recommended language
239.25 shall include language clarifying "at risk of placement," "reasonable indication," and "might
239.26 require" as those expressions are used in Minnesota Statutes, section 256B.092, subdivision
239.27 7, paragraph (b). The recommended statutory language shall also include the commissioner's
239.28 current guidance with respect to the interpretation and application of the federal standard
239.29 under Code of Federal Regulations, title 42, section 483.440, that a person receiving the
239.30 services of an intermediate care facility for persons with developmental disabilities require
239.31 a continuous active treatment plan, including which characteristics are necessary or sufficient
239.32 for a determination of a need for active treatment. The commissioner shall submit the
239.33 recommended statutory language with a letter listing, with statutory references, all the

240.1 programs and services for which an intermediate care facility for persons with developmental
240.2 disabilities level of care is required.

240.3 **Sec. 70. DIRECTION TO THE COMMISSIONER OF HUMAN SERVICES;**
240.4 **DIRECT CARE WORKFORCE RATE METHODOLOGY STUDY.**

240.5 The commissioner of human services, in consultation with stakeholders, shall evaluate
240.6 the feasibility of developing a rate methodology for the personal care assistance program
240.7 under Minnesota Statutes, section 256B.0659, and community first services and supports
240.8 under Minnesota Statutes, section 256B.85, similar to the disability waiver rate system
240.9 under Minnesota Statutes, section 256B.4914, including determining the component values
240.10 and factors to include in such a rate methodology; consider aligning any rate methodology
240.11 with the collective bargaining agreement and negotiation cycle under Minnesota Statutes,
240.12 section 179A.54; recommend strategies for ensuring adequate, competitive wages for direct
240.13 care workers; develop methods and determine the necessary resources for the commissioner
240.14 to more consistently collect and audit data from the direct care industry; and report
240.15 recommendations, including proposed draft legislation, to the chairs and ranking minority
240.16 members of the legislative committees with jurisdiction over human services policy and
240.17 finance by February 1, 2020.

240.18 **Sec. 71. DIRECTION TO THE COMMISSIONER OF HUMAN SERVICES; HOME**
240.19 **CARE SERVICES PAYMENT REFORM PROPOSAL.**

240.20 The commissioner of human services shall submit to the chairs and ranking minority
240.21 members of the legislative committees with jurisdiction over human services finance and
240.22 policy a proposal to adopt a budget-neutral prospective payment system for nursing services
240.23 and home health services under Minnesota Statutes, sections 256B.0625, subdivision 6a,
240.24 and 256B.0653, and home care nursing services under Minnesota Statutes, sections
240.25 256B.0625, subdivision 7, and 256B.0624, modeled on the Medicare fee-for-service home
240.26 health prospective payment system. The commissioner shall include in the proposal a case
240.27 mix adjusted episodic rate, including services, therapies and supplies, minimum visits
240.28 required for an episodic rate, consolidated billing requirements, outlier payments,
240.29 low-utilization payments, and other criteria at the commissioner's discretion. In addition to
240.30 the budget-neutral payment reform proposal, the commissioner shall also submit a proposed
240.31 mechanism for updating the payment rates to reflect inflation in health care costs.

241.1 Sec. 72. **DIRECTION TO THE COMMISSIONERS OF HUMAN SERVICES,**
241.2 **EDUCATION, AND EMPLOYMENT AND ECONOMIC DEVELOPMENT; PLAN**
241.3 **FOR SUPPORTED EMPLOYMENT.**

241.4 The commissioners of human services, education, and employment and economic
241.5 development, along with local education agencies, must assist persons with disabilities who
241.6 are between the ages of 14 and 24 to maximize their opportunities to achieve competitive
241.7 integrated employment through services provided by Vocational Rehabilitation Services
241.8 and local educational agencies and funded under Title I and Title VI, Part B of the
241.9 Rehabilitation Act. The agencies must have a coordinated plan to expand employment
241.10 options for participants with the most significant disabilities, including mental illness, for
241.11 whom competitive employment has not traditionally occurred or for whom competitive
241.12 employment has been interrupted or intermittent as a result of the severity of the individual's
241.13 disability, but who have:

241.14 (1) the ability or potential to engage in a training program leading to supported
241.15 employment;

241.16 (2) a need for intensive ongoing support services or extended services in order to perform
241.17 competitive work; and

241.18 (3) the ability to work in a supported employment setting.

241.19 This plan shall not include short-term job coaching and other related services for persons
241.20 who do not require supported employment services to enter or retain competitive
241.21 employment.

241.22 Sec. 73. **REVISOR INSTRUCTION.**

241.23 (a) The revisor of statutes shall change the term "developmental disability waiver" or
241.24 similar terms to "developmental disabilities waiver" or similar terms wherever they appear
241.25 in Minnesota Statutes. The revisor shall also make technical and other necessary changes
241.26 to sentence structure to preserve the meaning of the text.

241.27 (b) The revisor of statutes, in consultation with the House Research Department, Office
241.28 of Senate Counsel, Research and Fiscal Analysis, and Department of Human Services, shall
241.29 prepare legislation for the 2020 legislative session to codify existing session laws governing
241.30 consumer-directed community supports in Minnesota Statutes, chapter 256B.

241.31 Sec. 74. **REPEALER.**

241.32 Minnesota Statutes 2018, section 256I.05, subdivision 3, is repealed.

242.1 **ARTICLE 6**

242.2 **DIRECT CARE AND TREATMENT**

242.3 Section 1. Minnesota Statutes 2018, section 246.54, is amended by adding a subdivision
242.4 to read:

242.5 Subd. 3. **Administrative review of county liability for cost of care.** (a) The county of
242.6 financial responsibility may submit a written request for administrative review by the
242.7 commissioner of the county's payment of the cost of care when a delay in discharge of a
242.8 client from a regional treatment center, state-operated community-based behavioral health
242.9 hospital, or other state-operated facility results from the following actions by the facility:

242.10 (1) the facility did not provide notice to the county that the facility has determined that
242.11 it is clinically appropriate for a client to be discharged;

242.12 (2) the notice to the county that the facility has determined that it is clinically appropriate
242.13 for a client to be discharged was communicated on a holiday or weekend;

242.14 (3) the required documentation or procedures for discharge were not completed in order
242.15 for the discharge to occur in a timely manner; or

242.16 (4) the facility disagrees with the county's discharge plan.

242.17 (b) The county of financial responsibility may not appeal the determination that it is
242.18 clinically appropriate for a client to be discharged from a regional treatment center,
242.19 state-operated community-based behavioral health hospital, or other state-operated facility.

242.20 (c) The commissioner must evaluate the request for administrative review and determine
242.21 if the facility's actions listed in paragraph (a) caused undue delay in discharging the client.
242.22 If the commissioner determines that the facility's actions listed in paragraph (a) caused
242.23 undue delay in discharging the client, the county's liability will be reduced to the level of
242.24 the cost of care for a client whose stay in a facility is determined to be clinically appropriate,
242.25 effective on the date of the facility's action or failure to act that caused the delay. The
242.26 commissioner's determination under this subdivision is final.

242.27 (d) If a county's liability is reduced pursuant to paragraph (c), a county's liability will
242.28 return to the level of the cost of care for a client whose stay in a facility is determined to no
242.29 longer be appropriate effective on the date the facility rectifies the action or failure to act
242.30 that caused the delay under paragraph (a).

242.31 (e) Any difference in the county cost of care liability resulting from administrative review
242.32 under this subdivision shall not be billed to the client or applied to future reimbursement
242.33 from the client's estate or relatives.

243.1 Sec. 2. **DIRECTION TO COMMISSIONER; REPORT REQUIRED; DISCHARGE**
243.2 **DELAY REDUCTION.**

243.3 No later than January 1, 2023, the commissioner of human services must submit a report
243.4 to the chairs and ranking minority members of the legislative committees with jurisdiction
243.5 over human services that provides an update on county and state efforts to reduce the number
243.6 of days clients spend in state-operated facilities after discharge from the facility has been
243.7 determined to be clinically appropriate. The report must also include information on the
243.8 fiscal impact of clinically inappropriate stays in these facilities.

243.9 Sec. 3. **DIRECTION TO COMMISSIONER; MSOCS COON RAPIDS ILEX**
243.10 **CLOSURE.**

243.11 The commissioner of human services shall close the Minnesota state-operated community
243.12 services program known as MSOCS Coon Rapids Ilex. The commissioner must not reopen
243.13 or redesign the program. For the purposes of this section:

243.14 (1) a program is considered closed if the commissioner discontinues providing services
243.15 at a given location;

243.16 (2) a program is considered reopened if the commissioner opens a new program or begins
243.17 providing a new service at a location that was previously closed; and

243.18 (3) a program is considered redesigned if the commissioner does not change the nature
243.19 of the services provided, but does change the focus of the population served by the program.

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

243.21 Sec. 4. **REPEALER.**

243.22 Minnesota Statutes 2018, section 246.18, subdivisions 8 and 9, are repealed.

243.23 **ARTICLE 7**
243.24 **OPERATIONS**

243.25 Section 1. Minnesota Statutes 2018, section 16A.055, subdivision 1a, is amended to read:

243.26 Subd. 1a. **Additional duties.** The commissioner may assist state agencies by providing
243.27 analytical, statistical, program evaluation using experimental or quasi-experimental design,
243.28 and organizational development services to state agencies in order to assist the agency to
243.29 achieve the agency's mission and to operate efficiently and effectively. For purposes of this
243.30 section, "experimental design" means a method of evaluating the impact of a service that

244.1 uses random assignment to assign participants into groups that respectively receive the
244.2 studied service and those that receive service as usual, so that any difference in outcomes
244.3 found at the end of the evaluation can be attributed to the studied service; and
244.4 "quasi-experimental design" means a method of evaluating the impact of a service that uses
244.5 strategies other than random assignment to establish statistically similar groups that
244.6 respectively receive the service and those that receive service as usual, so that any difference
244.7 in outcomes found at the end of the evaluation can be attributed to the studied service.

244.8 Sec. 2. Minnesota Statutes 2018, section 245A.04, subdivision 7, is amended to read:

244.9 Subd. 7. **Grant of license; license extension.** (a) If the commissioner determines that
244.10 the program complies with all applicable rules and laws, the commissioner shall issue a
244.11 license consistent with this section or, if applicable, a temporary change of ownership license
244.12 under section 245A.043. At minimum, the license shall state:

244.13 (1) the name of the license holder;

244.14 (2) the address of the program;

244.15 (3) the effective date and expiration date of the license;

244.16 (4) the type of license;

244.17 (5) the maximum number and ages of persons that may receive services from the program;

244.18 and

244.19 (6) any special conditions of licensure.

244.20 (b) The commissioner may issue ~~an initial~~ a license for a period not to exceed two years
244.21 if:

244.22 (1) the commissioner is unable to conduct the evaluation or observation required by
244.23 subdivision 4, paragraph (a), clauses (3) and (4), because the program is not yet operational;

244.24 (2) certain records and documents are not available because persons are not yet receiving
244.25 services from the program; and

244.26 (3) the applicant complies with applicable laws and rules in all other respects.

244.27 (c) A decision by the commissioner to issue a license does not guarantee that any person
244.28 or persons will be placed or cared for in the licensed program. ~~A license shall not be~~
244.29 ~~transferable to another individual, corporation, partnership, voluntary association, other~~
244.30 ~~organization, or controlling individual or to another location.~~

245.1 ~~(d) A license holder must notify the commissioner and obtain the commissioner's approval~~
245.2 ~~before making any changes that would alter the license information listed under paragraph~~
245.3 ~~(a).~~

245.4 ~~(e)~~ (d) Except as provided in paragraphs ~~(g)~~ (f) and ~~(h)~~ (g), the commissioner shall not
245.5 issue or reissue a license if the applicant, license holder, or controlling individual has:

245.6 (1) been disqualified and the disqualification was not set aside and no variance has been
245.7 granted;

245.8 (2) been denied a license within the past two years;

245.9 (3) had a license issued under this chapter revoked within the past five years;

245.10 (4) an outstanding debt related to a license fee, licensing fine, or settlement agreement
245.11 for which payment is delinquent; or

245.12 (5) failed to submit the information required of an applicant under subdivision 1,
245.13 paragraph (f) or (g), after being requested by the commissioner.

245.14 When a license issued under this chapter is revoked under clause (1) or (3), the license
245.15 holder and controlling individual may not hold any license under chapter 245A or 245D for
245.16 five years following the revocation, and other licenses held by the applicant, license holder,
245.17 or controlling individual shall also be revoked.

245.18 ~~(f)~~ (e) The commissioner shall not issue or reissue a license under this chapter if an
245.19 individual living in the household where the licensed services will be provided as specified
245.20 under section 245C.03, subdivision 1, has been disqualified and the disqualification has not
245.21 been set aside and no variance has been granted.

245.22 ~~(g)~~ (f) Pursuant to section 245A.07, subdivision 1, paragraph (b), when a license issued
245.23 under this chapter has been suspended or revoked and the suspension or revocation is under
245.24 appeal, the program may continue to operate pending a final order from the commissioner.
245.25 If the license under suspension or revocation will expire before a final order is issued, a
245.26 temporary provisional license may be issued provided any applicable license fee is paid
245.27 before the temporary provisional license is issued.

245.28 ~~(h)~~ (g) Notwithstanding paragraph ~~(g)~~ (f), when a revocation is based on the
245.29 disqualification of a controlling individual or license holder, and the controlling individual
245.30 or license holder is ordered under section 245C.17 to be immediately removed from direct
245.31 contact with persons receiving services or is ordered to be under continuous, direct
245.32 supervision when providing direct contact services, the program may continue to operate
245.33 only if the program complies with the order and submits documentation demonstrating

246.1 compliance with the order. If the disqualified individual fails to submit a timely request for
246.2 reconsideration, or if the disqualification is not set aside and no variance is granted, the
246.3 order to immediately remove the individual from direct contact or to be under continuous,
246.4 direct supervision remains in effect pending the outcome of a hearing and final order from
246.5 the commissioner.

246.6 ~~(h)~~ (h) For purposes of reimbursement for meals only, under the Child and Adult Care
246.7 Food Program, Code of Federal Regulations, title 7, subtitle B, chapter II, subchapter A,
246.8 part 226, relocation within the same county by a licensed family day care provider, shall
246.9 be considered an extension of the license for a period of no more than 30 calendar days or
246.10 until the new license is issued, whichever occurs first, provided the county agency has
246.11 determined the family day care provider meets licensure requirements at the new location.

246.12 ~~(i)~~ (i) Unless otherwise specified by statute, all licenses issued under this chapter expire
246.13 at 12:01 a.m. on the day after the expiration date stated on the license. A license holder must
246.14 apply for and be granted a new license to operate the program or the program must not be
246.15 operated after the expiration date.

246.16 ~~(j)~~ (j) The commissioner shall not issue or reissue a license under this chapter if it has
246.17 been determined that a tribal licensing authority has established jurisdiction to license the
246.18 program or service.

246.19 **EFFECTIVE DATE.** This section is effective January 1, 2020.

246.20 Sec. 3. Minnesota Statutes 2018, section 245A.04, is amended by adding a subdivision to
246.21 read:

246.22 **Subd. 7a. Notification required.** (a) A license holder must notify the commissioner and
246.23 obtain the commissioner's approval before making any change that would alter the license
246.24 information listed under subdivision 7, paragraph (a).

246.25 (b) At least 30 days before the effective date of a change, the license holder must notify
246.26 the commissioner in writing of any change:

246.27 (1) to the license holder's controlling individual as defined in section 245A.02, subdivision
246.28 5a;

246.29 (2) to license holder information on file with the secretary of state;

246.30 (3) in the location of the program or service licensed under this chapter; and

246.31 (4) in the federal or state tax identification number associated with the license holder.

247.1 (c) When a license holder notifies the commissioner of a change to the business structure
247.2 governing the licensed program or services but is not selling the business, the license holder
247.3 must provide amended articles of incorporation and other documentation of the change and
247.4 any other information requested by the commissioner.

247.5 **EFFECTIVE DATE.** This section is effective January 1, 2020.

247.6 Sec. 4. **[245A.043] LICENSE APPLICATION AFTER CHANGE OF OWNERSHIP.**

247.7 Subdivision 1. **Transfer prohibited.** A license issued under this chapter is only valid
247.8 for a premises and individual, organization, or government entity identified by the
247.9 commissioner on the license. A license is not transferable or assignable.

247.10 Subd. 2. **Change of ownership.** If the commissioner determines that there will be a
247.11 change of ownership, the commissioner shall require submission of a new license application.

247.12 A change of ownership occurs when:

247.13 (1) the license holder sells or transfers 100 percent of the property, stock, or assets;

247.14 (2) the license holder merges with another organization;

247.15 (3) the license holder consolidates with two or more organizations, resulting in the
247.16 creation of a new organization;

247.17 (4) there is a change in the federal tax identification number associated with the license
247.18 holder; or

247.19 (5) there is a turnover of each controlling individual associated with the license within
247.20 a 12-month period. A change to the license holder's controlling individuals, including a
247.21 change due to a transfer of stock, is not a change of ownership if at least one controlling
247.22 individual who was listed on the license for at least 12 consecutive months continues to be
247.23 a controlling individual after the reported change.

247.24 Subd. 3. **Change of ownership requirements.** (a) A license holder who intends to
247.25 change the ownership of the program or service under subdivision 2 to a party that intends
247.26 to assume operation without an interruption in service longer than 60 days after acquiring
247.27 the program or service must provide the commissioner with written notice of the proposed
247.28 sale or change, on a form provided by the commissioner, at least 60 days before the
247.29 anticipated date of the change in ownership. For purposes of this subdivision and subdivision
247.30 4, "party" means the party that intends to operate the service or program.

247.31 (b) The party must submit a license application under this chapter on the form and in
247.32 the manner prescribed by the commissioner at least 30 days before the change of ownership

248.1 is complete and must include documentation to support the upcoming change. The form
248.2 and manner of the application prescribed by the commissioner shall require only information
248.3 which is specifically required by statute or rule. The party must comply with background
248.4 study requirements under chapter 245C and shall pay the application fee required in section
248.5 245A.10. A party that intends to assume operation without an interruption in service longer
248.6 than 60 days after acquiring the program or service is exempt from the requirements of
248.7 Minnesota Rules, part 9530.6800.

248.8 (c) The commissioner may develop streamlined application procedures when the party
248.9 is an existing license holder under this chapter and is acquiring a program licensed under
248.10 this chapter or service in the same service class as one or more licensed programs or services
248.11 the party operates and those licenses are in substantial compliance according to the licensing
248.12 standards in this chapter and applicable rules. For purposes of this subdivision, "substantial
248.13 compliance" means within the past 12 months the commissioner did not: (i) issue a sanction
248.14 under section 245A.07 against a license held by the party or (ii) make a license held by the
248.15 party conditional according to section 245A.06.

248.16 (d) Except when a temporary change of ownership license is issued pursuant to
248.17 subdivision 4, the existing license holder is solely responsible for operating the program
248.18 according to applicable rules and statutes until a license under this chapter is issued to the
248.19 party.

248.20 (e) If a licensing inspection of the program or service was conducted within the previous
248.21 12 months and the existing license holder's license record demonstrates substantial
248.22 compliance with the applicable licensing requirements, the commissioner may waive the
248.23 party's inspection required by section 245A.04, subdivision 4. The party must submit to the
248.24 commissioner proof that the premises was inspected by a fire marshal or that the fire marshal
248.25 deemed that an inspection was not warranted and proof that the premises was inspected for
248.26 compliance with the building code or that no inspection was deemed warranted.

248.27 (f) If the party is seeking a license for a program or service that has an outstanding
248.28 correction order, the party must submit a letter with the license application identifying how
248.29 and within what length of time the party shall resolve the outstanding correction order and
248.30 come into full compliance with the licensing requirements.

248.31 (g) Any action taken under section 245A.06 or 245A.07 against the existing license
248.32 holder's license at the time the party is applying for a license, including when the existing
248.33 license holder is operating under a conditional license or is subject to a revocation, shall

249.1 remain in effect until the commissioner determines that the grounds for the action are
249.2 corrected or no longer exist.

249.3 (h) The commissioner shall evaluate the application of the party according to section
249.4 245A.04, subdivision 6. Pursuant to section 245A.04, subdivision 7, if the commissioner
249.5 determines that the party complies with applicable laws and rules, the commissioner may
249.6 issue a license or a temporary change of ownership license.

249.7 (i) The commissioner may deny an application as provided in section 245A.05. An
249.8 applicant whose application was denied by the commissioner may appeal the denial according
249.9 to section 245A.05.

249.10 (j) This subdivision does not apply to a licensed program or service located in a home
249.11 where the license holder resides.

249.12 Subd. 4. **Temporary change of ownership license.** (a) After receiving the party's
249.13 application and upon the written request of the existing license holder and the party, the
249.14 commissioner may issue a temporary change of ownership license to the party while the
249.15 commissioner evaluates the party's application. Until a decision is made to grant or deny a
249.16 license under this chapter, the existing license holder and the party shall both be responsible
249.17 for operating the program or service according to applicable laws and rules, and the sale or
249.18 transfer of the license holder's ownership interest in the licensed program or service does
249.19 not terminate the existing license.

249.20 (b) The commissioner may establish criteria to issue a temporary change of ownership
249.21 license, if a license holder's death, divorce, or other event affects the ownership of the
249.22 program, when an applicant seeks to assume operation of the program or service to ensure
249.23 continuity of the program or service while a license application is evaluated. This subdivision
249.24 applies to any program or service licensed under this chapter.

249.25 **EFFECTIVE DATE.** This section is effective January 1, 2020.

249.26 Sec. 5. Minnesota Statutes 2018, section 245C.02, is amended by adding a subdivision to
249.27 read:

249.28 Subd. 20. **Substance use disorder treatment field.** "Substance use disorder treatment
249.29 field" means a program exclusively serving individuals 18 years of age and older and that
249.30 is required to be:

249.31 (1) licensed under chapter 245G; or

250.1 (2) registered under section 157.17 as a board and lodge establishment that predominantly
250.2 serves individuals being treated for or recovering from a substance use disorder.

250.3 Sec. 6. Minnesota Statutes 2018, section 245C.10, is amended by adding a subdivision to
250.4 read:

250.5 Subd. 14. **Guardians and conservators.** The commissioner shall recover the cost of
250.6 conducting background studies for guardians and conservators under section 524.5-118
250.7 through a fee of no more than \$110 per study. The fees collected under this subdivision are
250.8 appropriated to the commissioner for the purpose of conducting background studies.

250.9 **EFFECTIVE DATE.** This section is effective January 1, 2020.

250.10 Sec. 7. Minnesota Statutes 2018, section 245C.22, subdivision 4, is amended to read:

250.11 Subd. 4. **Risk of harm; set aside.** (a) The commissioner may set aside the disqualification
250.12 if the commissioner finds that the individual has submitted sufficient information to
250.13 demonstrate that the individual does not pose a risk of harm to any person served by the
250.14 applicant, license holder, or other entities as provided in this chapter.

250.15 (b) In determining whether the individual has met the burden of proof by demonstrating
250.16 the individual does not pose a risk of harm, the commissioner shall consider:

250.17 (1) the nature, severity, and consequences of the event or events that led to the
250.18 disqualification;

250.19 (2) whether there is more than one disqualifying event;

250.20 (3) the age and vulnerability of the victim at the time of the event;

250.21 (4) the harm suffered by the victim;

250.22 (5) vulnerability of persons served by the program;

250.23 (6) the similarity between the victim and persons served by the program;

250.24 (7) the time elapsed without a repeat of the same or similar event;

250.25 (8) documentation of successful completion by the individual studied of training or
250.26 rehabilitation pertinent to the event; and

250.27 (9) any other information relevant to reconsideration.

250.28 (c) If the individual requested reconsideration on the basis that the information relied
250.29 upon to disqualify the individual was incorrect or inaccurate and the commissioner determines
250.30 that the information relied upon to disqualify the individual is correct, the commissioner

251.1 must also determine if the individual poses a risk of harm to persons receiving services in
251.2 accordance with paragraph (b).

251.3 (d) For an individual seeking employment in the substance use disorder treatment field,
251.4 the commissioner shall set aside the disqualification if the following criteria are met:

251.5 (1) the individual is not disqualified for a crime of violence as listed under section
251.6 624.712, subdivision 5, except that the following crimes are prohibitory offenses: crimes
251.7 listed under section 152.021, subdivision 2 or 2a; 152.022, subdivision 2; 152.023,
251.8 subdivision 2; 152.024; or 152.025;

251.9 (2) the individual is not disqualified under section 245C.15, subdivision 1;

251.10 (3) the individual is not disqualified under section 245C.15, subdivision 4, paragraph
251.11 (b);

251.12 (4) the individual provided documentation of successful completion of treatment, at least
251.13 one year prior to the date of the request for reconsideration, at a program licensed under
251.14 chapter 245G, and has had no disqualifying crimes or conduct under section 245C.15 after
251.15 the successful completion of treatment;

251.16 (5) the individual provided documentation demonstrating abstinence from controlled
251.17 substances, as defined in section 152.01, subdivision 4, for the period of one year prior to
251.18 the date of the request for reconsideration; and

251.19 (6) the individual is seeking employment in the substance use disorder treatment field.

251.20 Sec. 8. Minnesota Statutes 2018, section 245C.22, subdivision 5, is amended to read:

251.21 Subd. 5. **Scope of set-aside.** (a) If the commissioner sets aside a disqualification under
251.22 this section, the disqualified individual remains disqualified, but may hold a license and
251.23 have direct contact with or access to persons receiving services. Except as provided in
251.24 paragraph (b), the commissioner's set-aside of a disqualification is limited solely to the
251.25 licensed program, applicant, or agency specified in the set aside notice under section 245C.23.
251.26 For personal care provider organizations, the commissioner's set-aside may further be limited
251.27 to a specific individual who is receiving services. For new background studies required
251.28 under section 245C.04, subdivision 1, paragraph (h), if an individual's disqualification was
251.29 previously set aside for the license holder's program and the new background study results
251.30 in no new information that indicates the individual may pose a risk of harm to persons
251.31 receiving services from the license holder, the previous set-aside shall remain in effect.

252.1 (b) If the commissioner has previously set aside an individual's disqualification for one
252.2 or more programs or agencies, and the individual is the subject of a subsequent background
252.3 study for a different program or agency, the commissioner shall determine whether the
252.4 disqualification is set aside for the program or agency that initiated the subsequent
252.5 background study. A notice of a set-aside under paragraph (c) shall be issued within 15
252.6 working days if all of the following criteria are met:

252.7 (1) the subsequent background study was initiated in connection with a program licensed
252.8 or regulated under the same provisions of law and rule for at least one program for which
252.9 the individual's disqualification was previously set aside by the commissioner;

252.10 (2) the individual is not disqualified for an offense specified in section 245C.15,
252.11 subdivision 1 or 2;

252.12 (3) the commissioner has received no new information to indicate that the individual
252.13 may pose a risk of harm to any person served by the program; and

252.14 (4) the previous set-aside was not limited to a specific person receiving services.

252.15 (c) Notwithstanding paragraph (b), clause (2), for an individual who is employed in the
252.16 substance use disorder field, if the commissioner has previously set aside an individual's
252.17 disqualification for one or more programs or agencies in the substance use disorder treatment
252.18 field, and the individual is the subject of a subsequent background study for a different
252.19 program or agency in the substance use disorder treatment field, the commissioner shall set
252.20 aside the disqualification for the program or agency in the substance use disorder treatment
252.21 field that initiated the subsequent background study when the criteria under paragraph (b),
252.22 clauses (1), (3), and (4), are met and the individual is not disqualified for an offense specified
252.23 in section 254C.15, subdivision 1. A notice of a set-aside under paragraph (d) shall be issued
252.24 within 15 working days.

252.25 ~~(e)~~(d) When a disqualification is set aside under paragraph (b), the notice of background
252.26 study results issued under section 245C.17, in addition to the requirements under section
252.27 245C.17, shall state that the disqualification is set aside for the program or agency that
252.28 initiated the subsequent background study. The notice must inform the individual that the
252.29 individual may request reconsideration of the disqualification under section 245C.21 on the
252.30 basis that the information used to disqualify the individual is incorrect.

252.31 Sec. 9. Minnesota Statutes 2018, section 245C.32, subdivision 2, is amended to read:

252.32 Subd. 2. **Use.** (a) The commissioner may also use these systems and records to obtain
252.33 and provide criminal history data from the Bureau of Criminal Apprehension, criminal

253.1 history data held by the commissioner, and data about substantiated maltreatment under
253.2 section 626.556 or 626.557, for other purposes, provided that:

253.3 (1) the background study is specifically authorized in statute; or

253.4 (2) the request is made with the informed consent of the subject of the study as provided
253.5 in section 13.05, subdivision 4.

253.6 (b) An individual making a request under paragraph (a), clause (2), must agree in writing
253.7 not to disclose the data to any other individual without the consent of the subject of the data.

253.8 (c) The commissioner may recover the cost of obtaining and providing background study
253.9 data by charging the individual or entity requesting the study a fee of no more than \$20 per
253.10 study. The fees collected under this paragraph are appropriated to the commissioner for the
253.11 purpose of conducting background studies.

253.12 ~~(d) The commissioner shall recover the cost of obtaining background study data required~~
253.13 ~~under section 524.5-118 through a fee of \$50 per study for an individual who has not lived~~
253.14 ~~outside Minnesota for the past ten years, and a fee of \$100 for an individual who has resided~~
253.15 ~~outside of Minnesota for any period during the ten years preceding the background study.~~
253.16 ~~The commissioner shall recover, from the individual, any additional fees charged by other~~
253.17 ~~states' licensing agencies that are associated with these data requests. Fees under subdivision~~
253.18 ~~3 also apply when criminal history data from the National Criminal Records Repository is~~
253.19 ~~required.~~

253.20 **EFFECTIVE DATE.** This section is effective January 1, 2020.

253.21 Sec. 10. **[245L.01] OFFICE OF INSPECTOR GENERAL.**

253.22 **Subdivision 1. Creation.** A state Office of Inspector General is created.

253.23 **Subd. 2. Director.** (a) The office shall be under the direction of an inspector general
253.24 who shall be appointed by the governor, with the advice and consent of the senate, for a
253.25 term ending on June 30 of the sixth calendar year after appointment. Senate confirmation
253.26 of the inspector general shall be as provided by section 15.066. The inspector general shall
253.27 appoint deputies to serve in the office as necessary to fulfill the duties of the office. The
253.28 inspector general may delegate to a subordinate employee the exercise of a specified statutory
253.29 power or duty, subject to the control of the inspector general. Every delegation must be by
253.30 written order filed with the secretary of state.

253.31 (b) The inspector general shall be in the unclassified service, but may be removed only
253.32 for cause.

254.1 Subd. 3. Duties. The inspector general shall, in coordination with counties where
254.2 applicable:

254.3 (1) develop and maintain the licensing and regulatory functions related to hospitals,
254.4 boarding care homes, outpatient surgical centers, birthing centers, nursing homes, home
254.5 care agencies, supplemental nursing services agencies, hospice providers, housing with
254.6 services establishments, assisted living facilities, prescribed pediatric extended care centers,
254.7 and board and lodging establishments with special services consistent with chapters 144A,
254.8 144D, 144G, and 144H, and sections 144.50 to 144.58, 144.615, and 157.17;

254.9 (2) notwithstanding the requirement under section 144A.52, subdivision 1, that the
254.10 director of the Office of Health Facility Complaints be appointed by the commissioner of
254.11 health, assume the role of director of the Office of Health Facility Complaints;

254.12 (3) develop and maintain the licensing and regulatory functions related to adult day care,
254.13 child care and early education, children's residential facilities, foster care, home and
254.14 community-based services, independent living assistance for youth, outpatient mental health
254.15 clinics or centers, residential mental health treatment for adults, and substance use disorder
254.16 treatment consistent with chapters 245, 245A, 245D, 245F, 245G, 245H, 252, and 256;

254.17 (4) conduct background studies according to sections 144.057, 144A.476, 144A.62,
254.18 144A.754, and 157.17 and chapter 245C. For the purpose of completing background studies,
254.19 the inspector general shall have authority to access maltreatment data maintained by local
254.20 welfare agencies or agencies responsible for assessing or investigating reports under section
254.21 626.556, and names of substantiated perpetrators related to maltreatment of vulnerable
254.22 adults maintained by the commissioner of human services under section 626.557;

254.23 (5) develop and maintain the background study requirements consistent with chapter
254.24 245C;

254.25 (6) be responsible for ensuring the detection, prevention, investigation, and resolution
254.26 of fraudulent activities or behavior by applicants, recipients, providers, and other participants
254.27 in the human services programs administered by the Department of Human Services;

254.28 (7) require county agencies to identify overpayments, establish claims, and utilize all
254.29 available and cost-beneficial methodologies to collect and recover these overpayments in
254.30 the human services programs administered by the Department of Human Services; and

254.31 (8) develop, maintain, and administer the common entry point established on July 1,
254.32 2015, under section 626.557, subdivision 9.

254.33 **EFFECTIVE DATE.** This section is effective July 1, 2020.

255.1 Sec. 11. **[245I.02] TRANSFER OF DUTIES.**

255.2 **Subdivision 1. Transfer and reorganization orders.** (a) Section 15.039 applies to the
255.3 transfer of duties required by this chapter.

255.4 (b) For an employee affected by the transfer of duties required by this chapter, the
255.5 seniority accrued by the employee at the employee's former agency transfers to the employee's
255.6 new agency.

255.7 **Subd. 2. Transfer of duties from the commissioner of human services.** The
255.8 commissioner of administration, with approval of the governor, may issue reorganization
255.9 orders under section 16B.37 as necessary to carry out the transfer of duties of the
255.10 commissioner of human services required by this chapter. The provision of section 16B.37,
255.11 subdivision 1, stating that transfers under that section may be made only to an agency that
255.12 has been in existence for at least one year does not apply to transfers to an agency created
255.13 by this chapter.

255.14 **Subd. 3. Transfer of duties from the commissioner of health.** The commissioner of
255.15 administration, with approval of the governor, may issue reorganization orders under section
255.16 16B.37 as necessary to carry out the transfer of duties of the commissioner of health required
255.17 by this chapter. The provision of section 16B.37, subdivision 1, stating that transfers under
255.18 that section may be made only to an agency that has been in existence for at least one year
255.19 does not apply to transfers to an agency created by this chapter.

255.20 **Subd. 4. Aggregate cost limit.** The commissioner of management and budget must
255.21 ensure that the aggregate cost for the inspector general of the Office of Inspector General
255.22 is not more than the aggregate cost of the primary executives in the Office of Inspector
255.23 General at the Department of Human Services and the Health Regulation Division at the
255.24 Department of Health immediately before the effective date of subdivision 2.

255.25 **EFFECTIVE DATE.** Subdivisions 1, 2, and 4, are effective July 1, 2020. Subdivision
255.26 3 is effective July 1, 2022.

255.27 Sec. 12. **[256.0113] COUNTY HUMAN SERVICES STATE FUNDING**
255.28 **REALLOCATION.**

255.29 (a) Beginning October 1, 2019, counties and tribes or tribal agencies receiving human
255.30 services grants funded exclusively with state general fund dollars may allocate any
255.31 unexpended grant amounts to any county or tribal human services activity for the fourth
255.32 quarter of the county or tribe's fiscal year.

256.1 (b) Any proposed reallocation of unspent funds must be approved by majority vote of
256.2 the county board or the tribe or tribal agency's governing body.

256.3 (c) Each county, tribe, or tribal agency shall report any approved reallocation of unspent
256.4 grant funds to the commissioner of human services by March 31 of each year following a
256.5 reallocation under this section. The report shall describe the use of the reallocated human
256.6 services grant funds, compare how the funds were allocated prior to the reallocation, and
256.7 explain the advantages or disadvantages of the reallocation.

256.8 Sec. 13. Minnesota Statutes 2018, section 256B.04, subdivision 21, is amended to read:

256.9 Subd. 21. **Provider enrollment.** (a) If the commissioner or the Centers for Medicare
256.10 and Medicaid Services determines that a provider is designated "high-risk," the commissioner
256.11 may withhold payment from providers within that category upon initial enrollment for a
256.12 90-day period. The withholding for each provider must begin on the date of the first
256.13 submission of a claim.

256.14 (b) An enrolled provider that is also licensed by the commissioner under chapter 245A,
256.15 or is licensed as a home care provider by the Department of Health under chapter 144A and
256.16 has a home and community-based services designation on the home care license under
256.17 section 144A.484, must designate an individual as the entity's compliance officer. The
256.18 compliance officer must:

256.19 (1) develop policies and procedures to assure adherence to medical assistance laws and
256.20 regulations and to prevent inappropriate claims submissions;

256.21 (2) train the employees of the provider entity, and any agents or subcontractors of the
256.22 provider entity including billers, on the policies and procedures under clause (1);

256.23 (3) respond to allegations of improper conduct related to the provision or billing of
256.24 medical assistance services, and implement action to remediate any resulting problems;

256.25 (4) use evaluation techniques to monitor compliance with medical assistance laws and
256.26 regulations;

256.27 (5) promptly report to the commissioner any identified violations of medical assistance
256.28 laws or regulations; and

256.29 (6) within 60 days of discovery by the provider of a medical assistance reimbursement
256.30 overpayment, report the overpayment to the commissioner and make arrangements with
256.31 the commissioner for the commissioner's recovery of the overpayment.

257.1 The commissioner may require, as a condition of enrollment in medical assistance, that a
257.2 provider within a particular industry sector or category establish a compliance program that
257.3 contains the core elements established by the Centers for Medicare and Medicaid Services.

257.4 (c) The commissioner may revoke the enrollment of an ordering or rendering provider
257.5 for a period of not more than one year, if the provider fails to maintain and, upon request
257.6 from the commissioner, provide access to documentation relating to written orders or requests
257.7 for payment for durable medical equipment, certifications for home health services, or
257.8 referrals for other items or services written or ordered by such provider, when the
257.9 commissioner has identified a pattern of a lack of documentation. A pattern means a failure
257.10 to maintain documentation or provide access to documentation on more than one occasion.
257.11 Nothing in this paragraph limits the authority of the commissioner to sanction a provider
257.12 under the provisions of section 256B.064.

257.13 (d) The commissioner shall terminate or deny the enrollment of any individual or entity
257.14 if the individual or entity has been terminated from participation in Medicare or under the
257.15 Medicaid program or Children's Health Insurance Program of any other state. The
257.16 commissioner may exempt a rehabilitation agency from termination or denial that would
257.17 otherwise be required under this paragraph, if the agency:

257.18 (1) is unable to retain Medicare certification and enrollment solely due to a lack of billing
257.19 to the Medicare program;

257.20 (2) meets all other applicable Medicare certification requirements based on an on-site
257.21 review completed by the commissioner of health; and

257.22 (3) serves primarily a pediatric population.

257.23 (e) As a condition of enrollment in medical assistance, the commissioner shall require
257.24 that a provider designated "moderate" or "high-risk" by the Centers for Medicare and
257.25 Medicaid Services or the commissioner permit the Centers for Medicare and Medicaid
257.26 Services, its agents, or its designated contractors and the state agency, its agents, or its
257.27 designated contractors to conduct unannounced on-site inspections of any provider location.
257.28 The commissioner shall publish in the Minnesota Health Care Program Provider Manual a
257.29 list of provider types designated "limited," "moderate," or "high-risk," based on the criteria
257.30 and standards used to designate Medicare providers in Code of Federal Regulations, title
257.31 42, section 424.518. The list and criteria are not subject to the requirements of chapter 14.
257.32 The commissioner's designations are not subject to administrative appeal.

257.33 (f) As a condition of enrollment in medical assistance, the commissioner shall require
257.34 that a high-risk provider, or a person with a direct or indirect ownership interest in the

258.1 provider of five percent or higher, consent to criminal background checks, including
258.2 fingerprinting, when required to do so under state law or by a determination by the
258.3 commissioner or the Centers for Medicare and Medicaid Services that a provider is designated
258.4 high-risk for fraud, waste, or abuse.

258.5 (g)(1) Upon initial enrollment, reenrollment, and notification of revalidation, all durable
258.6 medical equipment, prosthetics, orthotics, and supplies (DMEPOS) medical suppliers
258.7 meeting the durable medical equipment provider and supplier definition in clause (3),
258.8 operating in Minnesota and receiving Medicaid funds must purchase a surety bond that is
258.9 annually renewed and designates the Minnesota Department of Human Services as the
258.10 obligee, and must be submitted in a form approved by the commissioner. For purposes of
258.11 this clause, the following medical suppliers are not required to obtain a surety bond: a
258.12 federally qualified health center, a home health agency, the Indian Health Service, a
258.13 pharmacy, and a rural health clinic.

258.14 (2) At the time of initial enrollment or reenrollment, durable medical equipment providers
258.15 and suppliers defined in clause (3) must purchase a surety bond of \$50,000. If a revalidating
258.16 provider's Medicaid revenue in the previous calendar year is up to and including \$300,000,
258.17 the provider agency must purchase a surety bond of \$50,000. If a revalidating provider's
258.18 Medicaid revenue in the previous calendar year is over \$300,000, the provider agency must
258.19 purchase a surety bond of \$100,000. The surety bond must allow for recovery of costs and
258.20 fees in pursuing a claim on the bond.

258.21 (3) "Durable medical equipment provider or supplier" means a medical supplier that can
258.22 purchase medical equipment or supplies for sale or rental to the general public and is able
258.23 to perform or arrange for necessary repairs to and maintenance of equipment offered for
258.24 sale or rental.

258.25 (h) The Department of Human Services may require a provider to purchase a surety
258.26 bond as a condition of initial enrollment, reenrollment, reinstatement, or continued enrollment
258.27 if: (1) the provider fails to demonstrate financial viability, (2) the department determines
258.28 there is significant evidence of or potential for fraud and abuse by the provider, or (3) the
258.29 provider or category of providers is designated high-risk pursuant to paragraph (a) and as
258.30 per Code of Federal Regulations, title 42, section 455.450. The surety bond must be in an
258.31 amount of \$100,000 or ten percent of the provider's payments from Medicaid during the
258.32 immediately preceding 12 months, whichever is greater. The surety bond must name the
258.33 Department of Human Services as an obligee and must allow for recovery of costs and fees
258.34 in pursuing a claim on the bond. This paragraph does not apply if the provider currently
258.35 maintains a surety bond under the requirements in section 256B.0659 or 256B.85.

259.1 Sec. 14. Minnesota Statutes 2018, section 524.5-118, is amended to read:

259.2 **524.5-118 BACKGROUND STUDY.**

259.3 Subdivision 1. **When required; exception.** (a) The court shall require a background
259.4 study under this section:

259.5 (1) before the appointment of a guardian or conservator, unless a background study has
259.6 been done on the person under this section within the previous ~~two~~ five years; and

259.7 (2) once every ~~two~~ five years after the appointment, if the person continues to serve as
259.8 a guardian or conservator.

259.9 (b) The background study must include:

259.10 (1) criminal history data from the Bureau of Criminal Apprehension, other criminal
259.11 history data held by the commissioner of human services, and data regarding whether the
259.12 person has been a perpetrator of substantiated maltreatment of a vulnerable adult or minor;

259.13 (2) criminal history data from ~~the National Criminal Records Repository if the proposed~~
259.14 ~~guardian or conservator has not resided in Minnesota for the previous ten years or if the~~
259.15 ~~Bureau of Criminal Apprehension information received from the commissioner of human~~
259.16 ~~services under subdivision 2, paragraph (b), indicates that the subject is a multistate offender~~
259.17 ~~or that the individual's multistate offender status is undetermined~~ a national criminal history
259.18 record check as defined in section 245C.02, subdivision 13c; and

259.19 (3) state licensing agency data if a search of the database or databases of the agencies
259.20 listed in subdivision 2a shows that the proposed guardian or conservator has ever held a
259.21 professional license directly related to the responsibilities of a professional fiduciary from
259.22 an agency listed in subdivision 2a that was conditioned, suspended, revoked, or canceled.

259.23 (c) If the guardian or conservator is not an individual, the background study must be
259.24 done on all individuals currently employed by the proposed guardian or conservator who
259.25 will be responsible for exercising powers and duties under the guardianship or
259.26 conservatorship.

259.27 (d) If the court determines that it would be in the best interests of the ward or protected
259.28 person to appoint a guardian or conservator before the background study can be completed,
259.29 the court may make the appointment pending the results of the study, however, the
259.30 background study must then be completed as soon as reasonably possible after appointment,
259.31 no later than 30 days after appointment.

260.1 (e) The fee for background studies conducted under this section is specified in section
260.2 245C.10, subdivision 14. The fee for conducting a background study for appointment of a
260.3 professional guardian or conservator must be paid by the guardian or conservator. In other
260.4 cases, the fee must be paid as follows:

260.5 (1) if the matter is proceeding in forma pauperis, the fee is an expense for purposes of
260.6 section 524.5-502, paragraph (a);

260.7 (2) if there is an estate of the ward or protected person, the fee must be paid from the
260.8 estate; or

260.9 (3) in the case of a guardianship or conservatorship of the person that is not proceeding
260.10 in forma pauperis, the court may order that the fee be paid by the guardian or conservator
260.11 or by the court.

260.12 (f) The requirements of this subdivision do not apply if the guardian or conservator is:

260.13 (1) a state agency or county;

260.14 (2) a parent or guardian of a proposed ward or protected person who has a developmental
260.15 disability, if the parent or guardian has raised the proposed ward or protected person in the
260.16 family home until the time the petition is filed, unless counsel appointed for the proposed
260.17 ward or protected person under section 524.5-205, paragraph (d); 524.5-304, paragraph (b);
260.18 524.5-405, paragraph (a); or 524.5-406, paragraph (b), recommends a background study;
260.19 or

260.20 (3) a bank with trust powers, bank and trust company, or trust company, organized under
260.21 the laws of any state or of the United States and which is regulated by the commissioner of
260.22 commerce or a federal regulator.

260.23 Subd. 2. **Procedure; criminal history and maltreatment records background**

260.24 **check.** (a) The court shall request the commissioner of human services to complete a
260.25 background study under section 245C.32. The request must be accompanied by the applicable
260.26 fee and ~~the signed consent of the subject of the study authorizing the release of the data~~
260.27 ~~obtained to the court. If the court is requesting a search of the National Criminal Records~~
260.28 ~~Repository, the request must be accompanied by~~ acknowledgment that the study subject
260.29 received a privacy notice required under subdivision 3. The commissioner of human services
260.30 shall conduct a national criminal history record check. The study subject shall submit a set
260.31 of classifiable fingerprints of the subject of the study. The fingerprints must be recorded on
260.32 a fingerprint card provided by the commissioner of human services.

261.1 (b) The commissioner of human services shall provide the court with criminal history
261.2 data as defined in section 13.87 from the Bureau of Criminal Apprehension in the Department
261.3 of Public Safety, other criminal history data held by the commissioner of human services,
261.4 ~~and~~ data regarding substantiated maltreatment of vulnerable adults under section 626.557
261.5 and substantiated maltreatment of minors under section 626.556, and criminal history
261.6 information from other states or jurisdictions as indicated from a national criminal history
261.7 record check within ~~15~~ 20 working days of receipt of a request. If the subject of the study
261.8 has been the perpetrator of substantiated maltreatment of a vulnerable adult or minor, the
261.9 response must include a copy of the public portion of the investigation memorandum under
261.10 section 626.557, subdivision 12b, or the public portion of the investigation memorandum
261.11 under section 626.556, subdivision 10f. ~~If the court did not request a search of the National~~
261.12 ~~Criminal Records Repository and information from the Bureau of Criminal Apprehension~~
261.13 ~~indicates that the subject is a multistate offender or that multistate offender status is~~
261.14 ~~undetermined, the response must include this information. The commissioner shall provide~~
261.15 ~~the court with information from the National Criminal Records Repository within three~~
261.16 ~~working days of the commissioner's receipt of the data~~ The commissioner shall provide the
261.17 court with information from a review of information according to subdivision 2a if the study
261.18 subject provided information indicating current or prior affiliation with a state licensing
261.19 agency.

261.20 (c) Notwithstanding section 626.557, subdivision 12b, or 626.556, subdivision 10f, if
261.21 the commissioner of human services or a county lead agency or lead investigative agency
261.22 has information that a person on whom a background study was previously done under this
261.23 section has been determined to be a perpetrator of maltreatment of a vulnerable adult or
261.24 minor, the commissioner or the county may provide this information to the court that
261.25 requested the background study. The commissioner may also provide the court with additional
261.26 criminal history or substantiated maltreatment information that becomes available after the
261.27 background study is done.

261.28 Subd. 2a. **Procedure; state licensing agency data.** (a) The court shall request the
261.29 commissioner of human services to provide the court within 25 working days of receipt of
261.30 the request with licensing agency data for licenses directly related to the responsibilities of
261.31 a professional fiduciary if the study subject indicates current or prior affiliation from the
261.32 following agencies in Minnesota:

261.33 (1) Lawyers Responsibility Board;

261.34 (2) State Board of Accountancy;

262.1 (3) Board of Social Work;

262.2 (4) Board of Psychology;

262.3 (5) Board of Nursing;

262.4 (6) Board of Medical Practice;

262.5 (7) Department of Education;

262.6 (8) Department of Commerce;

262.7 (9) Board of Chiropractic Examiners;

262.8 (10) Board of Dentistry;

262.9 (11) Board of Marriage and Family Therapy;

262.10 (12) Department of Human Services; ~~and~~

262.11 (13) Peace Officer Standards and Training (POST) Board; and

262.12 (14) Professional Educator Licensing and Standards Board.

262.13 (b) The commissioner shall enter into agreements with these agencies to provide ~~for the~~
262.14 commissioner with electronic access to the relevant licensing data ~~by the commissioner,~~
262.15 and to provide the commissioner with a quarterly list of new sanctions issued by the agency.

262.16 (c) The commissioner shall provide to the court the electronically available data
262.17 maintained in the agency's database, including whether the proposed guardian or conservator
262.18 is or has been licensed by the agency, and if the licensing agency database indicates a
262.19 disciplinary action or a sanction against the individual's license, including a condition,
262.20 suspension, revocation, or cancellation.

262.21 (d) If the proposed guardian or conservator has resided in a state other than Minnesota
262.22 in the previous ten years, licensing agency data under this section shall also include the
262.23 licensing agency data from any other state where the proposed guardian or conservator
262.24 reported to have resided during the previous ten years if the study subject indicates current
262.25 or prior affiliation. If the proposed guardian or conservator has or has had a professional
262.26 license in another state that is directly related to the responsibilities of a professional fiduciary
262.27 from one of the agencies listed under paragraph (a), state licensing agency data shall also
262.28 include data from the relevant licensing agency of that state.

262.29 (e) The commissioner is not required to repeat a search for Minnesota or out-of-state
262.30 licensing data on an individual if the commissioner has provided this information to the
262.31 court within the prior ~~two~~ five years.

263.1 (f) If an individual has continuously resided in Minnesota since a previous background
263.2 study under this section was completed, the commissioner is not required to repeat a search
263.3 for records in another state.

263.4 (g) The commissioner shall review the information in paragraph (c) at least once every
263.5 four months to determine if an individual who has been studied within the previous five
263.6 years:

263.7 (1) has new disciplinary action or sanction against the individual's license; or

263.8 (2) did not disclose a prior or current affiliation with a Minnesota licensing agency.

263.9 (h) If the commissioner's review in paragraph (g) identifies new information, the
263.10 commissioner shall provide any new information to the court.

263.11 Subd. 3. ~~Form~~ **Forms and systems.** The court must provide the study subject with a
263.12 privacy notice that complies with section 245C.05, subdivision 2c. The commissioner of
263.13 human services shall develop a form to be used for requesting use the NETStudy 2.0 system
263.14 to conduct a background study under this section, which must include:

263.15 ~~(1) a notification to the subject of the study that the court will request the commissioner~~
263.16 ~~to perform a background study under this section;~~

263.17 ~~(2) a notification to the subject of the rights in subdivision 4; and~~

263.18 ~~(3) a signed consent to conduct the background study.~~

263.19 Subd. 4. **Rights.** The court shall notify the subject of a background study that the subject
263.20 has the following rights:

263.21 (1) the right to be informed that the court will request a background study on the subject
263.22 for the purpose of determining whether the person's appointment or continued appointment
263.23 is in the best interests of the ward or protected person;

263.24 (2) the right to be informed of the results of the study and to obtain from the court a
263.25 copy of the results; and

263.26 (3) the right to challenge the accuracy and completeness of information contained in the
263.27 results under section 13.04, subdivision 4, except to the extent precluded by section 256.045,
263.28 subdivision 3.

263.29 **EFFECTIVE DATE.** This section is effective January 1, 2020.

264.1 **Sec. 15. INFORMATION TECHNOLOGY PROJECTS; PERFORMANCE**
264.2 **REQUIREMENT.**

264.3 The commissioner of human services shall incorporate measurable indicators of progress
264.4 toward completion into every information technology project contract. The indicators of
264.5 progress toward completion must be periodic and at least measure progress for every 25
264.6 percent increment toward completion of the project. Every contract must withhold at least
264.7 ten percent of the total contract amount until the project is complete. The contract must
264.8 specify that in every instance where an indicator of progress toward completion is not met,
264.9 a specified proportion of the contract shall be withheld. The minimum amount withheld
264.10 shall be ten percent of the cumulative amount of the contract up to the date of the failure to
264.11 meet the indicator of progress toward completion. If an information technology project is
264.12 not completed on time according to the original contract, the commissioner shall reduce the
264.13 amount of the contract by ten percent.

264.14 **Sec. 16. EVALUATION OF GRANT PROGRAMS; PROVEN-EFFECTIVE**
264.15 **PRACTICES.**

264.16 (a) The commissioner of management and budget shall consult with the commissioner
264.17 of human services to establish a plan to review the services delivered under grant programs
264.18 administered by the commissioner of human services to determine whether the grant programs
264.19 prioritize proven-effective or promising practices.

264.20 (b) In accordance with the plan established in paragraph (a), the commissioner of
264.21 management and budget, in consultation with the commissioner of human services, shall
264.22 identify services to evaluate using an experimental or quasi-experimental design to provide
264.23 information needed to modify or develop grant programs to promote proven-effective
264.24 practices to improve the intended outcomes of the grant program.

264.25 (c) The commissioner of management and budget, in consultation with the commissioner
264.26 of human services, shall develop reports for the legislature and other stakeholders to provide
264.27 information on incorporating proven-effective practices in program and budget decisions.
264.28 The commissioner of management and budget, under Minnesota Statutes, section 15.08,
264.29 may obtain additional relevant data to support the evaluation activities under this section.

264.30 (d) For purposes of this section, the following terms have the meanings given:

264.31 (1) "proven-effective practice" means a service or practice that offers a high level of
264.32 research on effectiveness for at least one outcome of interest, as determined through multiple
264.33 evaluations outside of Minnesota or one or more local evaluation in Minnesota. The research

265.1 on effectiveness used to determine whether a service is proven-effective must use rigorously
265.2 implemented experimental or quasi-experimental designs; and

265.3 (2) "promising practices" means a service or practice that is supported by research
265.4 demonstrating effectiveness for at least one outcome of interest, and includes a single
265.5 evaluation that is not contradicted by other studies, but does not meet the full criteria for
265.6 the proven-effective designation. The research on effectiveness used to determine whether
265.7 a service is a promising practice must use rigorously implemented experimental or
265.8 quasi-experimental designs.

265.9 **Sec. 17. REVISOR INSTRUCTION.**

265.10 The revisor of statutes, in consultation with staff from the House Research Department;
265.11 House Fiscal Analysis; the Office of Senate Counsel, Research and Fiscal Analysis; and
265.12 the respective departments shall prepare legislation for introduction in the 2020 legislative
265.13 session proposing the statutory changes needed to implement the transfers of duties required
265.14 by Minnesota Statutes, sections 245I.01 and 245I.02.

265.15 **EFFECTIVE DATE.** This section is effective July 1, 2019.

265.16 **Sec. 18. REPEALER.**

265.17 Minnesota Statutes 2018, section 245G.11, subdivisions 1, 4, and 7, are repealed.

265.18 **ARTICLE 8**

265.19 **DEPARTMENT OF HUMAN SERVICES; HEALTH CARE**

265.20 **Section 1.** Minnesota Statutes 2018, section 13.69, subdivision 1, is amended to read:

265.21 **Subdivision 1. Classifications.** (a) The following government data of the Department
265.22 of Public Safety are private data:

265.23 (1) medical data on driving instructors, licensed drivers, and applicants for parking
265.24 certificates and special license plates issued to physically disabled persons;

265.25 (2) other data on holders of a disability certificate under section 169.345, except that (i)
265.26 data that are not medical data may be released to law enforcement agencies, and (ii) data
265.27 necessary for enforcement of sections 169.345 and 169.346 may be released to parking
265.28 enforcement employees or parking enforcement agents of statutory or home rule charter
265.29 cities and towns;

266.1 (3) Social Security numbers in driver's license and motor vehicle registration records,
266.2 except that Social Security numbers must be provided to the Department of Revenue for
266.3 purposes of tax administration, the Department of Labor and Industry for purposes of
266.4 workers' compensation administration and enforcement, the judicial branch for purposes of
266.5 debt collection, and the Department of Natural Resources for purposes of license application
266.6 administration, and except that the last four digits of the Social Security number must be
266.7 provided to the Department of Human Services for purposes of recovery of Minnesota health
266.8 care program benefits paid; and

266.9 (4) data on persons listed as standby or temporary custodians under section 171.07,
266.10 subdivision 11, except that the data must be released to:

266.11 (i) law enforcement agencies for the purpose of verifying that an individual is a designated
266.12 caregiver; or

266.13 (ii) law enforcement agencies who state that the license holder is unable to communicate
266.14 at that time and that the information is necessary for notifying the designated caregiver of
266.15 the need to care for a child of the license holder.

266.16 The department may release the Social Security number only as provided in clause (3)
266.17 and must not sell or otherwise provide individual Social Security numbers or lists of Social
266.18 Security numbers for any other purpose.

266.19 (b) The following government data of the Department of Public Safety are confidential
266.20 data: data concerning an individual's driving ability when that data is received from a member
266.21 of the individual's family.

266.22 **Sec. 2. [254A.21] FETAL ALCOHOL SPECTRUM DISORDERS PREVENTION**
266.23 **GRANTS.**

266.24 (a) The commissioner of human services shall award a grant to a statewide organization
266.25 that focuses solely on prevention of and intervention with fetal alcohol spectrum disorders.
266.26 The grant recipient must make subgrants to eligible regional collaboratives in rural and
266.27 urban areas of the state for the purposes specified in paragraph (c).

266.28 (b) "Eligible regional collaboratives" means a partnership between at least one local
266.29 government and at least one community-based organization and, where available, a family
266.30 home visiting program. For purposes of this paragraph, a local government includes a county
266.31 or a multicounty organization, a tribal government, a county-based purchasing entity, or a
266.32 community health board.

267.1 (c) Eligible regional collaboratives must use subgrant funds to reduce the incidence of
267.2 fetal alcohol spectrum disorders and other prenatal drug-related effects in children in
267.3 Minnesota by identifying and serving pregnant women suspected of or known to use or
267.4 abuse alcohol or other drugs. Eligible regional collaboratives must provide intensive services
267.5 to chemically dependent women to increase positive birth outcomes.

267.6 (d) An eligible regional collaborative that receives a subgrant under this section must
267.7 report to the grant recipient by January 15 of each year on the services and programs funded
267.8 by the subgrant. The report must include measurable outcomes for the previous year,
267.9 including the number of pregnant women served and the number of toxic-free babies born.
267.10 The grant recipient must compile the information in the subgrant reports and submit a
267.11 summary report to the commissioner of human services by February 15 of each year.

267.12 Sec. 3. Minnesota Statutes 2018, section 256.9365, is amended to read:

267.13 **256.9365 PURCHASE OF CONTINUATION HEALTH CARE COVERAGE FOR**
267.14 **AIDS PATIENTS PEOPLE LIVING WITH HIV.**

267.15 Subdivision 1. **Program established.** The commissioner of human services shall establish
267.16 a program to pay ~~private~~ the cost of health plan premiums and cost sharing for prescriptions,
267.17 including co-payments, deductibles, and coinsurance for persons who have contracted human
267.18 immunodeficiency virus (HIV) to enable them to continue coverage under or enroll in a
267.19 group or individual health plan. If a person is determined to be eligible under subdivision
267.20 2, the commissioner shall pay the ~~portion of the group plan premium for which the individual~~
267.21 ~~is responsible, if the individual is responsible for at least 50 percent of the cost of the~~
267.22 ~~premium, or pay the individual plan premium~~ health insurance premiums and prescription
267.23 cost sharing, including co-payments and deductibles required under section 256B.0631.
267.24 The commissioner shall not pay for that portion of a premium that is attributable to other
267.25 family members or dependents or is paid by the individual's employer.

267.26 Subd. 2. **Eligibility requirements.** To be eligible for the program, an applicant must
267.27 ~~satisfy the following requirements:~~ meet all eligibility requirements for and enroll in Part
267.28 B of the Ryan White HIV/AIDS Treatment Extension Act of 2009, Public Law 111-87.

267.29 ~~(1) the applicant must provide a physician's, advanced practice registered nurse's, or~~
267.30 ~~physician assistant's statement verifying that the applicant is infected with HIV and is, or~~
267.31 ~~within three months is likely to become, too ill to work in the applicant's current employment~~
267.32 ~~because of HIV-related disease;~~

268.1 ~~(2) the applicant's monthly gross family income must not exceed 300 percent of the~~
268.2 ~~federal poverty guidelines, after deducting medical expenses and insurance premiums;~~

268.3 ~~(3) the applicant must not own assets with a combined value of more than \$25,000; and~~

268.4 ~~(4) if applying for payment of group plan premiums, the applicant must be covered by~~
268.5 ~~an employer's or former employer's group insurance plan.~~

268.6 Subd. 3. **Cost-effective coverage.** Requirements for the payment of individual plan
268.7 premiums under ~~subdivision 2, clause (5)~~; this section must be designed to ensure that the
268.8 state cost of paying an individual plan premium does not exceed the estimated state cost
268.9 that would otherwise be incurred in the medical assistance program. The commissioner
268.10 shall purchase the most cost-effective coverage available for eligible individuals.

268.11 Sec. 4. [256.937] INSULIN ASSISTANCE PROGRAM.

268.12 Subdivision 1. Establishment. (a) The commissioner of human services shall implement
268.13 an insulin assistance program by July 1, 2020. Under the program, the commissioner shall:

268.14 (1) pay participating pharmacies for insulin that is dispensed by a participating pharmacy
268.15 to an eligible individual subject to a valid prescription;

268.16 (2) maintain an up-to-date list of eligible individuals and make the list available to
268.17 participating pharmacies; and

268.18 (3) ensure pharmacy participation in the program in all areas of the state and maintain
268.19 an up-to-date list of participating pharmacies on the department's website.

268.20 (b) The commissioner may contract with a private entity or enter into an interagency
268.21 agreement with another state agency to implement this program.

268.22 Subd. 2. **Eligible individual.** (a) To be eligible for the insulin assistance program, an
268.23 individual must submit to the commissioner an application form that is signed by the
268.24 individual. Eligibility for the insulin assistance program is subject to the limits of available
268.25 funding. To be eligible, an individual must:

268.26 (1) be a resident of Minnesota;

268.27 (2) not be eligible for Medicare, medical assistance, or MinnesotaCare;

268.28 (3) have a family income that is equal to or less than 400 percent of the federal poverty
268.29 guidelines; and

268.30 (4) be uninsured or have no prescription drug coverage.

269.1 (b) The commissioner shall develop an application form and make the form available
269.2 to pharmacies, health care providers, and to individuals on the department's website. An
269.3 applicant must include their income and insurance status information with the application.
269.4 The commissioner shall require the applicant to submit additional information to verify
269.5 eligibility if deemed necessary by the commissioner.

269.6 (c) Upon receipt of a completed application and any additional information requested
269.7 by the commissioner, the commissioner shall determine eligibility to the program. Once
269.8 the individual has been determined eligible, the individual shall be issued an identification
269.9 card. The card shall be valid for 30 days from the date of issuance and may be used at any
269.10 participating pharmacy. An individual is not eligible for renewal until 12 months from the
269.11 card's expiration date, at which time the individual must submit a new application form and
269.12 meet the qualifications in paragraph (a).

269.13 Subd. 3. **Pharmacy participation.** (a) Pharmacy participation in the program is voluntary.
269.14 In order to participate, a pharmacy must register with the commissioner and agree to
269.15 reimbursement and other contract terms. A pharmacy may withdraw from participation at
269.16 any time by providing written notice to the commissioner.

269.17 (b) A pharmacy shall dispense insulin to eligible individuals who present a valid
269.18 prescription and an identification card.

269.19 (c) Eligible individuals are responsible for paying an insulin co-payment to the
269.20 participating pharmacy that is equal to the prescription co-payment required under section
269.21 256L.03, subdivision 5.

269.22 (d) Notwithstanding paragraph (c), if an eligible individual has coverage through an
269.23 individual or group health plan, the pharmacy must process the insulin in accordance with
269.24 the individual's health plan.

269.25 Sec. 5. **[256.938] INSULIN ASSISTANCE ACCOUNT.**

269.26 Subdivision 1. **Establishment.** The insulin assistance account is established in the special
269.27 revenue fund in the state treasury. The fees collected by the Board of Pharmacy under section
269.28 151.252, subdivision 1, paragraph (b), shall be deposited into the account.

269.29 Subd. 2. **Use of account funds.** For fiscal year 2021 and subsequent fiscal years, money
269.30 in the insulin assistance account is appropriated to the commissioner of human services to
269.31 fund the insulin assistance program established under section 256.937.

270.1 Sec. 6. Minnesota Statutes 2018, section 256B.04, subdivision 14, is amended to read:

270.2 Subd. 14. **Competitive bidding.** (a) When determined to be effective, economical, and
270.3 feasible, the commissioner may utilize volume purchase through competitive bidding and
270.4 negotiation under the provisions of chapter 16C, to provide items under the medical assistance
270.5 program including but not limited to the following:

270.6 (1) eyeglasses;

270.7 (2) oxygen. The commissioner shall provide for oxygen needed in an emergency situation
270.8 on a short-term basis, until the vendor can obtain the necessary supply from the contract
270.9 dealer;

270.10 (3) hearing aids and supplies; and

270.11 (4) durable medical equipment, including but not limited to:

270.12 (i) hospital beds;

270.13 (ii) commodes;

270.14 (iii) glide-about chairs;

270.15 (iv) patient lift apparatus;

270.16 (v) wheelchairs and accessories;

270.17 (vi) oxygen administration equipment;

270.18 (vii) respiratory therapy equipment;

270.19 (viii) electronic diagnostic, therapeutic and life-support systems;

270.20 (5) nonemergency medical transportation level of need determinations, disbursement of
270.21 public transportation passes and tokens, and volunteer and recipient mileage and parking
270.22 reimbursements; and

270.23 (6) drugs.

270.24 (b) Rate changes and recipient cost-sharing under this chapter and chapter 256L do not
270.25 affect contract payments under this subdivision unless specifically identified.

270.26 (c) The commissioner may not utilize volume purchase through competitive bidding
270.27 and negotiation ~~for special transportation services~~ under the provisions of chapter 16C for
270.28 special transportation services or incontinence products and related supplies.

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

271.1 Sec. 7. Minnesota Statutes 2018, section 256B.056, subdivision 1, is amended to read:

271.2 Subdivision 1. **Residency.** (a) To be eligible for medical assistance, a person must reside
271.3 in Minnesota, or, if absent from the state, be deemed to be a resident of Minnesota, in
271.4 accordance with Code of Federal Regulations, title 42, section 435.403.

271.5 (b) The commissioner shall identify individuals who are enrolled in medical assistance
271.6 and who are absent from the state for more than 30 consecutive days, but who continue to
271.7 qualify for medical assistance in accordance with paragraph (a).

271.8 (c) If the individual is absent from the state for more than 30 consecutive days but still
271.9 deemed a resident of Minnesota in accordance with paragraph (a), any covered service
271.10 provided to the individual must be paid through the fee-for-service system and not through
271.11 the managed care capitated rate payment system under section 256B.69 or 256L.12.

271.12 Sec. 8. Minnesota Statutes 2018, section 256B.056, subdivision 3, is amended to read:

271.13 Subd. 3. **Asset limitations for certain individuals.** (a) To be eligible for medical
271.14 assistance, a person must not individually own more than \$3,000 in assets, or if a member
271.15 of a household with two family members, husband and wife, or parent and child, the
271.16 household must not own more than \$6,000 in assets, plus \$200 for each additional legal
271.17 dependent. In addition to these maximum amounts, an eligible individual or family may
271.18 accrue interest on these amounts, but they must be reduced to the maximum at the time of
271.19 an eligibility redetermination. The accumulation of the clothing and personal needs allowance
271.20 according to section 256B.35 must also be reduced to the maximum at the time of the
271.21 eligibility redetermination. The value of assets that are not considered in determining
271.22 eligibility for medical assistance is the value of those assets excluded under the Supplemental
271.23 Security Income program for aged, blind, and disabled persons, with the following
271.24 exceptions:

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

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

271.28 (3) motor vehicles are excluded to the same extent excluded by the Supplemental Security
271.29 Income program;

271.30 (4) assets designated as burial expenses are excluded to the same extent excluded by the
271.31 Supplemental Security Income program. Burial expenses funded by annuity contracts or
271.32 life insurance policies must irrevocably designate the individual's estate as contingent
271.33 beneficiary to the extent proceeds are not used for payment of selected burial expenses;

272.1 (5) for a person who no longer qualifies as an employed person with a disability due to
272.2 loss of earnings, assets allowed while eligible for medical assistance under section 256B.057,
272.3 subdivision 9, are not considered for 12 months, beginning with the first month of ineligibility
272.4 as an employed person with a disability, to the extent that the person's total assets remain
272.5 within the allowed limits of section 256B.057, subdivision 9, paragraph (d);

272.6 ~~(6) when a person enrolled in medical assistance under section 256B.057, subdivision~~
272.7 ~~9, is age 65 or older and has been enrolled during each of the 24 consecutive months before~~
272.8 ~~the person's 65th birthday, the assets owned by the person and the person's spouse must be~~
272.9 ~~disregarded, up to the limits of section 256B.057, subdivision 9, paragraph (d), when~~
272.10 ~~determining eligibility for medical assistance under section 256B.055, subdivision 7. a~~
272.11 designated employment incentives asset account is disregarded when determining eligibility
272.12 for medical assistance for a person age 65 years or older under section 256B.055, subdivision
272.13 7. An employment incentives asset account must only be designated by a person who has
272.14 been enrolled in medical assistance under section 256B.057, subdivision 9, for a
272.15 24-consecutive-month period. A designated employment incentives asset account contains
272.16 qualified assets owned by the person and the person's spouse in the last month of enrollment
272.17 in medical assistance under section 256B.057, subdivision 9. Qualified assets include
272.18 retirement and pension accounts, medical expense accounts, and up to \$17,000 of the person's
272.19 other nonexcluded assets. An employment incentives asset account is no longer designated
272.20 when a person loses medical assistance eligibility for a calendar month or more before
272.21 turning age 65. A person who loses medical assistance eligibility before age 65 can establish
272.22 a new designated employment incentives asset account by establishing a new
272.23 24-consecutive-month period of enrollment under section 256B.057, subdivision 9. The
272.24 income of a spouse of a person enrolled in medical assistance under section 256B.057,
272.25 subdivision 9, during each of the 24 consecutive months before the person's 65th birthday
272.26 must be disregarded when determining eligibility for medical assistance under section
272.27 256B.055, subdivision 7. Persons eligible under this clause are not subject to the provisions
272.28 in section 256B.059; and

272.29 (7) effective July 1, 2009, certain assets owned by American Indians are excluded as
272.30 required by section 5006 of the American Recovery and Reinvestment Act of 2009, Public
272.31 Law 111-5. For purposes of this clause, an American Indian is any person who meets the
272.32 definition of Indian according to Code of Federal Regulations, title 42, section 447.50.

272.33 (b) Upon initial enrollment, no asset limit shall apply to persons eligible under section
272.34 256B.055, subdivision 15. Upon renewal, a person eligible under section 256B.055,

273.1 subdivision 15, must not own either individually or as a member of a household more than
273.2 \$1,000,000 in assets to continue to be eligible for medical assistance.

273.3 **EFFECTIVE DATE.** Paragraph (a) is effective July 1, 2019. Paragraph (b) is effective
273.4 upon federal approval.

273.5 Sec. 9. Minnesota Statutes 2018, section 256B.056, subdivision 5c, is amended to read:

273.6 Subd. 5c. **Excess income standard.** (a) The excess income standard for parents and
273.7 caretaker relatives, pregnant women, infants, and children ages two through 20 is the standard
273.8 specified in subdivision 4, paragraph (b).

273.9 (b) The excess income standard for a person whose eligibility is based on blindness,
273.10 disability, or age of 65 or more years shall equal ~~81~~ 82 percent of the federal poverty
273.11 guidelines. Effective July 1, 2021, the excess income standard for a person whose eligibility
273.12 is based on blindness disability, or age of 65 or more years, is the standard specified in
273.13 subdivision 4, paragraph (a).

273.14 **EFFECTIVE DATE.** This section is effective January 1, 2020.

273.15 Sec. 10. Minnesota Statutes 2018, section 256B.056, subdivision 7a, is amended to read:

273.16 Subd. 7a. **Periodic renewal of eligibility.** (a) The commissioner shall make an annual
273.17 redetermination of eligibility based on information contained in the enrollee's case file and
273.18 other information available to the agency, including but not limited to information accessed
273.19 through an electronic database, without requiring the enrollee to submit any information
273.20 when sufficient data is available for the agency to renew eligibility.

273.21 (b) If the commissioner cannot renew eligibility in accordance with paragraph (a), the
273.22 commissioner must provide the enrollee with a prepopulated renewal form containing
273.23 eligibility information available to the agency and permit the enrollee to submit the form
273.24 with any corrections or additional information to the agency and sign the renewal form via
273.25 any of the modes of submission specified in section 256B.04, subdivision 18.

273.26 (c) An enrollee who is terminated for failure to complete the renewal process may
273.27 subsequently submit the renewal form and required information within four months after
273.28 the date of termination and have coverage reinstated without a lapse, if otherwise eligible
273.29 under this chapter. The local agency may close the enrollee's case file if the required
273.30 information is not submitted within four months of termination.

273.31 (d) Notwithstanding paragraph (a), individuals eligible under subdivision 5 shall be
273.32 required to renew eligibility every six months.

274.1 Sec. 11. Minnesota Statutes 2018, section 256B.0625, subdivision 9, is amended to read:

274.2 Subd. 9. **Dental services.** (a) Medical assistance covers dental services in accordance
274.3 with this subdivision.

274.4 (b) Medical assistance dental coverage for ~~nonpregnant adults~~ adults who are eligible
274.5 under section 256B.055, subdivision 7, is limited to the following services:

274.6 (1) comprehensive exams, limited to once every five years;

274.7 (2) periodic exams, limited to one per year;

274.8 (3) limited exams;

274.9 (4) bitewing x-rays, limited to one per year;

274.10 (5) periapical x-rays;

274.11 (6) panoramic x-rays, limited to one every five years except (1) when medically necessary
274.12 for the diagnosis and follow-up of oral and maxillofacial pathology and trauma or (2) once
274.13 every two years for patients who cannot cooperate for intraoral film due to a developmental
274.14 disability or medical condition that does not allow for intraoral film placement;

274.15 (7) prophylaxis, limited to one per year;

274.16 (8) application of fluoride varnish, limited to one per year;

274.17 (9) posterior fillings, all at the amalgam rate;

274.18 (10) anterior fillings;

274.19 (11) endodontics, limited to root canals on the anterior and premolars only;

274.20 (12) removable prostheses, each dental arch limited to one every six years;

274.21 (13) oral surgery, limited to extractions, biopsies, and incision and drainage of abscesses;

274.22 (14) palliative treatment and sedative fillings for relief of pain; and

274.23 (15) full-mouth debridement, limited to one every five years.

274.24 (c) In addition to the services specified in paragraph (b), medical assistance covers the
274.25 following services for adults, if provided in an outpatient hospital setting or freestanding
274.26 ambulatory surgical center as part of outpatient dental surgery:

274.27 (1) periodontics, limited to periodontal scaling and root planing once every two years;

274.28 (2) general anesthesia; and

274.29 (3) full-mouth survey once every five years.

275.1 ~~(d)~~ (a) Medical assistance covers medically necessary dental services for children and
275.2 pregnant women. The following guidelines apply:

275.3 (1) posterior fillings are paid at the amalgam rate;

275.4 (2) application of sealants are covered once every five years per permanent molar for
275.5 children only;

275.6 (3) application of fluoride varnish is covered once every six months; and

275.7 (4) orthodontia is eligible for coverage for children only.

275.8 ~~(e)~~ (b) In addition to the services specified in paragraphs (b) and (c), medical assistance
275.9 covers the following services for adults:

275.10 (1) house calls or extended care facility calls for on-site delivery of covered services;

275.11 (2) behavioral management when additional staff time is required to accommodate
275.12 behavioral challenges and sedation is not used;

275.13 (3) oral or IV sedation, if the covered dental service cannot be performed safely without
275.14 it or would otherwise require the service to be performed under general anesthesia in a
275.15 hospital or surgical center; and

275.16 (4) prophylaxis, in accordance with an appropriate individualized treatment plan, but
275.17 no more than four times per year.

275.18 ~~(f)~~ (c) The commissioner shall not require prior authorization for the services included
275.19 in paragraph ~~(e)~~ (b), clauses (1) to (3), and shall prohibit managed care and county-based
275.20 purchasing plans from requiring prior authorization for the services included in paragraph
275.21 ~~(e)~~ (b), clauses (1) to (3), when provided under sections 256B.69, 256B.692, and 256L.12.

275.22 Sec. 12. Minnesota Statutes 2018, section 256B.0625, subdivision 12, is amended to read:

275.23 Subd. 12. **Eyeglasses, dentures, and prosthetic devices.** (a) Medical assistance covers
275.24 ~~eyeglasses, dentures, and~~ prosthetic devices if prescribed by a licensed practitioner.

275.25 (b) Medical assistance covers vision services, eyeglasses, and dentures for children,
275.26 pregnant women, and adults eligible under section 256B.055, subdivision 7, if prescribed
275.27 by a licensed practitioner.

275.28 Sec. 13. Minnesota Statutes 2018, section 256B.0625, subdivision 13, is amended to read:

275.29 Subd. 13. **Drugs.** (a) Medical assistance covers drugs, except for fertility drugs when
275.30 specifically used to enhance fertility, if prescribed by a licensed practitioner and dispensed

276.1 by a licensed pharmacist, by a physician enrolled in the medical assistance program as a
276.2 dispensing physician, or by a physician, physician assistant, or a nurse practitioner employed
276.3 by or under contract with a community health board as defined in section 145A.02,
276.4 subdivision 5, for the purposes of communicable disease control.

276.5 (b) The dispensed quantity of a prescription drug must not exceed a 34-day supply,
276.6 unless authorized by the commissioner.

276.7 (c) For the purpose of this subdivision and subdivision 13d, an "active pharmaceutical
276.8 ingredient" is defined as a substance that is represented for use in a drug and when used in
276.9 the manufacturing, processing, or packaging of a drug becomes an active ingredient of the
276.10 drug product. An "excipient" is defined as an inert substance used as a diluent or vehicle
276.11 for a drug. The commissioner shall establish a list of active pharmaceutical ingredients and
276.12 excipients which are included in the medical assistance formulary. Medical assistance covers
276.13 selected active pharmaceutical ingredients and excipients used in compounded prescriptions
276.14 when the compounded combination is specifically approved by the commissioner or when
276.15 a commercially available product:

276.16 (1) is not a therapeutic option for the patient;

276.17 (2) does not exist in the same combination of active ingredients in the same strengths
276.18 as the compounded prescription; and

276.19 (3) cannot be used in place of the active pharmaceutical ingredient in the compounded
276.20 prescription.

276.21 (d) Medical assistance covers the following over-the-counter drugs when prescribed by
276.22 a licensed practitioner or by a licensed pharmacist who meets standards established by the
276.23 commissioner, in consultation with the board of pharmacy: antacids, acetaminophen, family
276.24 planning products, aspirin, insulin, products for the treatment of lice, vitamins for adults
276.25 with documented vitamin deficiencies, vitamins for children under the age of seven and
276.26 pregnant or nursing women, and any other over-the-counter drug identified by the
276.27 commissioner, in consultation with the Formulary Committee, as necessary, appropriate,
276.28 and cost-effective for the treatment of certain specified chronic diseases, conditions, or
276.29 disorders, and this determination shall not be subject to the requirements of chapter 14. A
276.30 pharmacist may prescribe over-the-counter medications as provided under this paragraph
276.31 for purposes of receiving reimbursement under Medicaid. When prescribing over-the-counter
276.32 drugs under this paragraph, licensed pharmacists must consult with the recipient to determine
276.33 necessity, provide drug counseling, review drug therapy for potential adverse interactions,
276.34 and make referrals as needed to other health care professionals. ~~Over-the-counter medications~~

277.1 ~~must be dispensed in a quantity that is the lowest of: (1) the number of dosage units contained~~
277.2 ~~in the manufacturer's original package; (2) the number of dosage units required to complete~~
277.3 ~~the patient's course of therapy; or (3) if applicable, the number of dosage units dispensed~~
277.4 ~~from a system using retrospective billing, as provided under subdivision 13e, paragraph~~
277.5 ~~(b).~~

277.6 (e) Effective January 1, 2006, medical assistance shall not cover drugs that are coverable
277.7 under Medicare Part D as defined in the Medicare Prescription Drug, Improvement, and
277.8 Modernization Act of 2003, Public Law 108-173, section 1860D-2(e), for individuals eligible
277.9 for drug coverage as defined in the Medicare Prescription Drug, Improvement, and
277.10 Modernization Act of 2003, Public Law 108-173, section 1860D-1(a)(3)(A). For these
277.11 individuals, medical assistance may cover drugs from the drug classes listed in United States
277.12 Code, title 42, section 1396r-8(d)(2), subject to this subdivision and subdivisions 13a to
277.13 13g, except that drugs listed in United States Code, title 42, section 1396r-8(d)(2)(E), shall
277.14 not be covered.

277.15 (f) Medical assistance covers drugs acquired through the federal 340B Drug Pricing
277.16 Program and dispensed by 340B covered entities and ambulatory pharmacies under common
277.17 ownership of the 340B covered entity. Medical assistance does not cover drugs acquired
277.18 through the federal 340B Drug Pricing Program and dispensed by 340B contract pharmacies.

277.19 **EFFECTIVE DATE.** This section is effective April 1, 2019, or upon federal approval,
277.20 whichever is later. The commissioner of human services shall notify the revisor of statutes
277.21 when federal approval is obtained.

277.22 Sec. 14. Minnesota Statutes 2018, section 256B.0625, subdivision 13e, is amended to
277.23 read:

277.24 Subd. 13e. **Payment rates.** (a) The basis for determining the amount of payment shall
277.25 be the lower of the ~~actual acquisition~~ ingredient costs of the drugs ~~or the maximum allowable~~
277.26 ~~cost by the commissioner~~ plus the ~~fixed~~ professional dispensing fee; or the usual and
277.27 customary price charged to the public. The usual and customary price means the lowest
277.28 price charged by the provider to a patient who pays for the prescription by cash, check, or
277.29 charge account and includes prices the pharmacy charges to a patient enrolled in a
277.30 prescription savings club or prescription discount club administered by the pharmacy or
277.31 pharmacy chain. The amount of payment basis must be reduced to reflect all discount
277.32 amounts applied to the charge by any third-party provider/insurer agreement or contract for
277.33 submitted charges to medical assistance programs. The net submitted charge may not be
277.34 greater than the patient liability for the service. The ~~pharmacy~~ professional dispensing fee

278.1 shall be ~~\$3.65~~ \$10.48 for ~~legend prescription drugs, except that~~ prescriptions filled with
278.2 legend drugs meeting the definition of "covered outpatient drugs" according to United States
278.3 Code, title 42, section 1396r-8(k)(2). The dispensing fee for intravenous solutions ~~which~~
278.4 that must be compounded by the pharmacist shall be \$8 \$10.48 per bag, ~~\$14 per bag for~~
278.5 ~~cancer chemotherapy products, and \$30 per bag for total parenteral nutritional products~~
278.6 ~~dispensed in one-liter quantities, or \$44 per bag for total parenteral nutritional products~~
278.7 ~~dispensed in quantities greater than one liter.~~ The professional dispensing fee for
278.8 prescriptions filled with over-the-counter drugs meeting the definition of covered outpatient
278.9 drugs shall be \$10.48 for dispensed quantities equal to or greater than the number of units
278.10 contained in the manufacturer's original package. The professional dispensing fee shall be
278.11 prorated based on the percentage of the package dispensed when the pharmacy dispenses
278.12 a quantity less than the number of units contained in the manufacturer's original package.
278.13 The pharmacy dispensing fee for prescribed over-the-counter drugs not meeting the definition
278.14 of covered outpatient drugs shall be \$3.65, ~~except that the fee shall be \$1.31 for~~
278.15 ~~retrospectively billing pharmacies when billing for quantities less than the number of units~~
278.16 ~~contained in the manufacturer's original package. Actual acquisition cost includes quantity~~
278.17 ~~and other special discounts except time and cash discounts. The actual acquisition cost of~~
278.18 ~~a drug shall be estimated by the commissioner at wholesale acquisition cost plus four percent~~
278.19 ~~for independently owned pharmacies located in a designated rural area within Minnesota,~~
278.20 ~~and at wholesale acquisition cost plus two percent for all other pharmacies. A pharmacy is~~
278.21 ~~"independently owned" if it is one of four or fewer pharmacies under the same ownership~~
278.22 ~~nationally. A "designated rural area" means an area defined as a small rural area or isolated~~
278.23 ~~rural area according to the four-category classification of the Rural Urban Commuting Area~~
278.24 ~~system developed for the United States Health Resources and Services Administration.~~
278.25 Effective January 1, 2014, the actual acquisition for quantities equal to or greater than the
278.26 number of units contained in the manufacturer's original package and shall be prorated based
278.27 on the percentage of the package dispensed when the pharmacy dispenses a quantity less
278.28 than the number of units contained in the manufacturer's original package. The National
278.29 Average Drug Acquisition Cost (NADAC) shall be used to determine the ingredient cost
278.30 of a drug. For drugs for which a NADAC is not reported, the commissioner shall estimate
278.31 the ingredient cost at the wholesale acquisition cost minus two percent. The ingredient cost
278.32 of a drug acquired through for a provider participating in the federal 340B Drug Pricing
278.33 Program shall be estimated by the commissioner at wholesale acquisition cost minus 40
278.34 percent either the 340B Drug Pricing Program ceiling price established by the Health
278.35 Resources and Services Administration or NADAC, whichever is lower. Wholesale
278.36 acquisition cost is defined as the manufacturer's list price for a drug or biological to

279.1 wholesalers or direct purchasers in the United States, not including prompt pay or other
279.2 discounts, rebates, or reductions in price, for the most recent month for which information
279.3 is available, as reported in wholesale price guides or other publications of drug or biological
279.4 pricing data. The maximum allowable cost of a multisource drug may be set by the
279.5 commissioner and it shall be comparable to, ~~but~~ the actual acquisition cost of the drug
279.6 product and no higher than, the maximum amount paid by other third-party payors in this
279.7 ~~state who have maximum allowable cost programs~~ the NADAC of the generic product.
279.8 Establishment of the amount of payment for drugs shall not be subject to the requirements
279.9 of the Administrative Procedure Act.

279.10 (b) Pharmacies dispensing prescriptions to residents of long-term care facilities using
279.11 an automated drug distribution system meeting the requirements of section 151.58, or a
279.12 packaging system meeting the packaging standards set forth in Minnesota Rules, part
279.13 6800.2700, that govern the return of unused drugs to the pharmacy for reuse, may employ
279.14 retrospective billing for prescription drugs dispensed to long-term care facility residents. A
279.15 retrospectively billing pharmacy must submit a claim only for the quantity of medication
279.16 used by the enrolled recipient during the defined billing period. A retrospectively billing
279.17 pharmacy must use a billing period not less than one calendar month or 30 days.

279.18 (c) ~~An additional dispensing fee of \$.30 may be added to the dispensing fee paid to~~
279.19 ~~pharmacists for legend drug prescriptions dispensed to residents of long-term care facilities~~
279.20 ~~when a unit dose blister card system, approved by the department, is used. Under this type~~
279.21 ~~of dispensing system, the pharmacist must dispense a 30-day supply of drug. The National~~
279.22 ~~Drug Code (NDC) from the drug container used to fill the blister card must be identified~~
279.23 ~~on the claim to the department. The unit dose blister card containing the drug must meet~~
279.24 ~~the packaging standards set forth in Minnesota Rules, part 6800.2700, that govern the return~~
279.25 ~~of unused drugs to the pharmacy for reuse.~~ A pharmacy provider using packaging that meets
279.26 the standards set forth in Minnesota Rules, part 6800.2700, is required to credit the
279.27 department for the actual acquisition cost of all unused drugs that are eligible for reuse,
279.28 unless the pharmacy is using retrospective billing. The commissioner may permit the drug
279.29 clozapine to be dispensed in a quantity that is less than a 30-day supply.

279.30 (d) ~~Whenever a maximum allowable cost has been set for~~ If a pharmacy dispenses a
279.31 multisource drug, ~~payment shall be the lower of the usual and customary price charged to~~
279.32 ~~the public or~~ the ingredient cost shall be the NADAC of the generic product or the maximum
279.33 allowable cost established by the commissioner unless prior authorization for the brand
279.34 name product has been granted according to the criteria established by the Drug Formulary
279.35 Committee as required by subdivision 13f, paragraph (a), and the prescriber has indicated

280.1 "dispense as written" on the prescription in a manner consistent with section 151.21,
280.2 subdivision 2.

280.3 (e) The basis for determining the amount of payment for drugs administered in an
280.4 outpatient setting shall be the lower of the usual and customary cost submitted by the
280.5 provider, 106 percent of the average sales price as determined by the United States
280.6 Department of Health and Human Services pursuant to title XVIII, section 1847a of the
280.7 federal Social Security Act, the specialty pharmacy rate, or the maximum allowable cost
280.8 set by the commissioner. If average sales price is unavailable, the amount of payment must
280.9 be lower of the usual and customary cost submitted by the provider, the wholesale acquisition
280.10 cost, the specialty pharmacy rate, or the maximum allowable cost set by the commissioner.
280.11 ~~Effective January 1, 2014,~~ The commissioner shall discount the payment rate for drugs
280.12 obtained through the federal 340B Drug Pricing Program by ~~20~~ 28.6 percent. The payment
280.13 for drugs administered in an outpatient setting shall be made to the administering facility
280.14 or practitioner. A retail or specialty pharmacy dispensing a drug for administration in an
280.15 outpatient setting is not eligible for direct reimbursement.

280.16 (f) The commissioner may ~~negotiate lower reimbursement~~ establish maximum allowable
280.17 cost rates for specialty pharmacy products than the rates that are lower than the ingredient
280.18 cost formulas specified in paragraph (a). The commissioner may require individuals enrolled
280.19 in the health care programs administered by the department to obtain specialty pharmacy
280.20 products from providers with whom the commissioner has negotiated lower reimbursement
280.21 rates. Specialty pharmacy products are defined as those used by a small number of recipients
280.22 or recipients with complex and chronic diseases that require expensive and challenging drug
280.23 regimens. Examples of these conditions include, but are not limited to: multiple sclerosis,
280.24 HIV/AIDS, transplantation, hepatitis C, growth hormone deficiency, Crohn's Disease,
280.25 rheumatoid arthritis, and certain forms of cancer. Specialty pharmaceutical products include
280.26 injectable and infusion therapies, biotechnology drugs, antihemophilic factor products,
280.27 high-cost therapies, and therapies that require complex care. The commissioner shall consult
280.28 with the Formulary Committee to develop a list of specialty pharmacy products subject to
280.29 ~~this paragraph~~ maximum allowable cost reimbursement. In consulting with the Formulary
280.30 Committee in developing this list, the commissioner shall take into consideration the
280.31 population served by specialty pharmacy products, the current delivery system and standard
280.32 of care in the state, and access to care issues. The commissioner shall have the discretion
280.33 to adjust the ~~reimbursement rate~~ maximum allowable cost to prevent access to care issues.

280.34 (g) Home infusion therapy services provided by home infusion therapy pharmacies must
280.35 be paid at rates according to subdivision 8d.

281.1 (h) The commissioner shall contract with a vendor to conduct a cost of dispensing survey
281.2 for all pharmacies that are physically located in the state of Minnesota that dispense outpatient
281.3 drugs under medical assistance. The commissioner shall ensure that the vendor has prior
281.4 experience in conducting cost of dispensing surveys. Each pharmacy enrolled with the
281.5 department to dispense outpatient prescription drugs to fee-for-service members must
281.6 respond to the cost of dispensing survey. The commissioner may sanction a pharmacy under
281.7 section 256B.064 for failure to respond. The commissioner shall require the vendor to
281.8 measure a single statewide cost of dispensing for all responding pharmacies to measure the
281.9 mean, mean weighted by total prescription volume, mean weighted by medical assistance
281.10 prescription volume, median, median weighted by total prescription volume, and median
281.11 weighted by total medical assistance prescription volume. The commissioner shall post a
281.12 copy of the final cost of dispensing survey report on the department's website. The initial
281.13 survey must be completed no later than January 1, 2021, and repeated every three years.
281.14 The commissioner shall provide a summary of the results of each cost of dispensing survey
281.15 and provide recommendations for any changes to the dispensing fee to the chairs and ranking
281.16 members of the legislative committees with jurisdiction over medical assistance pharmacy
281.17 reimbursement.

281.18 **EFFECTIVE DATE.** This section is effective April 1, 2019, or upon federal approval,
281.19 whichever is later. The commissioner of human services shall inform the revisor of statutes
281.20 when federal approval is obtained or denied.

281.21 Sec. 15. Minnesota Statutes 2018, section 256B.0625, subdivision 13f, is amended to read:

281.22 Subd. 13f. **Prior authorization.** (a) The Formulary Committee shall review and
281.23 recommend drugs which require prior authorization. The Formulary Committee shall
281.24 establish general criteria to be used for the prior authorization of brand-name drugs for
281.25 which generically equivalent drugs are available, but the committee is not required to review
281.26 each brand-name drug for which a generically equivalent drug is available.

281.27 (b) Prior authorization may be required by the commissioner before certain formulary
281.28 drugs are eligible for payment. The Formulary Committee may recommend drugs for prior
281.29 authorization directly to the commissioner. The commissioner may also request that the
281.30 Formulary Committee review a drug for prior authorization. Before the commissioner may
281.31 require prior authorization for a drug:

281.32 (1) the commissioner must provide information to the Formulary Committee on the
281.33 impact that placing the drug on prior authorization may have on the quality of patient care

282.1 and on program costs, information regarding whether the drug is subject to clinical abuse
282.2 or misuse, and relevant data from the state Medicaid program if such data is available;

282.3 (2) the Formulary Committee must review the drug, taking into account medical and
282.4 clinical data and the information provided by the commissioner; and

282.5 (3) the Formulary Committee must hold a public forum and receive public comment for
282.6 an additional 15 days.

282.7 The commissioner must provide a 15-day notice period before implementing the prior
282.8 authorization.

282.9 (c) Except as provided in subdivision 13j, prior authorization shall not be required or
282.10 utilized for any atypical antipsychotic drug prescribed for the treatment of mental illness
282.11 if:

282.12 (1) there is no generically equivalent drug available; and

282.13 (2) the drug was initially prescribed for the recipient prior to July 1, 2003; or

282.14 (3) the drug is part of the recipient's current course of treatment.

282.15 This paragraph applies to any multistate preferred drug list or supplemental drug rebate
282.16 program established or administered by the commissioner. Prior authorization shall
282.17 automatically be granted for 60 days for brand name drugs prescribed for treatment of mental
282.18 illness within 60 days of when a generically equivalent drug becomes available, provided
282.19 that the brand name drug was part of the recipient's course of treatment at the time the
282.20 generically equivalent drug became available.

282.21 ~~(d) Prior authorization shall not be required or utilized for any antihemophilic factor~~
282.22 ~~drug prescribed for the treatment of hemophilia and blood disorders where there is no~~
282.23 ~~generically equivalent drug available if the prior authorization is used in conjunction with~~
282.24 ~~any supplemental drug rebate program or multistate preferred drug list established or~~
282.25 ~~administered by the commissioner.~~

282.26 ~~(e)~~(d) The commissioner may require prior authorization for brand name drugs whenever
282.27 a generically equivalent product is available, even if the prescriber specifically indicates
282.28 "dispense as written-brand necessary" on the prescription as required by section 151.21,
282.29 subdivision 2.

282.30 ~~(f)~~(e) Notwithstanding this subdivision, the commissioner may automatically require
282.31 prior authorization, for a period not to exceed 180 days, for any drug that is approved by
282.32 the United States Food and Drug Administration on or after July 1, 2005. The 180-day

283.1 period begins no later than the first day that a drug is available for shipment to pharmacies
283.2 within the state. The Formulary Committee shall recommend to the commissioner general
283.3 criteria to be used for the prior authorization of the drugs, but the committee is not required
283.4 to review each individual drug. In order to continue prior authorizations for a drug after the
283.5 180-day period has expired, the commissioner must follow the provisions of this subdivision.

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

283.7 Sec. 16. Minnesota Statutes 2018, section 256B.0625, subdivision 18d, is amended to
283.8 read:

283.9 Subd. 18d. **Advisory committee members.** (a) The Nonemergency Medical
283.10 Transportation Advisory Committee consists of:

283.11 (1) four voting members who represent counties, utilizing the rural urban commuting
283.12 area classification system. As defined in subdivision 17, these members shall be designated
283.13 as follows:

283.14 (i) two counties within the 11-county metropolitan area;

283.15 (ii) one county representing the rural area of the state; and

283.16 (iii) one county representing the super rural area of the state.

283.17 The Association of Minnesota Counties shall appoint one county within the 11-county
283.18 metropolitan area and one county representing the super rural area of the state. The Minnesota
283.19 Inter-County Association shall appoint one county within the 11-county metropolitan area
283.20 and one county representing the rural area of the state;

283.21 (2) three voting members who represent medical assistance recipients, including persons
283.22 with physical and developmental disabilities, persons with mental illness, seniors, children,
283.23 and low-income individuals;

283.24 (3) ~~four~~ five voting members who represent providers that deliver nonemergency medical
283.25 transportation services to medical assistance enrollees, one of whom is a taxicab owner or
283.26 operator;

283.27 (4) two voting members of the house of representatives, one from the majority party and
283.28 one from the minority party, appointed by the speaker of the house, and two voting members
283.29 from the senate, one from the majority party and one from the minority party, appointed by
283.30 the Subcommittee on Committees of the Committee on Rules and Administration;

283.31 (5) one voting member who represents demonstration providers as defined in section
283.32 256B.69, subdivision 2;

284.1 (6) one voting member who represents an organization that contracts with state or local
284.2 governments to coordinate transportation services for medical assistance enrollees;

284.3 (7) one voting member who represents the Minnesota State Council on Disability;

284.4 (8) the commissioner of transportation or the commissioner's designee, who shall serve
284.5 as a voting member;

284.6 (9) one voting member appointed by the Minnesota Ambulance Association; and

284.7 (10) one voting member appointed by the Minnesota Hospital Association.

284.8 (b) Members of the advisory committee shall not be employed by the Department of
284.9 Human Services. Members of the advisory committee shall receive no compensation.

284.10 Sec. 17. Minnesota Statutes 2018, section 256B.0625, is amended by adding a subdivision
284.11 to read:

284.12 Subd. 66. Prescribed pediatric extended care (PPEC) center basic services. Medical
284.13 assistance covers PPEC center basic services as defined under section 144H.01, subdivision
284.14 2. PPEC basic services shall be reimbursed according to section 256B.86.

284.15 EFFECTIVE DATE. This section is effective July 1, 2020, or upon federal approval,
284.16 whichever occurs later. The commissioner of human services shall notify the commissioner
284.17 of health and the revisor of statutes when federal approval is obtained.

284.18 Sec. 18. Minnesota Statutes 2018, section 256B.064, subdivision 1a, is amended to read:

284.19 Subd. 1a. **Grounds for sanctions against vendors.** (a) The commissioner may impose
284.20 sanctions against a vendor of medical care for any of the following: (1) fraud, theft, or abuse
284.21 in connection with the provision of medical care to recipients of public assistance; (2) a
284.22 pattern of presentment of false or duplicate claims or claims for services not medically
284.23 necessary; (3) a pattern of making false statements of material facts for the purpose of
284.24 obtaining greater compensation than that to which the vendor is legally entitled; (4)
284.25 suspension or termination as a Medicare vendor; (5) refusal to grant the state agency access
284.26 during regular business hours to examine all records necessary to disclose the extent of
284.27 services provided to program recipients and appropriateness of claims for payment; (6)
284.28 failure to repay an overpayment or a fine finally established under this section; (7) failure
284.29 to correct errors in the maintenance of health service or financial records for which a fine
284.30 was imposed or after issuance of a warning by the commissioner; and (8) any reason for
284.31 which a vendor could be excluded from participation in the Medicare program under section
284.32 1128, 1128A, or 1866(b)(2) of the Social Security Act.

285.1 (b) The commissioner may impose sanctions against a pharmacy provider for failure to
285.2 respond to a cost of dispensing survey under section 256B.0625, subdivision 13e, paragraph
285.3 (h).

285.4 **EFFECTIVE DATE.** This section is effective April 1, 2019.

285.5 Sec. 19. Minnesota Statutes 2018, section 256B.69, subdivision 4, is amended to read:

285.6 Subd. 4. **Limitation of choice.** (a) The commissioner shall develop criteria to determine
285.7 when limitation of choice may be implemented in the experimental counties. The criteria
285.8 shall ensure that all eligible individuals in the county have continuing access to the full
285.9 range of medical assistance services as specified in subdivision 6.

285.10 (b) The commissioner shall exempt the following persons from participation in the
285.11 project, in addition to those who do not meet the criteria for limitation of choice:

285.12 (1) persons eligible for medical assistance according to section 256B.055, subdivision
285.13 1;

285.14 (2) persons eligible for medical assistance due to blindness or disability as determined
285.15 by the Social Security Administration or the state medical review team, unless:

285.16 (i) they are 65 years of age or older; or

285.17 (ii) they reside in Itasca County or they reside in a county in which the commissioner
285.18 conducts a pilot project under a waiver granted pursuant to section 1115 of the Social
285.19 Security Act;

285.20 (3) recipients who currently have private coverage through a health maintenance
285.21 organization;

285.22 (4) recipients who are eligible for medical assistance by spending down excess income
285.23 for medical expenses other than the nursing facility per diem expense;

285.24 (5) recipients who receive benefits under the Refugee Assistance Program, established
285.25 under United States Code, title 8, section 1522(e);

285.26 (6) children who are both determined to be severely emotionally disturbed and receiving
285.27 case management services according to section 256B.0625, subdivision 20, except children
285.28 who are eligible for and who decline enrollment in an approved preferred integrated network
285.29 under section 245.4682;

285.30 (7) adults who are both determined to be seriously and persistently mentally ill and
285.31 received case management services according to section 256B.0625, subdivision 20;

286.1 (8) persons eligible for medical assistance according to section 256B.057, subdivision
286.2 10; ~~and~~

286.3 (9) persons with access to cost-effective employer-sponsored private health insurance
286.4 or persons enrolled in a non-Medicare individual health plan determined to be cost-effective
286.5 according to section 256B.0625, subdivision 15; and

286.6 (10) persons who are absent from the state for more than 30 consecutive days but still
286.7 deemed a resident of Minnesota, identified in accordance with section 256B.056, subdivision
286.8 1, paragraph (b).

286.9 Children under age 21 who are in foster placement may enroll in the project on an elective
286.10 basis. Individuals excluded under clauses (1), (6), and (7) may choose to enroll on an elective
286.11 basis. The commissioner may enroll recipients in the prepaid medical assistance program
286.12 for seniors who are (1) age 65 and over, and (2) eligible for medical assistance by spending
286.13 down excess income.

286.14 (c) The commissioner may allow persons with a one-month spenddown who are otherwise
286.15 eligible to enroll to voluntarily enroll or remain enrolled, if they elect to prepay their monthly
286.16 spenddown to the state.

286.17 (d) The commissioner may require those individuals to enroll in the prepaid medical
286.18 assistance program who otherwise would have been excluded under paragraph (b), clauses
286.19 (1), (3), and (8), and under Minnesota Rules, part 9500.1452, subpart 2, items H, K, and L.

286.20 (e) Before limitation of choice is implemented, eligible individuals shall be notified and
286.21 after notification, shall be allowed to choose only among demonstration providers. The
286.22 commissioner may assign an individual with private coverage through a health maintenance
286.23 organization, to the same health maintenance organization for medical assistance coverage,
286.24 if the health maintenance organization is under contract for medical assistance in the
286.25 individual's county of residence. After initially choosing a provider, the recipient is allowed
286.26 to change that choice only at specified times as allowed by the commissioner. If a
286.27 demonstration provider ends participation in the project for any reason, a recipient enrolled
286.28 with that provider must select a new provider but may change providers without cause once
286.29 more within the first 60 days after enrollment with the second provider.

286.30 (f) An infant born to a woman who is eligible for and receiving medical assistance and
286.31 who is enrolled in the prepaid medical assistance program shall be retroactively enrolled to
286.32 the month of birth in the same managed care plan as the mother once the child is enrolled
286.33 in medical assistance unless the child is determined to be excluded from enrollment in a
286.34 prepaid plan under this section.

287.1 Sec. 20. Minnesota Statutes 2018, section 256B.69, subdivision 31, is amended to read:

287.2 Subd. 31. **Payment reduction.** (a) Beginning September 1, 2011, the commissioner
287.3 shall reduce payments and limit future rate increases paid to managed care plans and
287.4 county-based purchasing plans. The limits in paragraphs (a) to (f) shall be achieved on a
287.5 statewide aggregate basis by program. The commissioner may use competitive bidding,
287.6 payment reductions, or other reductions to achieve the reductions and limits in this
287.7 subdivision.

287.8 (b) Beginning September 1, 2011, the commissioner shall reduce payments to managed
287.9 care plans and county-based purchasing plans as follows:

287.10 (1) 2.0 percent for medical assistance elderly basic care. This shall not apply to Medicare
287.11 cost-sharing, nursing facility, personal care assistance, and elderly waiver services;

287.12 (2) 2.82 percent for medical assistance families and children;

287.13 (3) 10.1 percent for medical assistance adults without children; and

287.14 (4) 6.0 percent for MinnesotaCare families and children.

287.15 (c) Beginning January 1, 2012, the commissioner shall limit rates paid to managed care
287.16 plans and county-based purchasing plans for calendar year 2012 to a percentage of the rates
287.17 in effect on August 31, 2011, as follows:

287.18 (1) 98 percent for medical assistance elderly basic care. This shall not apply to Medicare
287.19 cost-sharing, nursing facility, personal care assistance, and elderly waiver services;

287.20 (2) 97.18 percent for medical assistance families and children;

287.21 (3) 89.9 percent for medical assistance adults without children; and

287.22 (4) 94 percent for MinnesotaCare families and children.

287.23 (d) Beginning January 1, 2013, to December 31, 2013, the commissioner shall limit the
287.24 maximum annual trend increases to rates paid to managed care plans and county-based
287.25 purchasing plans as follows:

287.26 (1) 7.5 percent for medical assistance elderly basic care. This shall not apply to Medicare
287.27 cost-sharing, nursing facility, personal care assistance, and elderly waiver services;

287.28 (2) 5.0 percent for medical assistance special needs basic care;

287.29 (3) 2.0 percent for medical assistance families and children;

287.30 (4) 3.0 percent for medical assistance adults without children;

288.1 (5) 3.0 percent for MinnesotaCare families and children; and

288.2 (6) 3.0 percent for MinnesotaCare adults without children.

288.3 (e) The commissioner may limit trend increases to less than the maximum. Beginning
288.4 July 1, 2014, the commissioner shall limit the maximum annual trend increases to rates paid
288.5 to managed care plans and county-based purchasing plans as follows for calendar years
288.6 2014 and 2015:

288.7 (1) 7.5 percent for medical assistance elderly basic care. This shall not apply to Medicare
288.8 cost-sharing, nursing facility, personal care assistance, and elderly waiver services;

288.9 (2) 5.0 percent for medical assistance special needs basic care;

288.10 (3) 2.0 percent for medical assistance families and children;

288.11 (4) 3.0 percent for medical assistance adults without children;

288.12 (5) 3.0 percent for MinnesotaCare families and children; and

288.13 (6) 4.0 percent for MinnesotaCare adults without children.

288.14 (f) The commissioner may limit trend increases to less than the maximum. For calendar
288.15 year 2014, the commissioner shall reduce the maximum aggregate trend increases by
288.16 \$47,000,000 in state and federal funds to account for the reductions in administrative
288.17 expenses in subdivision 5i.

288.18 (g) Beginning January 1, 2020, to December 31, 2024, the commissioner shall limit the
288.19 maximum annual trend increases to rates paid to managed care plans and county-based
288.20 purchasing plans as follows for calendar years 2020, 2021, 2023, and 2024:

288.21 (1) 3.4 percent for medical assistance elderly basic care. This shall not apply to Medicare
288.22 cost-sharing, nursing facility, personal care assistance, and elderly waiver services;

288.23 (2) 3.4 percent for medical assistance special needs basic care;

288.24 (3) 2.4 percent for medical assistance families and children; and

288.25 (4) 2.4 percent for medical assistance adults without children.

288.26 Sec. 21. **[256B.86] PRESCRIBED PEDIATRIC EXTENDED CARE (PPEC) CENTER**
288.27 **SERVICES.**

288.28 Subdivision 1. Reimbursement rates. The daily per-child payment rates for PPEC basic
288.29 services covered by medical assistance and provided at PPEC centers licensed under chapter
288.30 144H are:

289.1 (1) for intense complexity: \$550 for four or more hours and \$275 for less than four hours;
289.2 (2) for high complexity: \$450 for four or more hours and \$225 for less than four hours;
289.3 and
289.4 (3) for moderate complexity: \$400 for four or more hours and \$200 for less than four
289.5 hours.

289.6 Subd. 2. **Determination of complexity level.** Complexity level shall be determined
289.7 based on the level of nursing intervention required for each child using an assessment tool
289.8 approved by the commissioner.

289.9 **EFFECTIVE DATE.** This section is effective July 1, 2020, or upon federal approval,
289.10 whichever occurs later. The commissioner of human services shall notify the revisor of
289.11 statutes when federal approval is obtained.

289.12 Sec. 22. Minnesota Statutes 2018, section 256L.03, subdivision 5, is amended to read:

289.13 Subd. 5. **Cost-sharing.** (a) Co-payments, coinsurance, and deductibles do not apply to
289.14 children under the age of 21 and to American Indians as defined in Code of Federal
289.15 Regulations, title 42, section 600.5.

289.16 (b) The commissioner shall adjust co-payments, coinsurance, and deductibles for covered
289.17 services in a manner sufficient to maintain the actuarial value of the benefit to 94 percent
289.18 for families or individuals with incomes equal to or below 150 percent of the federal poverty
289.19 guidelines; and to 87 percent for families or individuals with incomes that are above 150
289.20 percent of the federal poverty guidelines and equal to or less than 200 percent of the federal
289.21 poverty guidelines for the applicable family size. The cost-sharing changes described in
289.22 this paragraph do not apply to eligible recipients or services exempt from cost-sharing under
289.23 state law. The cost-sharing changes described in this paragraph shall not be implemented
289.24 prior to January 1, 2016.

289.25 (c) The cost-sharing changes authorized under paragraph (b) must satisfy the requirements
289.26 for cost-sharing under the Basic Health Program as set forth in Code of Federal Regulations,
289.27 title 42, sections 600.510 and 600.520.

289.28 Sec. 23. Minnesota Statutes 2018, section 256L.03, is amended by adding a subdivision
289.29 to read:

289.30 Subd. 7. **Minnesota EHB Benchmark Plan.** Notwithstanding subdivisions 1, 2, 3, 3a,
289.31 and 3b, and section 256L.12, or any other law to the contrary, the services covered for
289.32 parents, caretakers, foster parents, or legal guardians and single adults without children

290.1 eligible for MinnesotaCare under section 256L.04 shall be the services covered under the
290.2 Minnesota EHB Benchmark Plan for plan year 2016 or the actuarial equivalent.

290.3 **Sec. 24. CORRECTIVE PLAN TO ELIMINATE DUPLICATE PERSONAL**
290.4 **IDENTIFICATION NUMBERS.**

290.5 (a) The commissioner of human services shall design and implement a corrective plan
290.6 to address the issue of medical assistance enrollees being assigned more than one personal
290.7 identification number. Any corrections or fixes that are necessary to address this issue are
290.8 required to be completed by June 30, 2021.

290.9 (b) By February 15, 2020, the commissioner shall submit a report to the chairs and
290.10 ranking minority members of the legislative committees with jurisdiction over health and
290.11 human services policy and finance on the progress of the corrective plan required in paragraph
290.12 (a), including an update on meeting the June 30, 2021, deadline. The report must also include
290.13 information on:

290.14 (1) the number of medical assistance enrollees who have been assigned two or more
290.15 personal identification numbers;

290.16 (2) any possible financial effect of enrollees having duplicate personal identification
290.17 numbers on health care providers and managed care organizations, including the effect on
290.18 reimbursement rates, meeting withhold requirements, and capitated payments; and

290.19 (3) any effect on federal payments received by the state.

290.20 **Sec. 25. DIRECTION TO THE COMMISSIONER OF HUMAN SERVICES;**
290.21 **QUALITY MEASURES FOR PRESCRIBED PEDIATRIC EXTENDED CARE**
290.22 **(PPEC) CENTERS.**

290.23 (a) The commissioner of human services, in consultation with community stakeholders
290.24 as defined by the commissioner and PPEC centers licensed prior to June 30, 2024, shall
290.25 develop quality measures for PPEC centers, procedures for PPEC centers to report quality
290.26 measures to the commissioner, and methods for the commissioner to make the results of
290.27 the quality measures available to the public.

290.28 (b) The commissioner of human services shall submit by February 1, 2024, a report on
290.29 the topics described in paragraph (a) to the chairs and ranking minority members of the
290.30 legislative committees with jurisdiction over health and human services.

290.31 **EFFECTIVE DATE.** This section is effective upon the effective date of section 23.

291.1 Sec. 26. PAIN MANAGEMENT.

291.2 (a) The Health Services Policy Committee established under Minnesota Statutes, section
291.3 256B.0625, subdivision 3c, shall evaluate and make recommendations on the integration
291.4 of nonpharmacologic pain management that are clinically viable and sustainable; reduce or
291.5 eliminate chronic pain conditions; improve functional status; and prevent addiction and
291.6 reduce dependence on opiates or other pain medications. The recommendations must be
291.7 based on best practices for the effective treatment of musculoskeletal pain provided by
291.8 health practitioners identified in paragraph (b), and covered under medical assistance. Each
291.9 health practitioner represented under paragraph (b) shall present the minimum best integrated
291.10 practice recommendations, policies, and scientific evidence for nonpharmacologic treatment
291.11 options for eliminating pain and improving functional status within their full professional
291.12 scope. Recommendations for integration of services may include guidance regarding
291.13 screening for co-occurring behavioral health diagnoses; protocols for communication between
291.14 all providers treating a unique individual, including protocols for follow-up; and universal
291.15 mechanisms to assess improvements in functional status.

291.16 (b) In evaluating and making recommendations, the Health Services Policy Committee
291.17 shall consult and collaborate with the following health practitioners: acupuncture practitioners
291.18 licensed under Minnesota Statutes, chapter 147B; chiropractors licensed under Minnesota
291.19 Statutes, sections 148.01 to 148.10; physical therapists licensed under Minnesota Statutes,
291.20 sections 148.68 to 148.78; occupational therapists licensed under Minnesota Statutes, sections
291.21 148.6401 to 148.6449; medical and osteopathic physicians licensed under Minnesota Statutes,
291.22 chapter 147, and advanced practice registered nurses licensed under Minnesota Statutes,
291.23 sections 148.171 to 148.285, with experience in providing primary care collaboratively
291.24 within a multidisciplinary team of health care practitioners who employ nonpharmacologic
291.25 pain therapies; and psychologists licensed under Minnesota Statutes, section 148.907.

291.26 (c) The commissioner shall submit a progress report to the chairs and ranking minority
291.27 members of the legislative committees with jurisdiction over health and human services
291.28 policy and finance by January 15, 2020, and shall report final recommendations by August
291.29 1, 2020. The final report may also contain recommendations for developing and implementing
291.30 a pilot program to assess the clinical viability, sustainability, and effectiveness of integrated
291.31 nonpharmacologic, multidisciplinary treatments for managing musculoskeletal pain and
291.32 improving functional status.

292.1 Sec. 27. **REPEALER.**

292.2 Minnesota Statutes 2018, sections 16A.724, subdivision 2; and 256B.0625, subdivision
292.3 31c, are repealed.

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

292.5 **ARTICLE 9**

292.6 **DEPARTMENT OF HEALTH**

292.7 Section 1. **[8.40] LITIGATION DEFENSE FUND.**

292.8 (a) There is created in the special revenue fund an account entitled the Pain-Capable
292.9 Unborn Child Protection Act litigation account for the purpose of providing funds to pay
292.10 for any costs and expenses incurred by the state attorney general in relation to actions
292.11 surrounding defense of sections 145.4141 to 145.4147.

292.12 (b) The account shall be maintained by the commissioner of management and budget.

292.13 (c) The litigation account shall consist of:

292.14 (1) appropriations made to the account by the legislature; and

292.15 (2) any donations, gifts, or grants made to the account by private citizens or entities.

292.16 (d) The litigation account shall retain the interest income derived from the money credited
292.17 to the account.

292.18 (e) Any funds in the litigation account are appropriated to the attorney general for the
292.19 purposes described in paragraph (a).

292.20 Sec. 2. Minnesota Statutes 2018, section 18K.03, is amended to read:

292.21 **18K.03 AGRICULTURAL CROP; POSSESSION AUTHORIZED.**

292.22 Subdivision 1. **Industrial hemp.** Industrial hemp is an agricultural crop in this state. A
292.23 person may possess, transport, process, sell, or buy industrial hemp that is grown pursuant
292.24 to this chapter.

292.25 Subd. 2. **Sale to medical cannabis manufacturers.** A licensee under this chapter may
292.26 sell hemp products derived from industrial hemp grown in this state to medical cannabis
292.27 manufacturers as authorized under sections 152.22 to 152.37.

293.1 Sec. 3. Minnesota Statutes 2018, section 62J.495, subdivision 1, is amended to read:

293.2 Subdivision 1. **Implementation.** ~~By January 1, 2015, all hospitals and health care~~
293.3 ~~providers, as defined in section 62J.03, subdivision 8, must have in place an interoperable~~
293.4 ~~electronic health records system within their hospital system or clinical practice setting.~~

293.5 The commissioner of health, in consultation with the e-Health Advisory Committee, shall
293.6 develop ~~a statewide plan to meet this goal, including~~ uniform standards to be used for the
293.7 interoperable electronic health records system for sharing and synchronizing patient data
293.8 across systems. The standards must be compatible with federal efforts. The uniform standards
293.9 must be developed by January 1, 2009, and updated on an ongoing basis. The commissioner
293.10 shall include an update on standards development as part of an annual report to the legislature.
293.11 Individual health care providers in private practice with no other providers and health care
293.12 providers that do not accept reimbursement from a group purchaser, as defined in section
293.13 62J.03, subdivision 6, are excluded from the requirements of this section.

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

293.15 Sec. 4. Minnesota Statutes 2018, section 62J.495, subdivision 3, is amended to read:

293.16 Subd. 3. **Interoperable electronic health record requirements.** (a) ~~To meet the~~
293.17 ~~requirements of subdivision 1,~~ Hospitals and health care providers must meet the following
293.18 criteria when implementing an interoperable electronic health records system within their
293.19 hospital system or clinical practice setting.

293.20 (b) The electronic health record must be a qualified electronic health record.

293.21 (c) The electronic health record must be certified by the Office of the National
293.22 Coordinator pursuant to the HITECH Act. This criterion only applies to hospitals and health
293.23 care providers if a certified electronic health record product for the provider's particular
293.24 practice setting is available. This criterion shall be considered met if a hospital or health
293.25 care provider is using an electronic health records system that has been certified within the
293.26 last three years, even if a more current version of the system has been certified within the
293.27 three-year period.

293.28 (d) The electronic health record must meet the standards established according to section
293.29 3004 of the HITECH Act as applicable.

293.30 (e) The electronic health record must have the ability to generate information on clinical
293.31 quality measures and other measures reported under sections 4101, 4102, and 4201 of the
293.32 HITECH Act.

294.1 (f) The electronic health record system must be connected to a state-certified health
294.2 information organization either directly or through a connection facilitated by a state-certified
294.3 health data intermediary as defined in section 62J.498.

294.4 (g) A health care provider who is a prescriber or dispenser of legend drugs must have
294.5 an electronic health record system that meets the requirements of section 62J.497.

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

294.7 Sec. 5. **[62J.84] PRESCRIPTION DRUG PRICE TRANSPARENCY.**

294.8 **Subdivision 1. Short title.** This section may be cited as the "Prescription Drug Price
294.9 Transparency Act."

294.10 **Subd. 2. Definitions.** (a) For purposes of this section, the terms defined in this subdivision
294.11 have the meanings given.

294.12 **(b) "Biosimilar" means a drug that is produced or distributed pursuant to a biologics**
294.13 **license application approved under United States Code, title 42, section 262(K)(3).**

294.14 **(c) "Brand name drug" means a drug that is produced or distributed pursuant to:**

294.15 **(1) an original, new drug application approved under United States Code, title 21, section**
294.16 **355(c), except for a generic drug as defined under Code of Federal Regulations, title 42,**
294.17 **section 447.502; or**

294.18 **(2) a biologics license application approved under United States Code, title 45, section**
294.19 **262(a)(c).**

294.20 **(d) "Commissioner" means the commissioner of health.**

294.21 **(e) "Generic drug" means a drug that is marketed or distributed pursuant to:**

294.22 **(1) an abbreviated new drug application approved under United States Code, title 21,**
294.23 **section 355(j);**

294.24 **(2) an authorized generic as defined under Code of Federal Regulations, title 45, section**
294.25 **447.502; or**

294.26 **(3) a drug that entered the market the year before 1962 and was not originally marketed**
294.27 **under a new drug application.**

294.28 **(f) "Manufacturer" means a drug manufacturer licensed under section 151.252.**

295.1 (g) "New prescription drug" or "new drug" means a prescription drug approved for
295.2 marketing by the United States Food and Drug Administration for which no previous
295.3 wholesale acquisition cost has been established for comparison.

295.4 (h) "Patient assistance program" means a program that a manufacturer offers to the public
295.5 in which a consumer may reduce the consumer's out-of-pocket costs for prescription drugs
295.6 by using coupons, discount cards, prepaid gift cards, manufacturer debit cards, or by other
295.7 means.

295.8 (i) "Prescription drug" or "drug" has the meaning provided in section 151.44, paragraph
295.9 (d).

295.10 (j) "Price" means the wholesale acquisition cost as defined in United States Code, title
295.11 42, section 1395w-3a(c)(6)(B).

295.12 Subd. 3. **Prescription drug price increases reporting.** (a) Beginning July 1, 2020, a
295.13 drug manufacturer must submit to the commissioner the information described in paragraph
295.14 (b) for each prescription drug for which:

295.15 (1) the price was \$100 or greater for a 30-day supply or for a course of treatment lasting
295.16 less than 30 days; and

295.17 (2) for brand name drugs, there was a net increase of ten percent or greater in the price
295.18 over the previous 12-month period, and for generic drugs, there was a net increase of 100
295.19 percent or greater in the price over the previous 12-month period.

295.20 (b) For each of the drugs described in paragraph (a), the manufacturer shall submit to
295.21 the commissioner no later than 60 days after the price increase goes into effect, in the form
295.22 and manner prescribed by the commissioner, the following information, if applicable:

295.23 (1) the name and price of the drug and the net increase, expressed as a percentage;

295.24 (2) the factors that contributed to the price increase;

295.25 (3) the name of any generic version of the prescription drug available on the market;

295.26 (4) the introductory price of the prescription drug when it was approved for marketing
295.27 by the Food and Drug Administration and the net yearly increase, by calendar year, in the
295.28 price of the prescription drug during the previous five years;

295.29 (5) the direct costs incurred by the manufacturer that are associated with the prescription
295.30 drug, listed separately:

295.31 (i) to manufacture the prescription drug;

- 296.1 (ii) to market the prescription drug, including advertising costs; and
- 296.2 (iii) to distribute the prescription drug;
- 296.3 (6) the total sales revenue for the prescription drug during the previous 12-month period;
- 296.4 (7) the manufacturer's net profit attributable to the prescription drug during the previous
- 296.5 12-month period;
- 296.6 (8) the total amount of financial assistance the manufacturer has provided through patient
- 296.7 prescription assistance programs, if applicable;
- 296.8 (9) any agreement between a manufacturer and another entity contingent upon any delay
- 296.9 in offering to market a generic version of the prescription drug;
- 296.10 (10) the patent expiration date of the prescription drug if it is under patent;
- 296.11 (11) the name and location of the company that manufactured the drug; and
- 296.12 (12) if a brand name prescription drug, the ten highest prices paid for the prescription
- 296.13 drug during the previous calendar year in any country other than the United States.
- 296.14 (c) The manufacturer may submit any documentation necessary to support the information
- 296.15 reported under this subdivision.
- 296.16 Subd. 4. **New prescription drug price reporting.** (a) Beginning March 15, 2020, no
- 296.17 later than 60 days after a manufacturer introduces a new prescription drug for sale in the
- 296.18 United States that is a new brand name drug with a price that is greater than \$500 for a
- 296.19 30-day supply or a new generic or biosimilar drug with a price that is greater than \$500 for
- 296.20 a 30-day supply and is not at least 15 percent lower than the referenced brand name drug
- 296.21 when the generic or biosimilar drug is launched, the manufacturer must submit to the
- 296.22 commissioner, in the form and manner prescribed by the commissioner, the following
- 296.23 information, if applicable:
- 296.24 (1) the price of the prescription drug;
- 296.25 (2) whether the Food and Drug Administration granted the new prescription drug a
- 296.26 breakthrough therapy designation or a priority review;
- 296.27 (3) the direct costs incurred by the manufacturer that are associated with the prescription
- 296.28 drug, listed separately:
- 296.29 (i) to manufacture the prescription drug;
- 296.30 (ii) to market the prescription drug, including advertising costs; and
- 296.31 (iii) to distribute the prescription drug; and

297.1 (4) the patent expiration date of the drug if it is under patent.

297.2 (b) The manufacturer may submit documentation necessary to support the information
297.3 reported under this subdivision.

297.4 **Subd. 5. Newly acquired prescription drug price reporting.** (a) Beginning July 1,
297.5 2020, for every newly acquired prescription drug for which the price increases by more
297.6 than \$100 for a 30-day supply from the price before the acquisition and the price after the
297.7 acquisition, the acquiring manufacturer must submit to the commissioner at least 60 days
297.8 after the acquiring manufacturer begins to sell the newly acquired prescription drug, in the
297.9 form and manner prescribed by the commissioner, the following information, if applicable:

297.10 (1) the price of the prescription drug at the time of acquisition and in the calendar year
297.11 prior to acquisition;

297.12 (2) the name of the company from which the prescription drug was acquired, the date
297.13 acquired, and the purchase price;

297.14 (3) the year the prescription drug was introduced to market and the price of the
297.15 prescription drug at the time of introduction;

297.16 (4) the price of the prescription drug for the previous five years;

297.17 (5) any agreement between a manufacturer and another entity contingent upon any delay
297.18 in offering to market a generic version of the manufacturer's drug; and

297.19 (6) the patent expiration date of the drug if it is under patent.

297.20 (b) The manufacturer may submit any documentation necessary to support the information
297.21 reported under this subdivision.

297.22 **Subd. 6. Public posting of prescription drug price information.** (a) The commissioner
297.23 shall post on the department's website, or may contract with a private entity or consortium
297.24 that satisfies the standards of section 62U.04, subdivision 6, to meet this requirement, the
297.25 following information:

297.26 (1) a list of the prescription drugs reported under subdivisions 3, 4, and 5, and the
297.27 manufacturers of those prescription drugs; and

297.28 (2) information reported to the commissioner under subdivisions 3, 4, and 5.

297.29 (b) The information must be published in an easy to read format and in a manner that
297.30 identifies the information that is disclosed on a per-drug basis and must not be aggregated
297.31 in a manner that prevents the identification of the prescription drug.

298.1 (c) The commissioner shall not post to the department's website or a private entity
298.2 contracting with the commissioner shall not post any information described in this section
298.3 if the information is not public data under section 13.02, subdivision 8a; or is trade secret
298.4 information under section 13.37, subdivision 1, paragraph (b); or is information that is not
298.5 already available in the public domain.

298.6 (d) If the commissioner withholds any information from public disclosure pursuant to
298.7 this subdivision, the commissioner shall post to the department's website a report describing
298.8 the nature of the information and the commissioner's basis for withholding the information
298.9 from disclosure.

298.10 Subd. 7. **Consultation.** (a) The commissioner may consult with a private entity or
298.11 consortium that satisfies the standards of section 62U.04, subdivision 6, the University of
298.12 Minnesota, or the commissioner of commerce, as appropriate; in issuing the form and format
298.13 of the information reported under this section; in posting information pursuant to subdivision
298.14 6; and in taking any other action for the purpose of implementing this section.

298.15 (b) The commissioner may consult with representatives of manufacturers to establish a
298.16 standard format for reporting information under this section to minimize administrative
298.17 burdens to the state and manufacturers.

298.18 Subd. 8. **Enforcement and penalties.** (a) A manufacturer may be subject to a civil
298.19 penalty, as provided in paragraph (b), for:

298.20 (1) failing to submit timely reports or notices as required by this section;

298.21 (2) failing to provide information required under this section; or

298.22 (3) providing inaccurate or incomplete information under this section.

298.23 (b) The commissioner shall adopt a schedule of civil penalties, not to exceed \$10,000
298.24 per day of violation, based on the severity of each violation.

298.25 (c) The commissioner shall impose civil penalties under this section as provided in
298.26 section 144.99, subdivision 4.

298.27 (d) The commissioner may remit or mitigate civil penalties under this section upon terms
298.28 and conditions the commissioner considers proper and consistent with public health and
298.29 safety.

298.30 (e) Civil penalties collected under this section shall be deposited in the health care access
298.31 fund.

299.1 Subd. 9. **Legislative report.** (a) No later than January 15 of each year, beginning January
299.2 15, 2021, the commissioner shall report to the chairs and ranking minority members of the
299.3 legislative committees with jurisdiction over commerce and health and human services
299.4 policy and finance on the implementation of this section, including, but not limited to, the
299.5 effectiveness in addressing the following goals:

299.6 (1) promoting transparency in pharmaceutical pricing for the state and other payers;

299.7 (2) enhancing the understanding on pharmaceutical spending trends; and

299.8 (3) assisting the state and other payers in the management of pharmaceutical costs.

299.9 (b) The report must include a summary of the information submitted to the commissioner
299.10 under subdivisions 3, 4, and 5.

299.11 Sec. 6. Minnesota Statutes 2018, section 144.057, subdivision 3, is amended to read:

299.12 **Subd. 3. Reconsiderations.** The commissioner of health shall review and decide
299.13 reconsideration requests, including the granting of variances, in accordance with the
299.14 procedures and criteria contained in chapter 245C. The commissioner must set aside a
299.15 disqualification for an individual who requests reconsideration and who meets the criteria
299.16 described in section 245C.22, subdivision 4, paragraph (d). The commissioner's decision
299.17 shall be provided to the individual and to the Department of Human Services. The
299.18 commissioner's decision to grant or deny a reconsideration of disqualification is the final
299.19 administrative agency action, except for the provisions under sections 245C.25, 245C.27,
299.20 and 245C.28, subdivision 3.

299.21 Sec. 7. Minnesota Statutes 2018, section 144.1506, subdivision 2, is amended to read:

299.22 **Subd. 2. Expansion grant program.** (a) The commissioner of health shall award primary
299.23 care residency expansion grants to eligible primary care residency programs to plan and
299.24 implement new residency slots. A planning grant shall not exceed \$75,000, and a training
299.25 grant shall not exceed \$150,000 per new residency slot for the first year, \$100,000 for the
299.26 second year, and \$50,000 for the third year of the new residency slot. For eligible residency
299.27 programs longer than three years, training grants may be awarded for the duration of the
299.28 residency, not exceeding an average of \$100,000 per residency slot per year.

299.29 (b) Funds may be spent to cover the costs of:

299.30 (1) planning related to establishing an accredited primary care residency program;

- 300.1 (2) obtaining accreditation by the Accreditation Council for Graduate Medical Education
300.2 or another national body that accredits residency programs;
- 300.3 (3) establishing new residency programs or new resident training slots;
- 300.4 (4) recruitment, training, and retention of new residents and faculty;
- 300.5 (5) travel and lodging for new residents;
- 300.6 (6) faculty, new resident, and preceptor salaries related to new residency slots;
- 300.7 (7) training site improvements, fees, equipment, and supplies required for new primary
300.8 care resident training slots; and
- 300.9 (8) supporting clinical education in which trainees are part of a primary care team model.

300.10 Sec. 8. Minnesota Statutes 2018, section 144.3831, subdivision 1, is amended to read:

300.11 Subdivision 1. **Fee setting.** The commissioner of health may assess an annual fee of
300.12 ~~\$6.36~~ \$9.72 for every service connection to a public water supply that is owned or operated
300.13 by a home rule charter city, a statutory city, a city of the first class, or a town. The
300.14 commissioner of health may also assess an annual fee for every service connection served
300.15 by a water user district defined in section 110A.02.

300.16 **EFFECTIVE DATE.** This section is effective January 1, 2020.

300.17 Sec. 9. **[144.397] STATEWIDE TOBACCO CESSATION SERVICES.**

300.18 (a) The commissioner of health shall administer, or contract for the administration of,
300.19 statewide tobacco cessation services to assist Minnesotans who are seeking advice or services
300.20 to help them quit using tobacco products. The commissioner shall establish statewide public
300.21 awareness activities to inform the public of the availability of the services and encourage
300.22 the public to utilize the services because of the dangers and harm of tobacco use and
300.23 dependence.

300.24 (b) Services to be provided may include, but are not limited to:

300.25 (1) telephone-based coaching and counseling;

300.26 (2) referrals;

300.27 (3) written materials mailed upon request;

300.28 (4) web-based texting or e-mail services; and

300.29 (5) free Food and Drug Administration-approved tobacco cessation medications.

301.1 (c) Services provided must be consistent with evidence-based best practices in tobacco
301.2 cessation services. Services provided must be coordinated with health plan company tobacco
301.3 prevention and cessation services that may be available to individuals depending on their
301.4 health coverage.

301.5 Sec. 10. Minnesota Statutes 2018, section 144.412, is amended to read:

301.6 **144.412 PUBLIC POLICY.**

301.7 The purpose of sections 144.411 to 144.417 is to protect employees and the general
301.8 public from the hazards of secondhand smoke and involuntary exposure to aerosol or vapor
301.9 from electronic delivery devices by eliminating smoking in public places, places of
301.10 employment, public transportation, and at public meetings.

301.11 Sec. 11. Minnesota Statutes 2018, section 144.413, subdivision 1, is amended to read:

301.12 Subdivision 1. **Scope.** As used in sections 144.411 to ~~144.416~~ 144.417, the terms defined
301.13 in this section have the meanings given them.

301.14 Sec. 12. Minnesota Statutes 2018, section 144.413, subdivision 4, is amended to read:

301.15 Subd. 4. **Smoking.** "Smoking" means inhaling or, exhaling ~~smoke from, burning, or~~
301.16 carrying any lighted or heated cigar, cigarette, pipe, or any other lighted tobacco or plant
301.17 or heated product containing, made, or derived from nicotine, tobacco, marijuana, or other
301.18 plant, whether natural or synthetic, that is intended for inhalation. Smoking also includes
301.19 ~~carrying a lighted cigar, cigarette, pipe, or any other lighted tobacco or plant product intended~~
301.20 ~~for inhalation~~ carrying or using an activated electronic delivery device, as defined in section
301.21 609.685.

301.22 Sec. 13. Minnesota Statutes 2018, section 144.414, subdivision 2, is amended to read:

301.23 Subd. 2. **Day care premises.** ~~(a)~~ Smoking is prohibited in a day care center licensed
301.24 under Minnesota Rules, parts 9503.0005 to 9503.0170, or in a family home or in a group
301.25 family day care provider home licensed under Minnesota Rules, parts 9502.0300 to
301.26 9502.0445, during its hours of operation. The proprietor of a family home or group family
301.27 day care provider must disclose to parents or guardians of children cared for on the premises
301.28 if the proprietor permits smoking outside of its hours of operation. Disclosure must include
301.29 posting on the premises a conspicuous written notice and orally informing parents or
301.30 guardians.

302.1 ~~(b) For purposes of this subdivision, the definition of smoking includes the use of~~
302.2 ~~electronic cigarettes, including the inhaling and exhaling of vapor from any electronic~~
302.3 ~~delivery device as defined in section 609.685, subdivision 1.~~

302.4 Sec. 14. Minnesota Statutes 2018, section 144.414, subdivision 3, is amended to read:

302.5 Subd. 3. **Health care facilities and clinics.** (a) Smoking is prohibited in any area of a
302.6 hospital, health care clinic, doctor's office, licensed residential facility for children, or other
302.7 health care-related facility, except that a patient or resident in a nursing home, boarding
302.8 care facility, or licensed residential facility for adults may smoke in a designated separate,
302.9 enclosed room maintained in accordance with applicable state and federal laws.

302.10 (b) Except as provided in section 246.0141, smoking by patients in a locked psychiatric
302.11 unit may be allowed in a separated well-ventilated area in the unit under a policy established
302.12 by the administrator of the program that allows the treating physician to approve smoking
302.13 if, in the opinion of the treating physician, the benefits to be gained in obtaining patient
302.14 cooperation with treatment outweigh the negative impacts of smoking.

302.15 ~~(c) For purposes of this subdivision, the definition of smoking includes the use of~~
302.16 ~~electronic cigarettes, including the inhaling and exhaling of vapor from any electronic~~
302.17 ~~delivery device as defined in section 609.685, subdivision 1.~~

302.18 Sec. 15. Minnesota Statutes 2018, section 144.416, is amended to read:

302.19 **144.416 RESPONSIBILITIES OF PROPRIETORS.**

302.20 (a) The proprietor or other person, firm, limited liability company, corporation, or other
302.21 entity that owns, leases, manages, operates, or otherwise controls the use of a public place,
302.22 public transportation, place of employment, or public meeting shall make reasonable efforts
302.23 to prevent smoking in the public place, public transportation, place of employment, or public
302.24 meeting by:

302.25 (1) posting appropriate signs or by any other means which may be appropriate; and

302.26 (2) asking any person who smokes in an area where smoking is prohibited to refrain
302.27 from smoking and, if the person does not refrain from smoking after being asked to do so,
302.28 asking the person to leave. If the person refuses to leave, the proprietor, person, or entity
302.29 in charge shall handle the situation consistent with lawful methods for handling other persons
302.30 acting in a disorderly manner or as a trespasser.

302.31 (b) The proprietor or other person or entity in charge of a public place, public meeting,
302.32 public transportation, or place of employment must not provide smoking equipment, including

303.1 ashtrays or matches, in areas where smoking is prohibited. Nothing in this section prohibits
303.2 the proprietor or other person or entity in charge from taking more stringent measures than
303.3 those under sections 144.414 to 144.417 to protect individuals from secondhand smoke or
303.4 from involuntary exposure to aerosol or vapor from electronic delivery devices. The
303.5 proprietor or other person or entity in charge of a restaurant or bar may not serve an individual
303.6 who is in violation of sections 144.411 to 144.417.

303.7 Sec. 16. Minnesota Statutes 2018, section 144.4165, is amended to read:

303.8 **144.4165 TOBACCO PRODUCTS PROHIBITED IN PUBLIC SCHOOLS.**

303.9 No person shall at any time smoke, chew, or otherwise ingest tobacco or a tobacco
303.10 product, or ~~inhale or exhale vapor from~~ carry or use an activated electronic delivery device
303.11 as defined in section 609.685, subdivision 1, in a public school, as defined in section 120A.05,
303.12 subdivisions 9, 11, and 13, and no person under the age of 18 shall possess any of these
303.13 items. This prohibition extends to all facilities, whether owned, rented, or leased, and all
303.14 vehicles that a school district owns, leases, rents, contracts for, or controls. Nothing in this
303.15 section shall prohibit the lighting of tobacco by an adult as a part of a traditional Indian
303.16 spiritual or cultural ceremony. For purposes of this section, an Indian is a person who is a
303.17 member of an Indian tribe as defined in section 260.755 subdivision 12.

303.18 Sec. 17. Minnesota Statutes 2018, section 144.417, subdivision 4, is amended to read:

303.19 Subd. 4. **Local government ordinances.** (a) Nothing in sections 144.414 to 144.417
303.20 prohibits a statutory or home rule charter city or county from enacting and enforcing more
303.21 stringent measures to protect individuals from secondhand smoke or from involuntary
303.22 exposure to aerosol or vapor from electronic delivery devices.

303.23 (b) Except as provided in sections 144.411 to 144.417, smoking is permitted outside of
303.24 restaurants, bars, and bingo halls unless limited or prohibited by restrictions adopted in
303.25 accordance with paragraph (a).

303.26 Sec. 18. Minnesota Statutes 2018, section 144.552, is amended to read:

303.27 **144.552 PUBLIC INTEREST REVIEW.**

303.28 (a) The following entities must submit a plan to the commissioner:

303.29 (1) a hospital seeking to increase its number of licensed beds; or

303.30 (2) an organization seeking to obtain a hospital license and notified by the commissioner
303.31 under section 144.553, subdivision 1, paragraph (c), that it is subject to this section.

304.1 The plan must include information that includes an explanation of how the expansion will
304.2 meet the public's interest. When submitting a plan to the commissioner, an applicant shall
304.3 pay the commissioner for the commissioner's cost of reviewing and monitoring the plan,
304.4 as determined by the commissioner and notwithstanding section 16A.1283. Money received
304.5 by the commissioner under this section is appropriated to the commissioner for the purpose
304.6 of administering this section. If the commissioner does not issue a finding within the time
304.7 limit specified in paragraph (c), the commissioner must return to the applicant the entire
304.8 amount the applicant paid to the commissioner. For a hospital that is seeking an exception
304.9 to the moratorium under section 144.551, the plan must be submitted to the commissioner
304.10 no later than August 1 of the calendar year prior to the year when the exception will be
304.11 considered by the legislature.

304.12 (b) Plans submitted under this section shall include detailed information necessary for
304.13 the commissioner to review the plan and reach a finding. The commissioner may request
304.14 additional information from the hospital submitting a plan under this section and from others
304.15 affected by the plan that the commissioner deems necessary to review the plan and make a
304.16 finding. If the commissioner determines that additional information is required from the
304.17 hospital submitting a plan under this section, the commissioner shall notify the hospital of
304.18 the additional information required no more than 30 days after the initial submission of the
304.19 plan. A hospital submitting a plan from whom the commissioner has requested additional
304.20 information shall submit the requested additional information within 14 calendar days of
304.21 the commissioner's request.

304.22 (c) The commissioner shall review the plan and, within ~~90~~ 150 calendar days, ~~but no~~
304.23 ~~more than six months if extenuating circumstances apply~~ of the initial submission of the
304.24 plan, issue a finding on whether the plan is in the public interest. In making the
304.25 recommendation, the commissioner shall consider issues including but not limited to:

304.26 (1) whether the new hospital or hospital beds are needed to provide timely access to care
304.27 or access to new or improved services given the number of available beds. For the purposes
304.28 of this clause, "available beds" means the number of licensed acute care beds that are
304.29 immediately available for use or could be brought online within 48 hours without significant
304.30 facility modifications;

304.31 (2) the financial impact of the new hospital or hospital beds on existing acute-care
304.32 hospitals that have emergency departments in the region;

304.33 (3) how the new hospital or hospital beds will affect the ability of existing hospitals in
304.34 the region to maintain existing staff;

305.1 (4) the extent to which the new hospital or hospital beds will provide services to
305.2 nonpaying or low-income patients relative to the level of services provided to these groups
305.3 by existing hospitals in the region; and

305.4 (5) the views of affected parties.

305.5 (d) If the plan is being submitted by an existing hospital seeking authority to construct
305.6 a new hospital, the commissioner shall also consider:

305.7 (1) the ability of the applicant to maintain the applicant's current level of community
305.8 benefit as defined in section 144.699, subdivision 5, at the existing facility; and

305.9 (2) the impact on the workforce at the existing facility including the applicant's plan for:

305.10 (i) transitioning current workers to the new facility;

305.11 (ii) retraining and employment security for current workers; and

305.12 (iii) addressing the impact of layoffs at the existing facility on affected workers.

305.13 (e) Prior to making a recommendation, the commissioner shall conduct a public hearing
305.14 in the affected hospital service area to take testimony from interested persons.

305.15 (f) Upon making a recommendation under paragraph (c), the commissioner shall provide
305.16 a copy of the recommendation to the chairs of the house of representatives and senate
305.17 committees having jurisdiction over health and human services policy and finance.

305.18 (g) If an exception to the moratorium is approved under section 144.551 after a review
305.19 under this section, the commissioner shall monitor the implementation of the exception up
305.20 to completion of the construction project. Thirty days after completion of the construction
305.21 project, the hospital shall submit to the commissioner a report on how the construction has
305.22 met the provisions of the plan originally submitted under the public interest review process
305.23 or a plan submitted pursuant to section 144.551, subdivision 1, paragraph (b), clause (20).

305.24 Sec. 19. Minnesota Statutes 2018, section 144.586, is amended by adding a subdivision
305.25 to read:

305.26 Subd. 3. Care coordination implementation. (a) This subdivision applies to hospital
305.27 discharges involving a child with a high-cost medical or chronic condition who needs
305.28 post-hospital continuing aftercare, including but not limited to home health care services,
305.29 post-hospital extended care services, or outpatient services for follow-up or ancillary care,
305.30 or is at risk of recurrent hospitalization or emergency room services due to a medical or
305.31 chronic condition.

306.1 (b) In addition to complying with the discharge planning requirements in subdivision
306.2 2, the hospital must ensure that the following conditions are met and arrangements made
306.3 before discharging any patient described in paragraph (a):

306.4 (1) the patient's primary care provider and either the health carrier or, if the patient is
306.5 enrolled in medical assistance, the managed care organization are notified of the patient's
306.6 date of anticipated discharge and provided a description of the patient's aftercare needs and
306.7 a copy of the patient's discharge plan, including any necessary medical information release
306.8 forms;

306.9 (2) the appropriate arrangements for home health care or post-hospital extended care
306.10 services are made and the initial services as indicated on the discharge plan are scheduled;
306.11 and

306.12 (3) if the patient is eligible for care coordination services through a health plan or health
306.13 certified medical home, the appropriate care coordinator has connected with the patient's
306.14 family.

306.15 **EFFECTIVE DATE.** This section is effective August 1, 2019.

306.16 **Sec. 20. [144.591] DISCLOSURE OF HOSPITAL CHARGES.**

306.17 (a) Each hospital, including hospitals designated as critical access hospitals, shall provide
306.18 to each discharged patient within 30 calendar days of discharge an itemized description of
306.19 billed charges for medical services and goods the patient received during the hospital stay.
306.20 The itemized description of billed charges must include a notation for each drug dispensed
306.21 to the patient, the charge for which was increased by five percent or more over the hospital's
306.22 acquisition cost, and must indicate the total percent increase. The itemized description of
306.23 billed charges may include technical terms to describe the medical services and goods if
306.24 the technical terms are defined on the itemized description with limited medical
306.25 nomenclature. The itemized description of billed charges must not describe a billed charge
306.26 using only a medical billing code, "miscellaneous charges," or "supply charges."

306.27 (b) A hospital may not bill or otherwise charge a patient for the itemized description of
306.28 billed charges.

306.29 (c) A hospital must provide an itemized description by secure e-mail, via a secure online
306.30 portal, or, upon request, by mail.

306.31 (d) This section does not apply to patients enrolled in Medicare, medical assistance, the
306.32 MinnesotaCare program, or who receive health care coverage through an employer
306.33 self-insured health plan.

307.1 **EFFECTIVE DATE.** This section is effective August 1, 2020.

307.2 Sec. 21. **[144.6502] ELECTRONIC MONITORING IN CERTAIN HEALTH CARE**
307.3 **FACILITIES.**

307.4 Subdivision 1. **Definitions.** (a) For the purposes of this section, the terms defined in this
307.5 subdivision have the meanings given.

307.6 (b) "Electronic monitoring" means the placement and use of an electronic monitoring
307.7 device by a resident in the resident's room or private living unit in accordance with this
307.8 section.

307.9 (c) "Commissioner" means the commissioner of health.

307.10 (d) "Department" means the Department of Health.

307.11 (e) "Electronic monitoring device" means a camera or other device that captures, records,
307.12 or broadcasts audio, video, or both, that is placed in a resident's room or private living unit
307.13 and is used to monitor the resident or activities in the room or private living unit.

307.14 (f) "Facility" means a nursing home licensed under chapter 144A, a boarding care home
307.15 licensed under sections 144.50 to 144.56, or a housing with services establishment registered
307.16 under chapter 144D that is either subject to chapter 144G or has a disclosed special unit
307.17 under section 325F.72.

307.18 (g) "Resident" means a person 18 years of age or older residing in a facility.

307.19 (h) "Resident representative" means one of the following in the order of priority listed,
307.20 to the extent the person may reasonably be identified and located:

307.21 (1) a court-appointed guardian;

307.22 (2) a health care agent under section 145C.01, subdivision 2; or

307.23 (3) a person who is not an agent of a facility or of a home care provider designated in
307.24 writing by the resident and maintained in the resident's records on file with the facility or
307.25 with the resident's executed housing with services contract.

307.26 Subd. 2. **Electronic monitoring.** (a) A resident or a resident representative may conduct
307.27 electronic monitoring of the resident's room or private living unit through the use of electronic
307.28 monitoring devices placed in the resident's room or private living unit as provided in this
307.29 section.

307.30 (b) Nothing in this section precludes the use of electronic monitoring of health care
307.31 allowed under other law.

308.1 (c) Electronic monitoring authorized under this section is not a covered service under
308.2 home and community-based waivers under sections 256B.0913, 256B.0915, 256B.092, and
308.3 256B.49.

308.4 (d) This section does not apply to monitoring technology authorized as a home and
308.5 community-based service under section 256B.0913, 256B.0915, 256B.092, or 256B.49.

308.6 **Subd. 3. Consent to electronic monitoring.** (a) Except as otherwise provided in this
308.7 subdivision, a resident must consent to electronic monitoring in the resident's room or private
308.8 living unit in writing on a notification and consent form. If the resident has not affirmatively
308.9 objected to electronic monitoring and the resident's medical professional determines that
308.10 the resident currently lacks the ability to understand and appreciate the nature and
308.11 consequences of electronic monitoring, the resident representative may consent on behalf
308.12 of the resident. For purposes of this subdivision, a resident affirmatively objects when the
308.13 resident orally, visually, or through the use of auxiliary aids or services declines electronic
308.14 monitoring. The resident's response must be documented on the notification and consent
308.15 form.

308.16 (b) Prior to a resident representative consenting on behalf of a resident, the resident must
308.17 be asked if the resident wants electronic monitoring to be conducted. The resident
308.18 representative must explain to the resident:

308.19 (1) the type of electronic monitoring device to be used;

308.20 (2) the standard conditions that may be placed on the electronic monitoring device's use,
308.21 including those listed in subdivision 6;

308.22 (3) with whom the recording may be shared under subdivision 10 or 11; and

308.23 (4) the resident's ability to decline all recording.

308.24 (c) A resident, or resident representative when consenting on behalf of the resident, may
308.25 consent to electronic monitoring with any conditions of the resident's or resident
308.26 representative's choosing, including the list of standard conditions provided in subdivision
308.27 6. A resident, or resident representative when consenting on behalf of the resident, may
308.28 request that the electronic monitoring device be turned off or the visual or audio recording
308.29 component of the electronic monitoring device be blocked at any time.

308.30 (d) Prior to implementing electronic monitoring, a resident, or resident representative
308.31 when acting on behalf of the resident, must obtain the written consent on the notification
308.32 and consent form of any other resident residing in the shared room or shared private living
308.33 unit. A roommate's or roommate's resident representative's written consent must comply

309.1 with the requirements of paragraphs (a) to (c). Consent by a roommate or a roommate's
 309.2 resident representative under this paragraph authorizes the resident's use of any recording
 309.3 obtained under this section, as provided under subdivision 10 or 11.

309.4 (e) Any resident conducting electronic monitoring must immediately remove or disable
 309.5 an electronic monitoring device prior to a new roommate moving into a shared room or
 309.6 shared private living unit, unless the resident obtains the roommate's or roommate's resident
 309.7 representative's written consent as provided under paragraph (d) prior to the roommate
 309.8 moving into the shared room or shared private living unit. Upon obtaining the new
 309.9 roommate's signed notification and consent form and submitting the form to the facility as
 309.10 required under subdivision 5, the resident may resume electronic monitoring.

309.11 (f) The resident or roommate, or the resident representative or roommate's resident
 309.12 representative if the representative is consenting on behalf of the resident or roommate, may
 309.13 withdraw consent at any time and the withdrawal of consent must be documented on the
 309.14 original consent form as provided under subdivision 5, paragraph (c).

309.15 Subd. 4. **Refusal of roommate to consent.** If a resident of a facility who is residing in
 309.16 a shared room or shared living unit, or the resident representative of such a resident when
 309.17 acting on behalf of the resident, wants to conduct electronic monitoring and another resident
 309.18 living in or moving into the same shared room or shared living unit refuses to consent to
 309.19 the use of an electronic monitoring device, the facility shall make a reasonable attempt to
 309.20 accommodate the resident who wants to conduct electronic monitoring. A facility has met
 309.21 the requirement to make a reasonable attempt to accommodate a resident or resident
 309.22 representative who wants to conduct electronic monitoring when, upon notification that a
 309.23 roommate has not consented to the use of an electronic monitoring device in the resident's
 309.24 room, the facility offers to move the resident to another shared room or shared living unit
 309.25 that is available at the time of the request. If a resident chooses to reside in a private room
 309.26 or private living unit in a facility in order to accommodate the use of an electronic monitoring
 309.27 device, the resident must pay either the private room rate in a nursing home setting, or the
 309.28 applicable rent in a housing with services establishment. If a facility is unable to
 309.29 accommodate a resident due to lack of space, the facility must reevaluate the request every
 309.30 two weeks until the request is fulfilled. A facility is not required to provide a private room,
 309.31 a single-bed room, or a private living unit to a resident who is unable to pay.

309.32 Subd. 5. **Notice to facility.** (a) Electronic monitoring may begin only after the resident
 309.33 or resident representative who intends to place an electronic monitoring device and any
 309.34 roommate or roommate's resident representative completes the notification and consent
 309.35 form and submits the form to the facility.

310.1 (b) Upon receipt of any completed notification and consent form, the facility must place
310.2 the original form in the resident's file or file the original form with the resident's housing
310.3 with services contract. The facility must provide a copy to the resident and the resident's
310.4 roommate, if applicable.

310.5 (c) In the event that a resident or roommate, or the resident representative or roommate's
310.6 resident representative if the representative is consenting on behalf of the resident or
310.7 roommate, chooses to alter the conditions under which consent to electronic monitoring is
310.8 given or chooses to withdraw consent to electronic monitoring, the facility must make
310.9 available the original notification and consent form so that it may be updated. Upon receipt
310.10 of the updated form, the facility must place the updated form in the resident's file or file the
310.11 original form with the resident's signed housing with services contract. The facility must
310.12 provide a copy of the updated form to the resident and the resident's roommate, if applicable.

310.13 (d) If a new roommate, or the new roommate's resident representative when consenting
310.14 on behalf of the new roommate, does not submit to the facility a completed notification and
310.15 consent form and the resident conducting the electronic monitoring does not remove or
310.16 disable the electronic monitoring device, the facility must remove the electronic monitoring
310.17 device.

310.18 (e) If a roommate, or the roommate's resident representative when withdrawing consent
310.19 on behalf of the roommate, submits an updated notification and consent form withdrawing
310.20 consent and the resident conducting electronic monitoring does not remove or disable the
310.21 electronic monitoring device, the facility must remove the electronic monitoring device.

310.22 (f) Notwithstanding paragraph (a), the resident or resident representative who intends
310.23 to place an electronic monitoring device may do so without submitting a notification and
310.24 consent form to the facility, provided that:

310.25 (1) the resident or resident representative reasonably fears retaliation by the facility;

310.26 (2) the resident does not have a roommate;

310.27 (3) the resident or resident representative submits the completed notification and consent
310.28 form to the Office of the Ombudsman for Long-Term Care;

310.29 (4) the resident or resident representative submits the notification and consent form to
310.30 the facility within seven calendar days of placing the electronic monitoring device; and

310.31 (5) the resident or resident representative immediately submits a Minnesota Adult Abuse
310.32 Reporting Center report or police report upon evidence from the electronic monitoring
310.33 device that suspected maltreatment has occurred between the time the electronic monitoring

311.1 device is placed under this paragraph and the time the resident or resident representative
311.2 submits the completed notification and consent form to the facility.

311.3 Subd. 6. Form requirements. (a) The notification and consent form completed by the
311.4 resident must include, at a minimum, the following information:

311.5 (1) the resident's signed consent to electronic monitoring or the signature of the resident
311.6 representative, if applicable. If a person other than the resident signs the consent form, the
311.7 form must document the following:

311.8 (i) the date the resident was asked if the resident wants electronic monitoring to be
311.9 conducted;

311.10 (ii) who was present when the resident was asked;

311.11 (iii) an acknowledgment that the resident did not affirmatively object; and

311.12 (iv) the source of authority allowing the resident representative to sign the notification
311.13 and consent form on the resident's behalf;

311.14 (2) the resident's roommate's signed consent or the signature of the roommate's resident
311.15 representative, if applicable. If a roommate's resident representative signs the consent form,
311.16 the form must document the following:

311.17 (i) the date the roommate was asked if the roommate wants electronic monitoring to be
311.18 conducted;

311.19 (ii) who was present when the roommate was asked;

311.20 (iii) an acknowledgment that the roommate did not affirmatively object; and

311.21 (iv) the source of authority allowing the resident representative to sign the notification
311.22 and consent form on the resident's behalf;

311.23 (3) the type of electronic monitoring device to be used;

311.24 (4) a list of standard conditions or restrictions that the resident or a roommate may elect
311.25 to place on the use of the electronic monitoring device, including but not limited to:

311.26 (i) prohibiting audio recording;

311.27 (ii) prohibiting video recording;

311.28 (iii) prohibiting broadcasting of audio or video;

- 312.1 (iv) turning off the electronic monitoring device or blocking the visual recording
312.2 component of the electronic monitoring device for the duration of an exam or procedure by
312.3 a health care professional;
- 312.4 (v) turning off the electronic monitoring device or blocking the visual recording
312.5 component of the electronic monitoring device while dressing or bathing is performed; and
- 312.6 (vi) turning off the electronic monitoring device for the duration of a visit with a spiritual
312.7 adviser, ombudsman, attorney, financial planner, intimate partner, or other visitor;
- 312.8 (5) any other condition or restriction elected by the resident or roommate on the use of
312.9 an electronic monitoring device;
- 312.10 (6) a statement of the circumstances under which a recording may be disseminated under
312.11 subdivision 10;
- 312.12 (7) a signature box for documenting that the resident or roommate has withdrawn consent;
312.13 and
- 312.14 (8) an acknowledgment that the resident, in accordance with subdivision 3, consents,
312.15 authorizes, and allows the Office of Ombudsman for Long-Term Care and representatives
312.16 of its office to disclose information about the form limited to:
- 312.17 (i) the fact that the form was received from the resident or resident representative;
- 312.18 (ii) if signed by a resident representative, the name of the resident representative and
312.19 the source of authority allowing the resident representative to sign the notification and
312.20 consent form on the resident's behalf; and
- 312.21 (iii) the type of electronic monitoring device placed.
- 312.22 (b) Facilities must make the notification and consent form available to the residents and
312.23 inform residents of their option to conduct electronic monitoring of their rooms or private
312.24 living unit.
- 312.25 (c) Notification and consent forms received by the Office of Ombudsman for Long-Term
312.26 Care are data protected under section 256.9744.
- 312.27 Subd. 7. **Cost and installation.** (a) A resident choosing to conduct electronic monitoring
312.28 must do so at the resident's own expense, including paying purchase, installation,
312.29 maintenance, and removal costs.
- 312.30 (b) If a resident chooses to place an electronic monitoring device that uses Internet
312.31 technology for visual or audio monitoring, the resident may be responsible for contracting
312.32 with an Internet service provider.

313.1 (c) The facility shall make a reasonable attempt to accommodate the resident's installation
313.2 needs, including allowing access to the facility's public-use Internet or Wi-Fi systems when
313.3 available for other public uses.

313.4 (d) All electronic monitoring device installations and supporting services must be
313.5 UL-listed.

313.6 Subd. 8. **Notice to visitors.** (a) A facility shall post a sign at each facility entrance
313.7 accessible to visitors that states "Security cameras and audio devices may be present to
313.8 record persons and activities."

313.9 (b) The facility is responsible for installing and maintaining the signage required in this
313.10 subdivision.

313.11 Subd. 9. **Obstruction of electronic monitoring devices.** (a) A person must not knowingly
313.12 hamper, obstruct, tamper with, or destroy an electronic monitoring device placed in a
313.13 resident's room or private living unit without the permission of the resident or resident
313.14 representative.

313.15 (b) It is not a violation of paragraph (a) if a person turns off the electronic monitoring
313.16 device or blocks the visual recording component of the electronic monitoring device at the
313.17 direction of the resident or resident representative, or if consent has been withdrawn.

313.18 Subd. 10. **Dissemination of recordings.** (a) No person may access any video or audio
313.19 recording created through authorized electronic monitoring without the written consent of
313.20 the resident or resident representative.

313.21 (b) Except as required under other law, a recording or copy of a recording made as
313.22 provided in this section may only be disseminated for the purpose of addressing health,
313.23 safety, or welfare concerns of a resident or residents.

313.24 (c) A person disseminating a recording or copy of a recording made as provided in this
313.25 section in violation of paragraph (b) may be civilly or criminally liable.

313.26 Subd. 11. **Admissibility of evidence.** Subject to applicable rules of evidence and
313.27 procedure, any video or audio recording created through electronic monitoring under this
313.28 section may be admitted into evidence in a civil, criminal, or administrative proceeding.

313.29 Subd. 12. **Liability.** (a) For the purposes of state law, the mere presence of an electronic
313.30 monitoring device in a resident's room or private living unit is not a violation of the resident's
313.31 right to privacy under section 144.651 or 144A.44.

314.1 (b) For the purposes of state law, a facility or home care provider is not civilly or
314.2 criminally liable for the mere disclosure by a resident or a resident representative of a
314.3 recording.

314.4 Subd. 13. **Immunity from liability.** The Office of Ombudsman for Long-Term Care
314.5 and representatives of the office are immune from liability as provided under section
314.6 256.9742, subdivision 2.

314.7 Subd. 14. **Resident protections.** (a) A facility must not:

314.8 (1) refuse to admit a potential resident or remove a resident because the facility disagrees
314.9 with the potential resident's or the resident's decisions regarding electronic monitoring,
314.10 including when the decision is made by a resident representative acting on behalf of the
314.11 resident;

314.12 (2) retaliate or discriminate against any resident for consenting or refusing to consent
314.13 to electronic monitoring; or

314.14 (3) prevent the placement or use of an electronic monitoring device by a resident who
314.15 has provided the facility or the Office of the Ombudsman for Long-Term Care with notice
314.16 and consent as required under this section.

314.17 (b) Any contractual provision prohibiting, limiting, or otherwise modifying the rights
314.18 and obligations in this section is contrary to public policy and is void and unenforceable.

314.19 Subd. 15. **Employee discipline.** An employee of the facility or of a contractor providing
314.20 services at the facility, including an arranged home care provider as defined in section
314.21 144D.01, subdivision 2a, who is the subject of proposed corrective or disciplinary action
314.22 based upon evidence obtained by electronic monitoring must be given access to that evidence
314.23 for purposes of defending against the proposed action. The recording or a copy of the
314.24 recording must be treated confidentially by the employee and must not be further
314.25 disseminated to any other person except as required under law. Any copy of the recording
314.26 must be returned to the facility or resident who provided the copy when it is no longer
314.27 needed for purposes of defending against a proposed action.

314.28 Subd. 16. **Penalties.** (a) The commissioner may issue a correction order as provided
314.29 under section 144A.10, 144A.45, or 144A.474, upon a finding that the facility has failed to
314.30 comply with subdivision 5, paragraphs (b) to (e); 6, paragraph (b); 7, paragraph (c); 8; 9;
314.31 10; or 14. For each violation of this section, the commissioner may impose a fine up to \$500
314.32 upon a finding of noncompliance with a correction order issued according to this subdivision.

315.1 (b) The commissioner may exercise the commissioner's authority provided under section
315.2 144D.05 to compel a housing with services establishment to meet the requirements of this
315.3 section.

315.4 **EFFECTIVE DATE.** This section is effective January 1, 2020, and applies to all
315.5 agreements in effect, entered into, or renewed on or after that date.

315.6 Sec. 22. Minnesota Statutes 2018, section 144.966, subdivision 2, is amended to read:

315.7 Subd. 2. **Newborn Hearing Screening Advisory Committee.** (a) The commissioner
315.8 of health shall establish a Newborn Hearing Screening Advisory Committee to advise and
315.9 assist the Department of Health and the Department of Education in:

315.10 (1) developing protocols and timelines for screening, rescreening, and diagnostic
315.11 audiological assessment and early medical, audiological, and educational intervention
315.12 services for children who are deaf or hard-of-hearing;

315.13 (2) designing protocols for tracking children from birth through age three that may have
315.14 passed newborn screening but are at risk for delayed or late onset of permanent hearing
315.15 loss;

315.16 (3) designing a technical assistance program to support facilities implementing the
315.17 screening program and facilities conducting rescreening and diagnostic audiological
315.18 assessment;

315.19 (4) designing implementation and evaluation of a system of follow-up and tracking; and

315.20 (5) evaluating program outcomes to increase effectiveness and efficiency and ensure
315.21 culturally appropriate services for children with a confirmed hearing loss and their families.

315.22 (b) The commissioner of health shall appoint at least one member from each of the
315.23 following groups with no less than two of the members being deaf or hard-of-hearing:

315.24 (1) a representative from a consumer organization representing culturally deaf persons;

315.25 (2) a parent with a child with hearing loss representing a parent organization;

315.26 (3) a consumer from an organization representing oral communication options;

315.27 (4) a consumer from an organization representing cued speech communication options;

315.28 (5) an audiologist who has experience in evaluation and intervention of infants and
315.29 young children;

315.30 (6) a speech-language pathologist who has experience in evaluation and intervention of
315.31 infants and young children;

316.1 (7) two primary care providers who have experience in the care of infants and young
316.2 children, one of which shall be a pediatrician;

316.3 (8) a representative from the early hearing detection intervention teams;

316.4 (9) a representative from the Department of Education resource center for the deaf and
316.5 hard-of-hearing or the representative's designee;

316.6 (10) a representative of the Commission of the Deaf, DeafBlind and Hard of Hearing;

316.7 (11) a representative from the Department of Human Services Deaf and Hard-of-Hearing
316.8 Services Division;

316.9 (12) one or more of the Part C coordinators from the Department of Education, the
316.10 Department of Health, or the Department of Human Services or the department's designees;

316.11 (13) the Department of Health early hearing detection and intervention coordinators;

316.12 (14) two birth hospital representatives from one rural and one urban hospital;

316.13 (15) a pediatric geneticist;

316.14 (16) an otolaryngologist;

316.15 (17) a representative from the Newborn Screening Advisory Committee under this
316.16 subdivision; and

316.17 (18) a representative of the Department of Education regional low-incidence facilitators.

316.18 The commissioner must complete the appointments required under this subdivision by
316.19 September 1, 2007.

316.20 (c) The Department of Health member shall chair the first meeting of the committee. At
316.21 the first meeting, the committee shall elect a chair from its membership. The committee
316.22 shall meet at the call of the chair, at least four times a year. The committee shall adopt
316.23 written bylaws to govern its activities. The Department of Health shall provide technical
316.24 and administrative support services as required by the committee. These services shall
316.25 include technical support from individuals qualified to administer infant hearing screening,
316.26 rescreening, and diagnostic audiological assessments.

316.27 Members of the committee shall receive no compensation for their service, but shall be
316.28 reimbursed as provided in section 15.059 for expenses incurred as a result of their duties
316.29 as members of the committee.

316.30 (d) By February 15, 2015, and by February 15 of the odd-numbered years after that date,
316.31 the commissioner shall report to the chairs and ranking minority members of the legislative

317.1 committees with jurisdiction over health and data privacy on the activities of the committee
317.2 that have occurred during the past two years.

317.3 (e) This subdivision expires June 30, ~~2019~~ 2025.

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

317.5 Sec. 23. Minnesota Statutes 2018, section 144H.01, subdivision 5, is amended to read:

317.6 Subd. 5. **Medically complex or technologically dependent child.** "Medically complex
317.7 or technologically dependent child" means a child under ~~21~~ seven years of age who, because
317.8 of a medical condition, requires continuous therapeutic interventions or skilled nursing
317.9 supervision ~~which~~ that must be prescribed by a licensed physician and administered by, or
317.10 under the direct supervision of, a licensed registered nurse.

317.11 Sec. 24. Minnesota Statutes 2018, section 144H.04, subdivision 1, is amended to read:

317.12 Subdivision 1. **Licenses.** A person seeking licensure for a PPEC center must submit a
317.13 completed application for licensure to the commissioner, in a form and manner determined
317.14 by the commissioner. The applicant must also submit the application fee, in the amount
317.15 specified in section 144H.05, subdivision 1. ~~Effective January 1, 2018,~~ Beginning July 1,
317.16 2020, the commissioner shall issue a license for a PPEC center if the commissioner
317.17 determines that the applicant and center meet the requirements of this chapter and rules that
317.18 apply to PPEC centers. A license issued under this subdivision is valid for two years.

317.19 **EFFECTIVE DATE.** This section is effective retroactively from January 1, 2018.

317.20 Sec. 25. Minnesota Statutes 2018, section 144H.04, is amended by adding a subdivision
317.21 to read:

317.22 Subd. 1a. **Licensure phase-in.** (a) The commissioner shall phase in licensure of PPEC
317.23 centers by issuing prior to June 30, 2024, no more than two licenses to applicants the
317.24 commissioner determines meet the requirements of this chapter. A license issued under this
317.25 subdivision is valid until June 30, 2024.

317.26 (b) This subdivision expires July 1, 2024.

317.27 **EFFECTIVE DATE.** This section is effective upon the effective date of article 8,
317.28 section 15.

318.1 Sec. 26. Minnesota Statutes 2018, section 144H.06, is amended to read:

318.2 **144H.06 APPLICATION OF RULES FOR HOSPICE SERVICES AND**
318.3 **RESIDENTIAL HOSPICE FACILITIES.**

318.4 Minnesota Rules, chapter 4664, shall apply to PPEC centers licensed under this chapter,
318.5 except that the following parts, subparts, and items, ~~and subitems~~ do not apply:

318.6 (1) Minnesota Rules, part 4664.0003, subparts 2, 6, 7, 11, 12, 13, 14, and 38;

318.7 (2) Minnesota Rules, part 4664.0008;

318.8 (3) Minnesota Rules, part 4664.0010, subparts 3; 4, ~~items A, subitem (6), and~~ item B;
318.9 and 8;

318.10 (4) Minnesota Rules, part 4664.0020, subpart 13;

318.11 (5) Minnesota Rules, part 4664.0370, subpart 1;

318.12 (6) Minnesota Rules, part 4664.0390, subpart 1, items A, C, and E;

318.13 (7) Minnesota Rules, part 4664.0420;

318.14 (8) Minnesota Rules, part 4664.0425, subparts 3, item A; 4; and 6;

318.15 (9) Minnesota Rules, part 4664.0430, subparts 3, 4, 5, 7, 8, 9, 10, 11, and 12;

318.16 (10) Minnesota Rules, part 4664.0490; and

318.17 (11) Minnesota Rules, part 4664.0520.

318.18 **EFFECTIVE DATE.** This section is effective August 1, 2019.

318.19 Sec. 27. Minnesota Statutes 2018, section 144H.07, subdivision 1, is amended to read:

318.20 Subdivision 1. **Services.** A PPEC center must provide basic services to medically complex
318.21 or technologically dependent children, based on a protocol of care established for each child.
318.22 A PPEC center may provide services up to ~~14~~ 12.5 hours a day and up to six days a week
318.23 with hours of operation during normal waking hours.

318.24 **EFFECTIVE DATE.** This section is effective August 1, 2019.

318.25 Sec. 28. Minnesota Statutes 2018, section 144H.07, subdivision 2, is amended to read:

318.26 Subd. 2. **Limitations.** A PPEC center must comply with the following standards related
318.27 to services:

319.1 (1) a child is prohibited from attending a PPEC center for more than ~~14~~ 12.5 hours within
319.2 a 24-hour period;

319.3 (2) a PPEC center is prohibited from providing services other than those provided to
319.4 medically complex or technologically dependent children; and

319.5 (3) the maximum capacity for medically complex or technologically dependent children
319.6 at a center shall not exceed 45 children.

319.7 **EFFECTIVE DATE.** This section is effective August 1, 2019.

319.8 Sec. 29. Minnesota Statutes 2018, section 144H.08, subdivision 2, is amended to read:

319.9 Subd. 2. ~~Duties of administrator~~ **Administrators.** (a) The center administrator is
319.10 responsible and accountable for overall management of the center. The administrator must:

319.11 (1) designate in writing a person to be responsible for the center when the administrator
319.12 is absent from the center for more than 24 hours;

319.13 (2) maintain the following written records, in a place and form and using a system that
319.14 allows for inspection of the records by the commissioner during normal business hours:

319.15 (i) a daily census record, which indicates the number of children currently receiving
319.16 services at the center;

319.17 (ii) a record of all accidents or unusual incidents involving any child or staff member
319.18 that caused, or had the potential to cause, injury or harm to a person at the center or to center
319.19 property;

319.20 (iii) copies of all current agreements with providers of supportive services or contracted
319.21 services;

319.22 (iv) copies of all current agreements with consultants employed by the center,
319.23 documentation of each consultant's visits, and written, dated reports; and

319.24 (v) a personnel record for each employee, which must include an application for
319.25 employment, references, employment history for the preceding five years, and copies of all
319.26 performance evaluations;

319.27 (3) develop and maintain a current job description for each employee;

319.28 (4) provide necessary qualified personnel and ancillary services to ensure the health,
319.29 safety, and proper care for each child; and

319.30 (5) develop and implement infection control policies that comply with rules adopted by
319.31 the commissioner regarding infection control.

320.1 (b) In order to serve as an administrator of a PPEC center, an individual must have at
320.2 least two years of experience in the past five years caring for or managing the care of
320.3 medically complex or technologically dependent individuals.

320.4 **EFFECTIVE DATE.** This section is effective August 1, 2019.

320.5 Sec. 30. Minnesota Statutes 2018, section 144H.11, subdivision 2, is amended to read:

320.6 Subd. 2. **Registered nurses.** A registered nurse employed by a PPEC center must be a
320.7 registered nurse licensed in Minnesota, and hold a current certification in cardiopulmonary
320.8 resuscitation, ~~and have experience in the previous 24 months in being responsible for the~~
320.9 ~~care of acutely ill or chronically ill children.~~

320.10 **EFFECTIVE DATE.** This section is effective August 1, 2019.

320.11 Sec. 31. Minnesota Statutes 2018, section 144H.11, subdivision 3, is amended to read:

320.12 Subd. 3. **Licensed practical nurses.** A licensed practical nurse employed by a PPEC
320.13 center must be supervised by a registered nurse and must be a licensed practical nurse
320.14 licensed in Minnesota, ~~have at least two years of experience in pediatrics,~~ and hold a current
320.15 certification in cardiopulmonary resuscitation.

320.16 **EFFECTIVE DATE.** This section is effective August 1, 2019.

320.17 Sec. 32. Minnesota Statutes 2018, section 144H.11, subdivision 4, is amended to read:

320.18 Subd. 4. **Other direct care personnel.** (a) Direct care personnel governed by this
320.19 subdivision may include nursing assistants ~~and~~ or individuals with training and experience
320.20 in the field of education, social services, or child care.

320.21 (b) All direct care personnel employed by a PPEC center must work under the supervision
320.22 of a registered nurse and are responsible for providing direct care to children at the center.
320.23 Direct care personnel must have extensive, documented education and skills training in
320.24 providing care to infants and toddlers, provide employment references documenting skill
320.25 in the care of infants and children, and hold a current certification in cardiopulmonary
320.26 resuscitation.

320.27 **EFFECTIVE DATE.** This section is effective August 1, 2019.

320.28 Sec. 33. Minnesota Statutes 2018, section 145.4131, subdivision 1, is amended to read:

320.29 Subdivision 1. **Forms.** (a) Within 90 days of July 1, 1998, the commissioner shall prepare
320.30 a reporting form for use by physicians or facilities performing abortions. A copy of this

321.1 section shall be attached to the form. A physician or facility performing an abortion shall
321.2 obtain a form from the commissioner.

321.3 (b) The form shall require the following information:

321.4 (1) the number of abortions performed by the physician in the previous calendar year,
321.5 reported by month;

321.6 (2) the method used for each abortion;

321.7 (3) the approximate gestational age expressed in one of the following increments:

321.8 (i) less than nine weeks;

321.9 (ii) nine to ten weeks;

321.10 (iii) 11 to 12 weeks;

321.11 (iv) 13 to 15 weeks;

321.12 (v) 16 to 20 weeks;

321.13 (vi) 21 to 24 weeks;

321.14 (vii) 25 to 30 weeks;

321.15 (viii) 31 to 36 weeks; or

321.16 (ix) 37 weeks to term;

321.17 (4) the age of the woman at the time the abortion was performed;

321.18 (5) the specific reason for the abortion, including, but not limited to, the following:

321.19 (i) the pregnancy was a result of rape;

321.20 (ii) the pregnancy was a result of incest;

321.21 (iii) economic reasons;

321.22 (iv) the woman does not want children at this time;

321.23 (v) the woman's emotional health is at stake;

321.24 (vi) the woman's physical health is at stake;

321.25 (vii) the woman will suffer substantial and irreversible impairment of a major bodily
321.26 function if the pregnancy continues;

321.27 (viii) the pregnancy resulted in fetal anomalies; or

321.28 (ix) unknown or the woman refused to answer;

- 322.1 (6) the number of prior induced abortions;
- 322.2 (7) the number of prior spontaneous abortions;
- 322.3 (8) whether the abortion was paid for by:
- 322.4 (i) private coverage;
- 322.5 (ii) public assistance health coverage; or
- 322.6 (iii) self-pay;
- 322.7 (9) whether coverage was under:
- 322.8 (i) a fee-for-service plan;
- 322.9 (ii) a capitated private plan; or
- 322.10 (iii) other;
- 322.11 (10) complications, if any, for each abortion and for the aftermath of each abortion.
- 322.12 Space for a description of any complications shall be available on the form;
- 322.13 (11) the medical specialty of the physician performing the abortion;
- 322.14 (12) if the abortion was performed via telemedicine, the facility code for the patient and
- 322.15 the facility code for the physician; ~~and~~
- 322.16 (13) whether the abortion resulted in a born alive infant, as defined in section 145.423,
- 322.17 subdivision 4, and:
- 322.18 (i) any medical actions taken to preserve the life of the born alive infant;
- 322.19 (ii) whether the born alive infant survived; and
- 322.20 (iii) the status of the born alive infant, should the infant survive, if known;
- 322.21 (14) whether a determination of probable postfertilization age was made and the probable
- 322.22 postfertilization age determined, including:
- 322.23 (i) the method used to make such a determination; or
- 322.24 (ii) if a determination was not made prior to performing an abortion, the basis of the
- 322.25 determination that a medical emergency existed; and
- 322.26 (15) for abortions performed after a determination of postfertilization age of 20 or more
- 322.27 weeks, the basis of the determination that the pregnant woman had a condition that so
- 322.28 complicated her medical condition as to necessitate the abortion of her pregnancy to avert

323.1 her death or to avert serious risk of substantial and irreversible physical impairment of a
323.2 major bodily function, not including psychological or emotional conditions.

323.3 Sec. 34. **[145.4141] DEFINITIONS.**

323.4 Subdivision 1. **Scope.** For purposes of sections 145.4141 to 145.4147, the following
323.5 terms have the meanings given them.

323.6 Subd. 2. **Abortion.** "Abortion" means the use or prescription of any instrument, medicine,
323.7 drug, or any other substance or device to terminate the pregnancy of a woman known to be
323.8 pregnant, with an intention other than to increase the probability of a live birth; to preserve
323.9 the life or health of the child after live birth; or to remove a dead unborn child who died as
323.10 the result of natural causes in utero, accidental trauma, or a criminal assault on the pregnant
323.11 woman or her unborn child; and which causes the premature termination of the pregnancy.

323.12 Subd. 3. **Attempt to perform or induce an abortion.** "Attempt to perform or induce
323.13 an abortion" means an act, or an omission of a statutorily required act, that, under the
323.14 circumstances as the actor believes them to be, constitutes a substantial step in a course of
323.15 conduct planned to culminate in the performance or induction of an abortion in this state in
323.16 violation of sections 145.4141 to 145.4147.

323.17 Subd. 4. **Fertilization.** "Fertilization" means the fusion of a human spermatozoon with
323.18 a human ovum.

323.19 Subd. 5. **Medical emergency.** "Medical emergency" means a condition that, in reasonable
323.20 medical judgment, so complicates the medical condition of the pregnant woman that it
323.21 necessitates the immediate abortion of her pregnancy without first determining
323.22 postfertilization age to avert her death or for which the delay necessary to determine
323.23 postfertilization age will create serious risk of substantial and irreversible physical impairment
323.24 of a major bodily function not including psychological or emotional conditions. No condition
323.25 shall be deemed a medical emergency if based on a claim or diagnosis that the woman will
323.26 engage in conduct which she intends to result in her death or in substantial and irreversible
323.27 physical impairment of a major bodily function.

323.28 Subd. 6. **Physician.** "Physician" means any person licensed to practice medicine and
323.29 surgery or osteopathic medicine and surgery in this state.

323.30 Subd. 7. **Postfertilization age.** "Postfertilization age" means the age of the unborn child
323.31 as calculated from the fusion of a human spermatozoon with a human ovum.

323.32 Subd. 8. **Probable postfertilization age of the unborn child.** "Probable postfertilization
323.33 age of the unborn child" means what, in reasonable medical judgment, will with reasonable

324.1 probability be the postfertilization age of the unborn child at the time the abortion is planned
324.2 to be performed or induced.

324.3 Subd. 9. **Reasonable medical judgment.** "Reasonable medical judgment" means a
324.4 medical judgment that would be made by a reasonably prudent physician knowledgeable
324.5 about the case and the treatment possibilities with respect to the medical conditions involved.

324.6 Subd. 10. **Unborn child or fetus.** "Unborn child" or "fetus" means an individual organism
324.7 of the species homo sapiens from fertilization until live birth.

324.8 Subd. 11. **Woman.** "Woman" means a female human being whether or not she has
324.9 reached the age of majority.

324.10 Sec. 35. [145.4142] **LEGISLATIVE FINDINGS.**

324.11 (a) The legislature makes the following findings.

324.12 (b) Pain receptors (nociceptors) are present throughout an unborn child's entire body
324.13 and nerves link these receptors to the brain's thalamus and subcortical plate by 20 weeks.

324.14 (c) By eight weeks after fertilization, an unborn child reacts to touch. After 20 weeks
324.15 an unborn child reacts to stimuli that would be recognized as painful if applied to an adult
324.16 human, for example by recoiling.

324.17 (d) In the unborn child, application of such painful stimuli is associated with significant
324.18 increases in stress hormones known as the stress response.

324.19 (e) Subjection to such painful stimuli is associated with long-term harmful
324.20 neurodevelopmental effects, such as altered pain sensitivity and, possibly, emotional,
324.21 behavioral, and learning disabilities later in life.

324.22 (f) For the purposes of surgery on an unborn child, fetal anesthesia is routinely
324.23 administered and is associated with a decrease in stress hormones compared to the level
324.24 when painful stimuli is applied without anesthesia.

324.25 (g) The position, asserted by some medical experts, that an unborn child is incapable of
324.26 experiencing pain until a point later in pregnancy than 20 weeks after fertilization
324.27 predominately rests on the assumption that the ability to experience pain depends on the
324.28 cerebral cortex and requires nerve connections between the thalamus and the cortex.
324.29 However, recent medical research and analysis, especially since 2007, provides strong
324.30 evidence for the conclusion that a functioning cortex is not necessary to experience pain.

324.31 (h) Substantial evidence indicates that children born missing the bulk of the cerebral
324.32 cortex, those with hydranencephaly, nevertheless experience pain.

325.1 (i) In adults, stimulation or ablation of the cerebral cortex does not alter pain perception,
325.2 while stimulation or ablation of the thalamus does.

325.3 (j) Substantial evidence indicates that structures used for pain processing in early
325.4 development differ from those of adults, using different neural elements available at specific
325.5 times during development, such as the subcortical plate, to fulfill the role of pain processing.

325.6 (k) The position asserted by some medical experts, that the unborn child remains in a
325.7 coma-like sleep state that precludes the unborn child experiencing pain is inconsistent with
325.8 the documented reaction of unborn children to painful stimuli and with the experience of
325.9 fetal surgeons who have found it necessary to sedate the unborn child with anesthesia to
325.10 prevent the unborn child from thrashing about in reaction to invasive surgery.

325.11 (l) Consequently, there is substantial medical evidence that an unborn child is capable
325.12 of experiencing pain by 20 weeks after fertilization.

325.13 (m) It is the purpose of the state to assert a compelling state interest in protecting the
325.14 lives of unborn children from the stage at which substantial medical evidence indicates that
325.15 they are capable of feeling pain.

325.16 **Sec. 36. [145.4143] DETERMINATION OF POSTFERTILIZATION AGE.**

325.17 Subdivision 1. **Determination of postfertilization age.** Except in the case of a medical
325.18 emergency, no abortion shall be performed or induced or be attempted to be performed or
325.19 induced unless the physician performing or inducing it has first made a determination of
325.20 the probable postfertilization age of the unborn child or relied upon such a determination
325.21 made by another physician. In making such a determination, the physician shall make those
325.22 inquiries of the woman and perform or cause to be performed those medical examinations
325.23 and tests that a reasonably prudent physician, knowledgeable about the case and the medical
325.24 conditions involved, would consider necessary to perform in making an accurate diagnosis
325.25 with respect to postfertilization age.

325.26 Subd. 2. **Unprofessional conduct.** Failure by any physician to conform to any
325.27 requirement of this section constitutes unprofessional conduct under section 147.091,
325.28 subdivision 1, paragraph (k).

325.29 **Sec. 37. [145.4144] ABORTION OF UNBORN CHILD OF 20 OR MORE WEEKS**
325.30 **POSTFERTILIZATION AGE PROHIBITED; CAPABLE OF FEELING PAIN.**

325.31 Subdivision 1. **Abortion prohibition; exemption.** No person shall perform or induce
325.32 or attempt to perform or induce an abortion upon a woman when it has been determined,

326.1 by the physician performing or inducing or attempting to perform or induce the abortion,
326.2 or by another physician upon whose determination that physician relies, that the probable
326.3 postfertilization age of the woman's unborn child is 20 or more weeks unless, in reasonable
326.4 medical judgment, she has a condition which so complicates her medical condition as to
326.5 necessitate the abortion of her pregnancy to avert her death or to avert serious risk of
326.6 substantial and irreversible physical impairment of a major bodily function, not including
326.7 psychological or emotional conditions. No such condition shall be deemed to exist if it is
326.8 based on a claim or diagnosis that the woman will engage in conduct which she intends to
326.9 result in her death or in substantial and irreversible physical impairment of a major bodily
326.10 function.

326.11 Subd. 2. **When abortion not prohibited.** When an abortion upon a woman whose
326.12 unborn child has been determined to have a probable postfertilization age of 20 or more
326.13 weeks is not prohibited by this section, the physician shall terminate the pregnancy in the
326.14 manner which, in reasonable medical judgment, provides the best opportunity for the unborn
326.15 child to survive unless, in reasonable medical judgment, termination of the pregnancy in
326.16 that manner would pose a greater risk either of the death of the pregnant woman or of the
326.17 substantial and irreversible physical impairment of a major bodily function, not including
326.18 psychological or emotional conditions, of the woman than would other available methods.
326.19 No such greater risk shall be deemed to exist if it is based on a claim or diagnosis that the
326.20 woman will engage in conduct which she intends to result in her death or in substantial and
326.21 irreversible physical impairment of a major bodily function.

326.22 Sec. 38. **[145.4145] ENFORCEMENT.**

326.23 Subdivision 1. **Criminal penalties.** A person who intentionally or recklessly performs
326.24 or induces or attempts to perform or induce an abortion in violation of sections 145.4141
326.25 to 145.4147 shall be guilty of a felony. No penalty may be assessed against the woman upon
326.26 whom the abortion is performed or induced or attempted to be performed or induced.

326.27 Subd. 2. **Civil remedies.** (a) A woman upon whom an abortion has been performed or
326.28 induced in violation of sections 145.4141 to 145.4147, or the father of the unborn child who
326.29 was the subject of such an abortion, may maintain an action against the person who performed
326.30 or induced the abortion in intentional or reckless violation of sections 145.4141 to 145.4147
326.31 for damages. A woman upon whom an abortion has been attempted in violation of sections
326.32 145.4141 to 145.4147 may maintain an action against the person who attempted to perform
326.33 or induce the abortion in an intentional or reckless violation of sections 145.4141 to 145.4147
326.34 for damages.

327.1 (b) A cause of action for injunctive relief against a person who has intentionally violated
327.2 sections 145.4141 to 145.4147 may be maintained by the woman upon whom an abortion
327.3 was performed or induced or attempted to be performed or induced in violation of sections
327.4 145.4141 to 145.4147; by a person who is the father of the unborn child subject to an
327.5 abortion, parent, sibling, or guardian of, or a current or former licensed health care provider
327.6 of, the woman upon whom an abortion has been performed or induced or attempted to be
327.7 performed or induced in violation of sections 145.4141 to 145.4147; by a county attorney
327.8 with appropriate jurisdiction; or by the attorney general. The injunction shall prevent the
327.9 abortion provider from performing or inducing or attempting to perform or induce further
327.10 abortions in this state in violation of sections 145.4141 to 145.4147.

327.11 (c) If judgment is rendered in favor of the plaintiff in an action described in this section,
327.12 the court shall also render judgment for reasonable attorney fees in favor of the plaintiff
327.13 against the defendant.

327.14 (d) If judgment is rendered in favor of the defendant and the court finds that the plaintiff's
327.15 suit was frivolous and brought in bad faith, the court shall also render judgment for reasonable
327.16 attorney fees in favor of the defendant against the plaintiff.

327.17 (e) No damages or attorney fees may be assessed against the woman upon whom an
327.18 abortion was performed or induced or attempted to be performed or induced except according
327.19 to paragraph (d).

327.20 **Sec. 39. [145.4146] PROTECTION OF PRIVACY IN COURT PROCEEDINGS.**

327.21 In every civil or criminal proceeding or action brought under the Pain-Capable Unborn
327.22 Child Protection Act, the court shall rule on whether the anonymity of a woman upon whom
327.23 an abortion has been performed or induced or attempted to be performed or induced shall
327.24 be preserved from public disclosure if she does not give her consent to such disclosure. The
327.25 court, upon motion or sua sponte, shall make such a ruling and, upon determining that her
327.26 anonymity should be preserved, shall issue orders to the parties, witnesses, and counsel and
327.27 shall direct the sealing of the record and exclusion of individuals from courtrooms or hearing
327.28 rooms to the extent necessary to safeguard her identity from public disclosure. Each such
327.29 order shall be accompanied by specific written findings explaining why the anonymity of
327.30 the woman should be preserved from public disclosure, why the order is essential to that
327.31 end, how the order is narrowly tailored to serve that interest, and why no reasonable, less
327.32 restrictive alternative exists. In the absence of written consent of the woman upon whom
327.33 an abortion has been performed or induced or attempted to be performed or induced, anyone,
327.34 other than a public official, who brings an action under section 145.4145, subdivision 2,

328.1 shall do so under a pseudonym. This section may not be construed to conceal the identity
328.2 of the plaintiff or of witnesses from the defendant or from attorneys for the defendant.

328.3 Sec. 40. [145.4147] SEVERABILITY.

328.4 If any one or more provisions, sections, subsections, sentences, clauses, phrases, or
328.5 words of sections 145.4141 to 145.4146, or the application thereof to any person or
328.6 circumstance is found to be unconstitutional, the same is hereby declared to be severable
328.7 and the balance of sections 145.4141 to 145.4146 shall remain effective notwithstanding
328.8 such unconstitutionality. The legislature hereby declares that it would have passed sections
328.9 145.4141 to 145.4146, and each provision, section, subsection, sentence, clause, phrase, or
328.10 word thereof, irrespective of the fact that any one or more provisions, sections, subsections,
328.11 sentences, clauses, phrases, or words of sections 145.4141 to 145.4146, or the application
328.12 of sections 145.4141 to 145.4146, would be declared unconstitutional.

328.13 Sec. 41. Minnesota Statutes 2018, section 145.4235, subdivision 2, is amended to read:

328.14 Subd. 2. **Eligibility for grants.** (a) The commissioner shall award grants to eligible
328.15 applicants under paragraph (c) for the reasonable expenses of alternatives to abortion
328.16 programs to support, encourage, and assist women in carrying their pregnancies to term and
328.17 caring for their babies after birth by providing information on, referral to, and assistance
328.18 with securing necessary services that enable women to carry their pregnancies to term and
328.19 care for their babies after birth. Necessary services must include, but are not limited to:

328.20 (1) medical care;

328.21 (2) nutritional services;

328.22 (3) housing assistance;

328.23 (4) adoption services;

328.24 (5) education and employment assistance, including services that support the continuation
328.25 and completion of high school;

328.26 (6) child care assistance; and

328.27 (7) parenting education and support services.

328.28 An applicant may not provide or assist a woman to obtain adoption services from a provider
328.29 of adoption services that is not licensed.

328.30 (b) In addition to providing information and referral under paragraph (a), an eligible
328.31 program may provide one or more of the necessary services under paragraph (a) that assists

329.1 women in carrying their pregnancies to term. To avoid duplication of efforts, grantees may
329.2 refer to other public or private programs, rather than provide the care directly, if a woman
329.3 meets eligibility criteria for the other programs.

329.4 (c) To be eligible for a grant, an agency or organization must:

329.5 (1) be a private, nonprofit organization;

329.6 (2) demonstrate that the program is conducted under appropriate supervision;

329.7 (3) not charge women for services provided under the program;

329.8 (4) provide each pregnant woman counseled with accurate information on the
329.9 developmental characteristics of babies and of unborn children, including offering the printed
329.10 information described in section 145.4243;

329.11 (5) ensure that its alternatives-to-abortion program's purpose is to assist and encourage
329.12 women in carrying their pregnancies to term and to maximize their potentials thereafter;

329.13 (6) ensure that none of the money provided is used to encourage or affirmatively counsel
329.14 a woman to have an abortion not necessary to prevent her death, to provide her an abortion,
329.15 or to directly refer her to an abortion provider for an abortion. The agency or organization
329.16 may provide nondirective counseling; and

329.17 (7) have had the alternatives to abortion program in existence ~~for at least one year as of~~
329.18 ~~July 1, 2011; or incorporated an alternative to abortion program that has been in existence~~
329.19 ~~for at least one year as of July 1, 2011~~ for at least two years prior to the date the agency or
329.20 organization submits an application to the commissioner for a grant under this section.

329.21 (d) The provisions, words, phrases, and clauses of paragraph (c) are inseverable from
329.22 this subdivision, and if any provision, word, phrase, or clause of paragraph (c) or its
329.23 application to any person or circumstance is held invalid, the invalidity applies to all of this
329.24 subdivision.

329.25 (e) An organization that provides abortions, promotes abortions, or directly refers to an
329.26 abortion provider for an abortion is ineligible to receive a grant under this program. An
329.27 affiliate of an organization that provides abortions, promotes abortions, or directly refers
329.28 to an abortion provider for an abortion is ineligible to receive a grant under this section
329.29 unless the organizations are separately incorporated and independent from each other. To
329.30 be independent, the organizations may not share any of the following:

329.31 (1) the same or a similar name;

330.1 (2) medical facilities or nonmedical facilities, including but not limited to, business
330.2 offices, treatment rooms, consultation rooms, examination rooms, and waiting rooms;

330.3 (3) expenses;

330.4 (4) employee wages or salaries; or

330.5 (5) equipment or supplies, including but not limited to, computers, telephone systems,
330.6 telecommunications equipment, and office supplies.

330.7 (f) An organization that receives a grant under this section and that is affiliated with an
330.8 organization that provides abortion services must maintain financial records that demonstrate
330.9 strict compliance with this subdivision and that demonstrate that its independent affiliate
330.10 that provides abortion services receives no direct or indirect economic or marketing benefit
330.11 from the grant under this section.

330.12 (g) The commissioner shall approve any information provided by a grantee on the health
330.13 risks associated with abortions to ensure that the information is medically accurate.

330.14 Sec. 42. Minnesota Statutes 2018, section 145.4242, is amended to read:

330.15 **145.4242 INFORMED CONSENT.**

330.16 (a) No abortion shall be performed in this state except with the voluntary and informed
330.17 consent of the female upon whom the abortion is to be performed. Except in the case of a
330.18 medical emergency or if the fetus has an anomaly incompatible with life, and the female
330.19 has declined perinatal hospice care, consent to an abortion is voluntary and informed only
330.20 if:

330.21 (1) the female is told the following, by telephone or in person, by the physician who is
330.22 to perform the abortion or by a referring physician, at least 24 hours before the abortion:

330.23 (i) the particular medical risks associated with the particular abortion procedure to be
330.24 employed including, when medically accurate, the risks of infection, hemorrhage, breast
330.25 cancer, danger to subsequent pregnancies, and infertility;

330.26 (ii) the probable gestational age of the unborn child at the time the abortion is to be
330.27 performed;

330.28 (iii) the medical risks associated with carrying her child to term; and

330.29 (iv) for abortions after 20 weeks gestational, whether or not an anesthetic or analgesic
330.30 would eliminate or alleviate organic pain to the unborn child caused by the particular method

331.1 of abortion to be employed and the particular medical benefits and risks associated with the
331.2 particular anesthetic or analgesic.

331.3 The information required by this clause may be provided by telephone without conducting
331.4 a physical examination or tests of the patient, in which case the information required to be
331.5 provided may be based on facts supplied to the physician by the female and whatever other
331.6 relevant information is reasonably available to the physician. It may not be provided by a
331.7 tape recording, but must be provided during a consultation in which the physician is able
331.8 to ask questions of the female and the female is able to ask questions of the physician. If a
331.9 physical examination, tests, or the availability of other information to the physician
331.10 subsequently indicate, in the medical judgment of the physician, a revision of the information
331.11 previously supplied to the patient, that revised information may be communicated to the
331.12 patient at any time prior to the performance of the abortion. Nothing in this section may be
331.13 construed to preclude provision of required information in a language understood by the
331.14 patient through a translator;

331.15 (2) the female is informed, by telephone or in person, by the physician who is to perform
331.16 the abortion, by a referring physician, or by an agent of either physician at least 24 hours
331.17 before the abortion:

331.18 (i) that medical assistance benefits may be available for prenatal care, childbirth, and
331.19 neonatal care;

331.20 (ii) that the father is liable to assist in the support of her child, even in instances when
331.21 the father has offered to pay for the abortion; and

331.22 (iii) that she has the right to review the printed materials described in section 145.4243,
331.23 that these materials are available on a state-sponsored website, and what the website address
331.24 is. The physician or the physician's agent shall orally inform the female that the materials
331.25 have been provided by the state of Minnesota and that they describe the unborn child, list
331.26 agencies that offer alternatives to abortion, and contain information on fetal pain. If the
331.27 female chooses to view the materials other than on the website, they shall either be given
331.28 to her at least 24 hours before the abortion or mailed to her at least 72 hours before the
331.29 abortion by certified mail, restricted delivery to addressee, which means the postal employee
331.30 can only deliver the mail to the addressee.

331.31 The information required by this clause may be provided by a tape recording if provision
331.32 is made to record or otherwise register specifically whether the female does or does not
331.33 choose to have the printed materials given or mailed to her;

332.1 (3) the female certifies in writing, prior to the abortion, that the information described
332.2 in clauses (1) and (2) has been furnished to her and that she has been informed of her
332.3 opportunity to review the information referred to in clause (2), item (iii); and

332.4 (4) prior to the performance of the abortion, the physician who is to perform the abortion
332.5 or the physician's agent obtains a copy of the written certification prescribed by clause (3)
332.6 and retains it on file with the female's medical record for at least three years following the
332.7 date of receipt.

332.8 (b) Prior to administering the anesthetic or analgesic as described in paragraph (a), clause
332.9 (1), item (iv), the physician must disclose to the woman any additional cost of the procedure
332.10 for the administration of the anesthetic or analgesic. If the woman consents to the
332.11 administration of the anesthetic or analgesic, the physician shall administer the anesthetic
332.12 or analgesic or arrange to have the anesthetic or analgesic administered.

332.13 (c) A female seeking an abortion of her unborn child diagnosed with fetal anomaly
332.14 incompatible with life must be informed of available perinatal hospice services and offered
332.15 this care as an alternative to abortion. If perinatal hospice services are declined, voluntary
332.16 and informed consent by the female seeking an abortion is given if the female receives the
332.17 information required in paragraphs (a), clause (1), and (b). The female must comply with
332.18 the requirements in paragraph (a), clauses (3) and (4).

332.19 (d) If, at any time prior to the performance of an abortion, a female undergoes an
332.20 ultrasound examination, or a physician determines that ultrasound imaging will be used
332.21 during the course of a patient's abortion, the physician or the physician's agent shall orally
332.22 inform the patient of the opportunity to view or decline to view an active ultrasound image
332.23 of the unborn child.

332.24 Sec. 43. Minnesota Statutes 2018, section 145.4244, is amended to read:

332.25 **145.4244 INTERNET WEBSITE.**

332.26 (a) The commissioner of health shall develop and maintain a stable Internet website to
332.27 provide the information described under section 145.4243. No information regarding who
332.28 uses the website shall be collected or maintained. The commissioner of health shall monitor
332.29 the website on a weekly basis to prevent and correct tampering.

332.30 (b) A health care facility performing abortions must provide the information described
332.31 in section 145.4243 on the facility's website or provide a link to the Department of Health
332.32 website where this information may be viewed.

333.1 Sec. 44. Minnesota Statutes 2018, section 145.908, subdivision 1, is amended to read:

333.2 Subdivision 1. **Grant program established.** Within the limits of federal funds available
333.3 specifically appropriations for this purpose, the commissioner of health shall establish a
333.4 grant program to provide culturally competent programs to screen and treat pregnant women
333.5 and women who have given birth in the preceding 12 months for pre- and postpartum mood
333.6 and anxiety disorders. Organizations may use grant funds to establish new screening or
333.7 treatment programs, or expand or maintain existing screening or treatment programs. In
333.8 establishing the grant program, the commissioner shall prioritize expanding or enhancing
333.9 screening for pre- and postpartum mood and anxiety disorders in primary care settings. The
333.10 commissioner shall determine the types of organizations eligible for grants.

333.11 Sec. 45. Minnesota Statutes 2018, section 145.928, subdivision 1, is amended to read:

333.12 Subdivision 1. **Goal; establishment.** It is the goal of the state, ~~by 2010~~, to decrease by
333.13 ~~50 percent~~ the disparities in infant mortality rates and adult and child immunization rates
333.14 for American Indians and populations of color, as compared with rates for whites. To do
333.15 so and to achieve other measurable outcomes, the commissioner of health shall establish a
333.16 program to close the gap in the health status of American Indians and populations of color
333.17 as compared with whites in the following priority areas: infant mortality, access to and
333.18 utilization of high-quality prenatal care, breast and cervical cancer screening, HIV/AIDS
333.19 and sexually transmitted infections, adult and child immunizations, cardiovascular disease,
333.20 diabetes, and accidental injuries and violence.

333.21 Sec. 46. Minnesota Statutes 2018, section 145.928, subdivision 7, is amended to read:

333.22 Subd. 7. **Community grant program; immunization rates, prenatal care access and**
333.23 **utilization, and infant mortality rates.** (a) The commissioner shall award grants to eligible
333.24 applicants for local or regional projects and initiatives directed at reducing health disparities
333.25 in one or ~~both~~ more of the following priority areas:

333.26 (1) decreasing racial and ethnic disparities in infant mortality rates; ~~or~~

333.27 (2) decreasing racial and ethnic disparities in access to and utilization of high-quality
333.28 prenatal care; or

333.29 ~~(2)~~ (3) increasing adult and child immunization rates in nonwhite racial and ethnic
333.30 populations.

334.1 (b) The commissioner may award up to 20 percent of the funds available as planning
334.2 grants. Planning grants must be used to address such areas as community assessment,
334.3 coordination activities, and development of community supported strategies.

334.4 (c) Eligible applicants may include, but are not limited to, faith-based organizations,
334.5 social service organizations, community nonprofit organizations, community health boards,
334.6 tribal governments, and community clinics. Applicants must submit proposals to the
334.7 commissioner. A proposal must specify the strategies to be implemented to address one or
334.8 ~~both~~ more of the priority areas listed in paragraph (a) and must be targeted to achieve the
334.9 outcomes established according to subdivision 3.

334.10 (d) The commissioner shall give priority to applicants who demonstrate that their
334.11 proposed project or initiative:

334.12 (1) is supported by the community the applicant will serve;

334.13 (2) is research-based or based on promising strategies;

334.14 (3) is designed to complement other related community activities;

334.15 (4) utilizes strategies that positively impact ~~both~~ two or more priority areas;

334.16 (5) reflects racially and ethnically appropriate approaches; and

334.17 (6) will be implemented through or with community-based organizations that reflect the
334.18 race or ethnicity of the population to be reached.

334.19 Sec. 47. Minnesota Statutes 2018, section 145.986, subdivision 1, is amended to read:

334.20 Subdivision 1. **Purpose.** The purpose of the statewide health improvement program is
334.21 to:

334.22 (1) address the ~~top three~~ leading preventable causes of illness and death: ~~tobacco use~~
334.23 ~~and exposure, poor diet, and lack of regular physical activity~~ as determined by the
334.24 commissioner through the statewide health assessment;

334.25 (2) promote the development, availability, and use of evidence-based, community level,
334.26 comprehensive strategies to create healthy communities; and

334.27 (3) measure the impact of the evidence-based, community health improvement practices
334.28 which over time work to contain health care costs and reduce chronic diseases.

335.1 Sec. 48. Minnesota Statutes 2018, section 145.986, subdivision 1a, is amended to read:

335.2 Subd. 1a. **Grants to local communities.** (a) ~~Beginning July 1, 2009,~~ The commissioner
335.3 of health shall award competitive grants to community health boards and tribal governments
335.4 to convene, coordinate, and implement ~~evidence-based~~ proven-effective strategies ~~targeted~~
335.5 ~~at reducing the percentage of Minnesotans who are obese or overweight and to reduce the~~
335.6 ~~use of tobacco, and promising practices or activities that can be evaluated using experimental~~
335.7 or quasi-experimental design. Grants shall be awarded to all community health boards and
335.8 tribal governments whose proposals demonstrate the ability to implement programs designed
335.9 to achieve the purposes in subdivision 1 and other requirements of this section.

335.10 (b) Grantee activities shall:

335.11 (1) be based on scientific evidence;

335.12 (2) be based on community input;

335.13 (3) address behavior change at the individual, community, and systems levels;

335.14 (4) occur in community, school, work site, and health care settings;

335.15 (5) be focused on policy, systems, and environmental changes that support healthy
335.16 behaviors; and

335.17 (6) address the health disparities and inequities that exist in the grantee's community.

335.18 (c) To receive a grant under this section, community health boards and tribal governments
335.19 must submit proposals to the commissioner. A local match of ten percent of the total funding
335.20 allocation is required. This local match may include funds donated by community partners.

335.21 (d) In order to receive a grant, community health boards and tribal governments must
335.22 submit a health improvement plan to the commissioner of health for approval. The
335.23 commissioner may require the plan to identify a community leadership team, community
335.24 partners, and a community action plan that includes an assessment of area strengths and
335.25 needs, proposed action strategies, technical assistance needs, and a staffing plan.

335.26 (e) The grant recipient must implement the health improvement plan, evaluate the
335.27 effectiveness of the strategies, and modify or discontinue strategies found to be ineffective.

335.28 (f) Grant recipients shall report their activities and their progress toward the outcomes
335.29 established under subdivision 2 to the commissioner in a format and at a time specified by
335.30 the commissioner.

335.31 (g) All grant recipients shall be held accountable for making progress toward the
335.32 measurable outcomes established in subdivision 2. The commissioner shall require a

336.1 corrective action plan and may reduce the funding level of grant recipients that do not make
336.2 adequate progress toward the measurable outcomes.

336.3 ~~(h) Beginning November 1, 2015, the commissioner shall offer grant recipients the~~
336.4 ~~option of using a grant awarded under this subdivision to implement health improvement~~
336.5 ~~strategies that improve the health status, delay the expression of dementia, or slow the~~
336.6 ~~progression of dementia, for a targeted population at risk for dementia and shall award at~~
336.7 ~~least two of the grants awarded on November 1, 2015, for these purposes. The grants must~~
336.8 ~~meet all other requirements of this section. The commissioner shall coordinate grant planning~~
336.9 ~~activities with the commissioner of human services, the Minnesota Board on Aging, and~~
336.10 ~~community-based organizations with a focus on dementia. Each grant must include selected~~
336.11 ~~outcomes and evaluation measures related to the incidence or progression of dementia~~
336.12 ~~among the targeted population using the procedure described in subdivision 2. For purposes~~
336.13 ~~of this subdivision, "proven-effective strategy" means a strategy or practice that offers a~~
336.14 ~~high level of research on effectiveness for at least one outcome of interest; and "promising~~
336.15 ~~practice or activity" means a practice or activity that is supported by research demonstrating~~
336.16 ~~effectiveness for at least one outcome of interest.~~

336.17 ~~(i) Beginning July 1, 2017, the commissioner shall offer grant recipients the option of~~
336.18 ~~using a grant awarded under this subdivision to confront the opioid addiction and overdose~~
336.19 ~~epidemic, and shall award at least two of the grants awarded on or after July 1, 2017, for~~
336.20 ~~these purposes. The grants awarded under this paragraph must meet all other requirements~~
336.21 ~~of this section. The commissioner shall coordinate grant planning activities with the~~
336.22 ~~commissioner of human services. Each grant shall include selected outcomes and evaluation~~
336.23 ~~measures related to addressing the opioid epidemic.~~

336.24 Sec. 49. Minnesota Statutes 2018, section 145.986, subdivision 4, is amended to read:

336.25 Subd. 4. **Evaluation.** (a) Using the outcome measures established in subdivision 3, the
336.26 commissioner shall conduct a biennial evaluation of the statewide health improvement
336.27 program grants funded under this section. The evaluation must use the most appropriate
336.28 experimental or quasi-experimental design suitable for the grant activity or project. Grant
336.29 recipients shall cooperate with the commissioner in the evaluation and provide the
336.30 commissioner with the information necessary to conduct the evaluation, including information
336.31 on any impact on the health indicators listed in section 62U.10, subdivision 6, within the
336.32 geographic area or among the population targeted.

337.1 (b) Grant recipients will collect, monitor, and submit to the Department of Health baseline
337.2 and annual data and provide information to improve the quality and impact of community
337.3 health improvement strategies.

337.4 (c) For the purposes of carrying out the grant program under this section, including for
337.5 administrative purposes, the commissioner shall award contracts to appropriate entities to
337.6 assist in designing and implementing evaluation systems. The commissioner shall consult
337.7 with the commissioner of management and budget to ensure that the evaluation process is
337.8 using experimental or quasi-experimental design.

337.9 (d) Contracts awarded under paragraph (c) may be used to:

337.10 (1) develop grantee monitoring and reporting systems to track grantee progress, including
337.11 aggregated and disaggregated data;

337.12 (2) manage, analyze, and report program evaluation data results; and

337.13 (3) utilize innovative support tools to analyze and predict the impact of prevention
337.14 strategies on health outcomes and state health care costs over time.

337.15 (e) For purposes of this subdivision, "experimental design" means a method of evaluating
337.16 the impact of a strategy that uses random assignment to establish statistically similar groups,
337.17 so that any difference in outcomes found at the end of the evaluation can be attributed to
337.18 the strategy being evaluated; and "quasi-experimental design" means a method of evaluating
337.19 the impact of a strategy that uses an approach other than random assignment to establish
337.20 statistically similar groups, so that any difference in outcomes found at the end of the
337.21 evaluation can be attributed to the strategy being evaluated.

337.22 Sec. 50. Minnesota Statutes 2018, section 145.986, subdivision 5, is amended to read:

337.23 Subd. 5. **Report.** The commissioner shall submit a biennial report to the legislature on
337.24 the statewide health improvement program funded under this section. The report must
337.25 include information on each grant recipient, including the activities that were conducted by
337.26 the grantee using grant funds, the grantee's progress toward achieving the measurable
337.27 outcomes established under subdivision 2, and the data provided to the commissioner by
337.28 the grantee to measure these outcomes for grant activities. The commissioner shall provide
337.29 information on grants in which a corrective action plan was required under subdivision 1a,
337.30 the types of plan action, and the progress that has been made toward meeting the measurable
337.31 outcomes. In addition, the commissioner shall provide recommendations on future areas of
337.32 focus for health improvement. These reports are due by January 15 of every other year,
337.33 beginning in 2010. ~~In the report due on January 15, 2014,~~ In the reports due beginning

338.1 January 15, 2020, the commissioner shall include a description of the contracts awarded
338.2 under subdivision 4, paragraph (c), and the monitoring and evaluation systems that were
338.3 designed and implemented under these contracts.

338.4 Sec. 51. Minnesota Statutes 2018, section 145.986, subdivision 6, is amended to read:

338.5 Subd. 6. **Supplantation of existing funds.** Community health boards and tribal
338.6 governments must use funds received under this section to develop new programs, expand
338.7 current programs ~~that work to reduce the percentage of Minnesotans who are obese or~~
338.8 ~~overweight or who use tobacco~~, or replace discontinued state or federal funds ~~previously~~
338.9 ~~used to reduce the percentage of Minnesotans who are obese or overweight or who use~~
338.10 ~~tobacco~~. Funds must not be used to supplant current state or local funding to community
338.11 health boards or tribal governments ~~used to reduce the percentage of Minnesotans who are~~
338.12 ~~obese or overweight or to reduce tobacco use~~.

338.13 Sec. 52. [151.72] SALE OF CERTAIN CANNABINOID PRODUCTS.

338.14 Subdivision 1. Definitions. (a) For the purposes of this subdivision, the following terms
338.15 have the meanings given.

338.16 (b) "Hemp" has the meaning given to "industrial hemp" in section 18K.02, subdivision
338.17 3.

338.18 (c) "Labeling" means all labels and other written, printed, or graphic matter that are:

338.19 (1) affixed to the immediate container in which a product regulated under this section
338.20 is sold; or

338.21 (2) provided, in any manner, with the immediate container, including but not limited to
338.22 outer containers, wrappers, package inserts, brochures, or pamphlets.

338.23 Subd. 2. Sale of cannabinoids derived from hemp. (a) This section applies to the sale
338.24 of any products, other than food, intended for human or animal consumption by any route
338.25 of administration, that contain cannabinoids extracted from hemp. This section does not
338.26 apply to any products dispensed by a registered medical cannabis manufacturer pursuant
338.27 to sections 152.22 to 152.37.

338.28 (b) Notwithstanding any other section of this chapter, a product containing cannabinoids
338.29 may be sold for human or animal consumption if all of the requirements of this section are
338.30 met.

339.1 (c) A product regulated under this section must be tested by an independent, accredited,
339.2 third-party analytical laboratory to confirm that the product:

339.3 (1) contains the amount or percentage of cannabidiol that is stated on the label of the
339.4 product;

339.5 (2) does not contain more than trace amounts of any pesticides, fertilizers, or heavy
339.6 metals; and

339.7 (3) does not contain tetrahydrocannabinol that exceeds the concentration permitted for
339.8 industrial hemp as defined in section 18K.02, subdivision 3.

339.9 (d) A product regulated under this section must bear a label that contains, at a minimum:

339.10 (1) the name, location, contact phone number, and website of the manufacturer of the
339.11 product;

339.12 (2) the name and address of the independent, accredited third-party analytical laboratory
339.13 that has tested the product;

339.14 (3) an accurate statement of the amount or percentage of cannabidiol found in each unit
339.15 of the product meant to be consumed; and

339.16 (4) the statement "This product has not been approved by the U.S. Food and Drug
339.17 Administration for the prevention, treatment, or cure of any disease, or to alter the structure
339.18 or function of human or animal bodies, or for use as a dietary supplement," unless the
339.19 product has been so approved.

339.20 (e) A product sold under this section is considered an adulterated drug if:

339.21 (1) it consists, in whole or in part, of any filthy, putrid, or decomposed substance;

339.22 (2) it has been produced, prepared, packed, or held under unsanitary conditions where
339.23 it may have been rendered injurious to health, or where it may have been contaminated with
339.24 filth;

339.25 (3) its container is composed, in whole or in part, of any poisonous or deleterious
339.26 substance that may render the contents injurious to health;

339.27 (4) it contains any color additives or excipients that have been found by the United States
339.28 Food and Drug Administration to be unsafe for human or animal consumption; or

339.29 (5) it contains an amount or percentage of cannabidiol that is different than the amount
339.30 or percentage stated on the label.

339.31 (f) A product sold under this section is misbranded if:

340.1 (1) its labeling is false or misleading in any manner;
340.2 (2) any word, statement, or other information required by this section to appear on the
340.3 labeling is not prominently placed on the labeling with such conspicuousness, as compared
340.4 with other words, statements, designs, or devices, in the labeling, and in such terms as to
340.5 render it to be read and understood by the ordinary individual under customary conditions
340.6 of purchase and use; or

340.7 (3) its labeling makes any claim that the product may be used or is effective for the
340.8 prevention, treatment, or cure of a disease or that it may be used to alter the structure or
340.9 function of human or animal bodies, unless the claim has been approved by the United
340.10 States Food and Drug Administration.

340.11 (g) No person who sells a product regulated under this section may make a false,
340.12 misleading, or unsubstantiated claim concerning the health benefits of the product.

340.13 (h) The authority of the Board of Pharmacy to issue cease and desist orders under section
340.14 151.06, to embargo misbranded and adulterated drugs under section 151.38, and to seek
340.15 injunctive relief under section 214.11, extends to violations of this section.

340.16 Sec. 53. Minnesota Statutes 2018, section 152.22, is amended by adding a subdivision to
340.17 read:

340.18 Subd. 5a. **Hemp.** "Hemp" means industrial hemp as defined in section 18K.02,
340.19 subdivision 3.

340.20 Sec. 54. Minnesota Statutes 2018, section 152.22, subdivision 6, is amended to read:

340.21 **Subd. 6. Medical cannabis.** (a) "Medical cannabis" means any species of the genus
340.22 cannabis plant, or any mixture or preparation of them, including whole plant extracts and
340.23 resins, and is delivered in the form of:

340.24 (1) liquid, including, but not limited to, oil;

340.25 (2) pill;

340.26 (3) vaporized delivery method with use of liquid or oil but which does not require the
340.27 use of dried leaves or plant form; or

340.28 (4) any other method, excluding smoking, approved by the commissioner.

340.29 (b) This definition includes any part of the genus cannabis plant prior to being processed
340.30 into a form allowed under paragraph (a), that is possessed by a person while that person is
340.31 engaged in employment duties necessary to carry out a requirement under sections 152.22

341.1 to 152.37 for a registered manufacturer or a laboratory under contract with a registered
341.2 manufacturer. This definition also includes any hemp acquired by a manufacturer by a hemp
341.3 grower licensed under chapter 18K as permitted under section 152.29, subdivision 1,
341.4 paragraph (b).

341.5 Sec. 55. Minnesota Statutes 2018, section 152.25, subdivision 4, is amended to read:

341.6 Subd. 4. **Reports.** (a) The commissioner shall provide regular updates to the task force
341.7 on medical cannabis therapeutic research and to the chairs and ranking minority members
341.8 of the legislative committees with jurisdiction over health and human services, public safety,
341.9 judiciary, and civil law regarding: (1) any changes in federal law or regulatory restrictions
341.10 regarding the use of medical cannabis and hemp; and (2) the market demand and supply in
341.11 this state for hemp products that can be used for medicinal purposes.

341.12 (b) The commissioner may submit medical research based on the data collected under
341.13 sections 152.22 to 152.37 to any federal agency with regulatory or enforcement authority
341.14 over medical cannabis to demonstrate the effectiveness of medical cannabis for treating a
341.15 qualifying medical condition.

341.16 Sec. 56. Minnesota Statutes 2018, section 152.28, subdivision 1, is amended to read:

341.17 Subdivision 1. **Health care practitioner duties.** (a) Prior to a patient's enrollment in
341.18 the registry program, a health care practitioner shall:

341.19 (1) determine, in the health care practitioner's medical judgment, whether a patient suffers
341.20 from a qualifying medical condition, and, if so determined, provide the patient with a
341.21 certification of that diagnosis;

341.22 (2) determine whether a patient is developmentally or physically disabled and, as a result
341.23 of that disability, the patient is unable to self-administer medication or acquire medical
341.24 cannabis from a distribution facility, and, if so determined, include that determination on
341.25 the patient's certification of diagnosis;

341.26 (3) advise patients, registered designated caregivers, and parents or legal guardians who
341.27 are acting as caregivers of the existence of any nonprofit patient support groups or
341.28 organizations;

341.29 (4) provide explanatory information from the commissioner to patients with qualifying
341.30 medical conditions, including disclosure to all patients about the experimental nature of
341.31 therapeutic use of medical cannabis; the possible risks, benefits, and side effects of the

342.1 proposed treatment; the application and other materials from the commissioner; and provide
342.2 patients with the Tennessee warning as required by section 13.04, subdivision 2; and

342.3 (5) agree to continue treatment of the patient's qualifying medical condition and report
342.4 medical findings to the commissioner.

342.5 (b) Upon notification from the commissioner of the patient's enrollment in the registry
342.6 program, the health care practitioner shall:

342.7 (1) participate in the patient registry reporting system under the guidance and supervision
342.8 of the commissioner;

342.9 (2) report health records of the patient throughout the ongoing treatment of the patient
342.10 to the commissioner in a manner determined by the commissioner and in accordance with
342.11 subdivision 2;

342.12 (3) determine, on a yearly basis, if the patient continues to suffer from a qualifying
342.13 medical condition and, if so, issue the patient a new certification of that diagnosis; and

342.14 (4) otherwise comply with all requirements developed by the commissioner.

342.15 (c) A health care practitioner may conduct a patient assessment to issue a recertification
342.16 as required under paragraph (b), clause (3), via telemedicine as defined under section
342.17 62A.671, subdivision 9.

342.18 ~~(e)~~ (d) Nothing in this section requires a health care practitioner to participate in the
342.19 registry program.

342.20 Sec. 57. Minnesota Statutes 2018, section 152.29, subdivision 1, is amended to read:

342.21 Subdivision 1. **Manufacturer; requirements.** (a) A manufacturer shall operate ~~four~~
342.22 eight distribution facilities, which may include the manufacturer's single location for
342.23 cultivation, harvesting, manufacturing, packaging, and processing but is not required to
342.24 include that location. ~~A manufacturer is required to begin distribution of medical cannabis~~
342.25 ~~from at least one distribution facility by July 1, 2015. All distribution facilities must be~~
342.26 ~~operational and begin distribution of medical cannabis by July 1, 2016. The distribution~~
342.27 ~~facilities shall be located~~ The commissioner shall designate the geographical service areas
342.28 to be served by each manufacturer based on geographical need throughout the state to
342.29 improve patient access. A manufacturer shall disclose the proposed locations for the
342.30 distribution facilities to the commissioner during the registration process. A manufacturer
342.31 shall not have more than two distribution facilities in each geographical service area assigned
342.32 to the manufacturer by the commissioner. A manufacturer shall operate only one location

343.1 where all cultivation, harvesting, manufacturing, packaging, and processing of medical
343.2 cannabis shall be conducted. Any This location may be one of the manufacturer's distribution
343.3 facility sites. The additional distribution facilities may dispense medical cannabis and
343.4 medical cannabis products but may not contain any medical cannabis in a form other than
343.5 those forms allowed under section 152.22, subdivision 6, and the manufacturer shall not
343.6 conduct any cultivation, harvesting, manufacturing, packaging, or processing at an additional
343.7 the other distribution facility site sites. Any distribution facility operated by the manufacturer
343.8 is subject to all of the requirements applying to the manufacturer under sections 152.22 to
343.9 152.37, including, but not limited to, security and distribution requirements.

343.10 (b) A manufacturer may obtain hemp from a hemp grower licensed with the commissioner
343.11 of agriculture under chapter 18K if the hemp was grown in this state. A manufacturer may
343.12 use hemp for the purpose of making it available in a form allowable under section 152.22,
343.13 subdivision 6. Any hemp acquired by a manufacturer under this paragraph is subject to the
343.14 same quality control program, security and testing requirements, and any other requirement
343.15 for medical cannabis under sections 152.22 to 152.37 and Minnesota Rules, chapter 4770.

343.16 ~~(b)~~ (c) A medical cannabis manufacturer shall contract with a laboratory approved by
343.17 the commissioner, subject to any additional requirements set by the commissioner, for
343.18 purposes of testing medical cannabis manufactured or hemp acquired by the medical cannabis
343.19 manufacturer as to content, contamination, and consistency to verify the medical cannabis
343.20 meets the requirements of section 152.22, subdivision 6. The cost of laboratory testing shall
343.21 be paid by the manufacturer.

343.22 ~~(c)~~ (d) The operating documents of a manufacturer must include:

343.23 (1) procedures for the oversight of the manufacturer and procedures to ensure accurate
343.24 record keeping; ~~and~~

343.25 (2) procedures for the implementation of appropriate security measures to deter and
343.26 prevent the theft of medical cannabis and unauthorized entrance into areas containing medical
343.27 cannabis; and

343.28 (3) procedures for the delivery and transportation of hemp between hemp growers
343.29 licensed under chapter 18K and manufacturers.

343.30 ~~(d)~~ (e) A manufacturer shall implement security requirements, including requirements
343.31 for the delivery and transportation of hemp, protection of each location by a fully operational
343.32 security alarm system, facility access controls, perimeter intrusion detection systems, and
343.33 a personnel identification system.

344.1 ~~(e)~~ (f) A manufacturer shall not share office space with, refer patients to a health care
344.2 practitioner, or have any financial relationship with a health care practitioner.

344.3 ~~(f)~~ (g) A manufacturer shall not permit any person to consume medical cannabis on the
344.4 property of the manufacturer.

344.5 ~~(g)~~ (h) A manufacturer is subject to reasonable inspection by the commissioner.

344.6 ~~(h)~~ (i) For purposes of sections 152.22 to 152.37, a medical cannabis manufacturer is
344.7 not subject to the Board of Pharmacy licensure or regulatory requirements under chapter
344.8 151.

344.9 ~~(i)~~ (j) A medical cannabis manufacturer may not employ any person who is under 21
344.10 years of age or who has been convicted of a disqualifying felony offense. An employee of
344.11 a medical cannabis manufacturer must submit a completed criminal history records check
344.12 consent form, a full set of classifiable fingerprints, and the required fees for submission to
344.13 the Bureau of Criminal Apprehension before an employee may begin working with the
344.14 manufacturer. The bureau must conduct a Minnesota criminal history records check and
344.15 the superintendent is authorized to exchange the fingerprints with the Federal Bureau of
344.16 Investigation to obtain the applicant's national criminal history record information. The
344.17 bureau shall return the results of the Minnesota and federal criminal history records checks
344.18 to the commissioner.

344.19 ~~(j)~~ (k) A manufacturer may not operate in any location, whether for distribution or
344.20 cultivation, harvesting, manufacturing, packaging, or processing, within 1,000 feet of a
344.21 public or private school existing before the date of the manufacturer's registration with the
344.22 commissioner.

344.23 ~~(k)~~ (l) A manufacturer shall comply with reasonable restrictions set by the commissioner
344.24 relating to signage, marketing, display, and advertising of medical cannabis.

344.25 (m) Before a manufacturer acquires hemp, the manufacturer must verify that the person
344.26 from whom the manufacturer is acquiring hemp has a valid license issued by the
344.27 commissioner of agriculture under chapter 18K.

344.28 Sec. 58. Minnesota Statutes 2018, section 152.29, subdivision 2, is amended to read:

344.29 Subd. 2. **Manufacturer; production.** (a) A manufacturer of medical cannabis shall
344.30 provide a reliable and ongoing supply of all medical cannabis needed for the registry program.

344.31 (b) All cultivation, harvesting, manufacturing, packaging, and processing of medical
344.32 cannabis or manufacturing, packaging, or processing of hemp acquired by the manufacturer

345.1 must take place in an enclosed, locked facility at a physical address provided to the
345.2 commissioner during the registration process.

345.3 (c) A manufacturer must process and prepare any medical cannabis plant material into
345.4 a form allowable under section 152.22, subdivision 6, prior to distribution of any medical
345.5 cannabis.

345.6 Sec. 59. Minnesota Statutes 2018, section 152.29, subdivision 3, is amended to read:

345.7 Subd. 3. **Manufacturer; distribution.** (a) A manufacturer shall require that employees
345.8 licensed as pharmacists pursuant to chapter 151 be the only employees to give final approval
345.9 for the distribution of medical cannabis to a patient.

345.10 (b) A manufacturer may dispense medical cannabis products, whether or not the products
345.11 have been manufactured by the manufacturer, but is not required to dispense medical cannabis
345.12 products.

345.13 (c) Prior to distribution of any medical cannabis, the manufacturer shall:

345.14 (1) verify that the manufacturer has received the registry verification from the
345.15 commissioner for that individual patient;

345.16 (2) verify that the person requesting the distribution of medical cannabis is the patient,
345.17 the patient's registered designated caregiver, or the patient's parent or legal guardian listed
345.18 in the registry verification using the procedures described in section 152.11, subdivision
345.19 2d;

345.20 (3) assign a tracking number to any medical cannabis distributed from the manufacturer;

345.21 (4) ensure that any employee of the manufacturer licensed as a pharmacist pursuant to
345.22 chapter 151 has consulted with the patient to determine the proper dosage for the individual
345.23 patient after reviewing the ranges of chemical compositions of the medical cannabis and
345.24 the ranges of proper dosages reported by the commissioner. For purposes of this clause, a
345.25 consultation may be conducted remotely using a videoconference, so long as the employee
345.26 providing the consultation is able to confirm the identity of the patient, the consultation
345.27 occurs while the patient is at a distribution facility, and the consultation adheres to patient
345.28 privacy requirements that apply to health care services delivered through telemedicine;

345.29 (5) properly package medical cannabis in compliance with the United States Poison
345.30 Prevention Packing Act regarding child-resistant packaging and exemptions for packaging
345.31 for elderly patients, and label distributed medical cannabis with a list of all active ingredients
345.32 and individually identifying information, including:

- 346.1 (i) the patient's name and date of birth;
- 346.2 (ii) the name and date of birth of the patient's registered designated caregiver or, if listed
- 346.3 on the registry verification, the name of the patient's parent or legal guardian, if applicable;
- 346.4 (iii) the patient's registry identification number;
- 346.5 (iv) the chemical composition of the medical cannabis; and
- 346.6 (v) the dosage; and
- 346.7 (6) ensure that the medical cannabis distributed contains a maximum of a ~~30-day~~ 90-day
- 346.8 supply of the dosage determined for that patient.

346.9 (d) A manufacturer shall require any employee of the manufacturer who is transporting

346.10 medical cannabis or medical cannabis products to a distribution facility to carry identification

346.11 showing that the person is an employee of the manufacturer.

346.12 Sec. 60. Minnesota Statutes 2018, section 152.29, subdivision 3a, is amended to read:

346.13 Subd. 3a. **Transportation of medical cannabis; staffing.** (a) A medical cannabis

346.14 manufacturer may staff a transport motor vehicle with only one employee if the medical

346.15 cannabis manufacturer is transporting medical cannabis to either a certified laboratory for

346.16 the purpose of testing or a facility for the purpose of disposal. If the medical cannabis

346.17 manufacturer is transporting medical cannabis for any other purpose or destination, the

346.18 transport motor vehicle must be staffed with a minimum of two employees as required by

346.19 rules adopted by the commissioner.

346.20 (b) Notwithstanding paragraph (a), a medical cannabis manufacturer that is only

346.21 transporting hemp for any purpose may staff the transport motor vehicle with only one

346.22 employee.

346.23 Sec. 61. Minnesota Statutes 2018, section 152.31, is amended to read:

346.24 **152.31 DATA PRACTICES.**

346.25 (a) Government data in patient files maintained by the commissioner and the health care

346.26 practitioner, and data submitted to or by a medical cannabis manufacturer, are private data

346.27 on individuals, as defined in section 13.02, subdivision 12, or nonpublic data, as defined in

346.28 section 13.02, subdivision 9, but may be used for purposes of complying with chapter 13

346.29 and complying with a request from the legislative auditor or the state auditor in the

346.30 performance of official duties. The provisions of section 13.05, subdivision 11, apply to a

347.1 registration agreement entered between the commissioner and a medical cannabis
347.2 manufacturer under section 152.25.

347.3 (b) Not public data maintained by the commissioner may not be used for any purpose
347.4 not provided for in sections 152.22 to 152.37, and may not be combined or linked in any
347.5 manner with any other list, dataset, or database.

347.6 (c) The commissioner may execute data sharing arrangements with the commissioner
347.7 of agriculture to verify licensing information, inspection, and compliance related to hemp
347.8 growers under chapter 18K.

347.9 Sec. 62. Minnesota Statutes 2018, section 157.22, is amended to read:

347.10 **157.22 EXEMPTIONS.**

347.11 This chapter does not apply to:

347.12 (1) interstate carriers under the supervision of the United States Department of Health
347.13 and Human Services;

347.14 (2) weddings, fellowship meals, or funerals conducted by a faith-based organization
347.15 using any building constructed and primarily used for religious worship or education;

347.16 (3) any building owned, operated, and used by a college or university in accordance
347.17 with health regulations promulgated by the college or university under chapter 14;

347.18 (4) any person, firm, or corporation whose principal mode of business is licensed under
347.19 sections 28A.04 and 28A.05, is exempt at that premises from licensure as a food or beverage
347.20 establishment; provided that the holding of any license pursuant to sections 28A.04 and
347.21 28A.05 shall not exempt any person, firm, or corporation from the applicable provisions of
347.22 this chapter or the rules of the state commissioner of health relating to food and beverage
347.23 service establishments;

347.24 (5) family day care homes and group family day care homes governed by sections
347.25 245A.01 to 245A.16;

347.26 (6) nonprofit senior citizen centers for the sale of home-baked goods;

347.27 (7) fraternal, sportsman, or patriotic organizations that are tax exempt under section
347.28 501(c)(3), 501(c)(4), 501(c)(6), 501(c)(7), 501(c)(10), or 501(c)(19) of the Internal Revenue
347.29 Code of 1986, or organizations related to, affiliated with, or supported by such fraternal,
347.30 sportsman, or patriotic organizations for events held in the building or on the grounds of
347.31 the organization and at which home-prepared food is donated by organization members for
347.32 sale at the events, provided:

- 348.1 (i) the event is not a circus, carnival, or fair;
- 348.2 (ii) the organization controls the admission of persons to the event, the event agenda, or
348.3 both; and
- 348.4 (iii) the organization's licensed kitchen is not used in any manner for the event;
- 348.5 (8) food not prepared at an establishment and brought in by individuals attending a
348.6 potluck event for consumption at the potluck event. An organization sponsoring a potluck
348.7 event under this clause may advertise the potluck event to the public through any means.
348.8 Individuals who are not members of an organization sponsoring a potluck event under this
348.9 clause may attend the potluck event and consume the food at the event. Licensed food
348.10 establishments other than schools cannot be sponsors of potluck events. A school may
348.11 sponsor and hold potluck events in areas of the school other than the school's kitchen,
348.12 provided that the school's kitchen is not used in any manner for the potluck event. For
348.13 purposes of this clause, "school" means a public school as defined in section 120A.05,
348.14 subdivisions 9, 11, 13, and 17, or a nonpublic school, church, or religious organization at
348.15 which a child is provided with instruction in compliance with sections 120A.22 and 120A.24.
348.16 Potluck event food shall not be brought into a licensed food establishment kitchen;
- 348.17 (9) a home school in which a child is provided instruction at home;
- 348.18 (10) school concession stands serving commercially prepared, nonpotentially hazardous
348.19 foods, as defined in Minnesota Rules, chapter 4626;
- 348.20 (11) group residential facilities of ten or fewer beds licensed by the commissioner of
348.21 human services under Minnesota Rules, chapter 2960, provided the facility employs or
348.22 contracts with a certified food manager under Minnesota Rules, part 4626.2015;
- 348.23 (12) food served at fund-raisers or community events conducted in the building or on
348.24 the grounds of a faith-based organization, provided that a certified food manager, or a
348.25 volunteer trained in a food safety course, trains the food preparation workers in safe food
348.26 handling practices. This exemption does not apply to faith-based organizations at the state
348.27 agricultural society or county fairs or to faith-based organizations that choose to apply for
348.28 a license;
- 348.29 (13) food service events conducted following a disaster for purposes of feeding disaster
348.30 relief staff and volunteers serving commercially prepared, nonpotentially hazardous foods,
348.31 as defined in Minnesota Rules, chapter 4626; ~~and~~
- 348.32 (14) chili or soup served at a chili or soup cook-off fund-raiser conducted by a
348.33 community-based nonprofit organization, provided:

349.1 (i) the municipality where the event is located approves the event;

349.2 (ii) the sponsoring organization must develop food safety rules and ensure that participants
349.3 follow these rules; and

349.4 (iii) if the food is not prepared in a kitchen that is licensed or inspected, a visible sign
349.5 or placard must be posted that states: "These products are homemade and not subject to
349.6 state inspection."

349.7 Foods exempt under this clause must be labeled to accurately reflect the name and
349.8 address of the person preparing the foods; and

349.9 (15) a special event food stand or a seasonal temporary food stand provided:

349.10 (i) the stand is operated solely by a person or persons under the age of 14;

349.11 (ii) the stand is located on private property with the permission of the property owner;

349.12 (iii) the stand has gross receipts or contributions of \$1,000 or less in a calendar year;

349.13 and

349.14 (iv) the operator of the stand posts a sign or placard at the site that states "The products
349.15 sold at this stand are not subject to state inspection or regulation.", if the stand offers for
349.16 sale potentially hazardous food as defined in Minnesota Rules, part 4626.0020, subdivision
349.17 62.

349.18 Sec. 63. **DIRECTION TO THE COMMISSIONER OF HEALTH.**

349.19 The commissioner of health shall prescribe the notification and consent form described
349.20 in Minnesota Statutes, section 144.6502, subdivision 6, no later than January 1, 2020. The
349.21 commissioner shall make the form available on the department's website.

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

349.23 Sec. 64. **PERINATAL HOSPICE GRANTS.**

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

349.26 (b) "Eligible program entity" means a hospital, hospice, health care facility, or
349.27 community-based organization. An eligible program entity must have a perinatal hospice
349.28 program coordinator who is eligible to be certified in perinatal loss care.

350.1 (c) "Eligible training entity" means an eligible program entity that has experience
350.2 providing perinatal hospice services, or a qualified individual who is eligible to be certified
350.3 in perinatal loss care and has experience providing perinatal hospice services.

350.4 (d) "Eligible to be certified in perinatal loss care" means an individual who meets the
350.5 criteria to sit for the perinatal loss care exam, or is already certified in perinatal loss care,
350.6 by the Hospice and Palliative Credentialing Center.

350.7 (e) "Life-limiting prenatal diagnosis" means a fetal condition diagnosed before birth that
350.8 will with reasonable certainty result in the death of the child within six months after birth.

350.9 (f) "Perinatal hospice" means comprehensive support to the pregnant woman and her
350.10 family that includes family-centered multidisciplinary care to meet their medical, spiritual,
350.11 and emotional needs from the time of a life-limiting prenatal diagnosis through the birth,
350.12 life, and natural death of the child, and through the postpartum period. Supportive care may
350.13 be provided by medical staff, counselors, clergy, mental health providers, social workers,
350.14 geneticists, certified nurse midwives, hospice professionals, and others.

350.15 Subd. 2. **Perinatal hospice development grants.** Perinatal hospice development grants
350.16 are available to eligible program entities and must be used for expenditures to:

350.17 (1) establish a new perinatal hospice program;

350.18 (2) expand an existing perinatal hospice program;

350.19 (3) recruit a perinatal hospice program coordinator; or

350.20 (4) fund perinatal hospice administrative and coordinator expenses for a period of not
350.21 more than six months.

350.22 Subd. 3. **Perinatal hospice training grants.** Perinatal hospice training grants are available
350.23 to eligible training entities and may be used for expenses to enable existing perinatal hospice
350.24 programs to provide training for members of a multidisciplinary team providing perinatal
350.25 hospice services. Funds must be used for:

350.26 (1) development and operation of a perinatal hospice training program. The curriculum
350.27 must include but is not limited to training to provide the following services to families
350.28 eligible for perinatal hospice:

350.29 (i) counseling at the time of a life-limiting prenatal diagnosis;

350.30 (ii) specialized birth planning;

350.31 (iii) specialized advance care planning;

351.1 (iv) services to address the emotional needs of the family through prenatal and postpartum
351.2 counseling that:

351.3 (A) helps the family prepare for the death of their child;

351.4 (B) helps the family work within the health care delivery system to create a safe and
351.5 professionally supported environment where parents can parent their child during their brief
351.6 life in a way that is meaningful for that family and baby; and

351.7 (C) helps the family with the grief that begins at diagnosis and continues after the death
351.8 of the child; and

351.9 (v) evidence-based perinatal bereavement care;

351.10 (2) trainer support, including travel expenses and reasonable living expenses during the
351.11 period of training;

351.12 (3) trainee support, including tuition, books, travel expenses, program fees, and reasonable
351.13 living expenses during the period of training; or

351.14 (4) materials used in the provision of training.

351.15 Subd. 4. **Perinatal hospice awareness grants.** Perinatal hospice awareness grants are
351.16 available to eligible program entities and may be used for the creation and distribution of
351.17 materials promoting awareness of perinatal hospice programs.

351.18 Subd. 5. **Report.** The commissioner of health shall report to the chairs and ranking
351.19 minority members of the legislative committees with jurisdiction over health and human
351.20 services finance by February 1, 2023, on how the grant funds have been used.

351.21 Sec. 65. **PLAN FOR A WORKING GROUP ON LINKS BETWEEN HEALTH**
351.22 **DISPARITIES AND EDUCATIONAL ACHIEVEMENT FOR CHILDREN FROM**
351.23 **AMERICAN INDIAN COMMUNITIES AND COMMUNITIES OF COLOR.**

351.24 (a) The commissioner of health, in consultation with the commissioner of education,
351.25 shall develop a plan to convene one or more working groups to:

351.26 (1) examine the links between health disparities and disparities in educational achievement
351.27 for children from American Indian communities and communities of color; and

351.28 (2) develop recommendations for programs, services, or funding to address health
351.29 disparities and decrease disparities in educational achievement for children from American
351.30 Indian communities and communities of color.

352.1 (b) The plan shall include the possible membership of the proposed working group and
352.2 the duties for the proposed working group.

352.3 (c) The commissioner shall submit the plan for the working group, including proposed
352.4 legislation establishing the working group, to the chairs and ranking minority members of
352.5 the legislative committees with jurisdiction over health and education by February 15, 2020.

352.6 **Sec. 66. SALE OF CERTAIN CANNABINOID PRODUCTS WORKGROUP.**

352.7 (a) The commissioner of health, in consultation with the commissioners of commerce,
352.8 agriculture, and public safety, and the executive director of the Board of Pharmacy, shall
352.9 convene a workgroup to advise the legislature on how to regulate products that contain
352.10 cannabinoids extracted from hemp. For purposes of this section, "hemp" has the meaning
352.11 given to "industrial hemp" in Minnesota Statutes, section 18K.02, subdivision 3.

352.12 (b) The commissioner shall assess the public health and consumer safety impact on the
352.13 sale of cannabinoids derived from hemp and shall develop a regulatory framework of what
352.14 the legislature would need to consider including, but not limited to:

352.15 (1) cultivation standards for industrial hemp if the hemp is used for any product intended
352.16 for human or animal consumption;

352.17 (2) labeling requirements for products containing cannabidoil extracted from hemp,
352.18 including the amount and percentage of cannabidiol in the product, the name of the
352.19 manufacturer of the product, and the ingredients contained in the product;

352.20 (3) possible restrictions of advertising and marketing of the cannabidiol product;

352.21 (4) restrictions of false, misleading, or unsubstantiated health claims;

352.22 (5) requirements for the independent testing of cannabidiol products, including quality
352.23 control and chemical identification;

352.24 (6) safety standards for edible products containing cannabinoids extracted from hemp,
352.25 including container and packaging requirements; and

352.26 (7) any other requirement or procedure the commissioner deems necessary.

352.27 (c) By January 15, 2020, the commissioner of health shall submit the results of the
352.28 workgroup to the chairs and ranking minority members of the legislative committees with
352.29 jurisdiction over public health, consumer protection, public safety, and agriculture.

353.1 Sec. 67. SHORT TITLE.

353.2 Minnesota Statutes, sections 145.4141 to 145.4147 may be cited as the "Pain-Capable
353.3 Unborn Child Protection Act."

353.4 Sec. 68. STUDY ON BREASTFEEDING DISPARITIES; STAKEHOLDER
353.5 ENGAGEMENT.

353.6 (a) The commissioner of health shall work with community stakeholders in Minnesota
353.7 including but not limited to representatives from the Minnesota Breastfeeding Coalition;
353.8 Academy of Lactation Policy and Practice; International Board of Lactation Consultant
353.9 Examiners; DONA International; HealthConnect; Reaching Sisters Everywhere; the La
353.10 Leche League; the women, infants, and children program; hospitals and clinics; local public
353.11 health professionals and organizations; community-based organizations; and representatives
353.12 of populations with low breastfeeding rates to carry out a study to identify barriers,
353.13 challenges, and successes affecting the initiation, duration, and exclusivity of breastfeeding.

353.14 (b) The study must address policy, systemic, and environmental factors that both support
353.15 and create barriers to breastfeeding. The study must also identify and make recommendations
353.16 regarding culturally appropriate practices that have been shown to increase breastfeeding
353.17 rates in populations that have the greatest breastfeeding disparity rates.

353.18 (c) The commissioner shall submit a report on the study with any recommendations to
353.19 the chairs and ranking minority members of the legislative committees with jurisdiction
353.20 over health care policy and finance on or before September 15, 2020.

353.21 Sec. 69. STUDY OF HEALTH CARE COSTS AND REIMBURSEMENT RATES.

353.22 (a) Within existing appropriations, the commissioner of health, in consultation with the
353.23 commissioner of commerce, shall study the cost of health care in the state, including a
353.24 comparison of the provider reimbursement rates paid to providers in the state under Medicare,
353.25 medical assistance, and private commercial market, and an analysis of the impact on hospitals
353.26 if the commercial market were to reimburse hospitals at the Medicare rate. Notwithstanding
353.27 Minnesota Statutes, section 62U.04, subdivision 11, the commissioner may use the data
353.28 collected under Minnesota Statutes, section 62U.04, to conduct the comparison of
353.29 reimbursement rates.

353.30 (b) The commissioner shall submit the findings of the study to the chairs and ranking
353.31 minority members of the legislative committees with jurisdiction over health care by February
353.32 1, 2020.

354.1 Sec. 70. **TRANSITION TO AUTHORIZED ELECTRONIC MONITORING IN**
354.2 **CERTAIN HEALTH CARE FACILITIES.**

354.3 Any resident, resident representative, or other person conducting electronic monitoring
354.4 in a resident's room or private living unit prior to January 1, 2020, must comply with the
354.5 requirements of Minnesota Statutes, section 144.6502, by January 1, 2020.

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

354.7 Sec. 71. **TARGETED GRANT PROGRAM TO ADDRESS OUTBREAKS OF**
354.8 **VACCINE-PREVENTABLE DISEASES.**

354.9 Subdivision 1. **Grant program established.** The commissioner of health shall provide
354.10 two-year targeted grants to community health boards as defined in Minnesota Statutes,
354.11 section 145A.02, subdivision 5, to fund immunization-related activities to address outbreaks
354.12 of vaccine-preventable diseases and lower the risk of outbreaks of vaccine-preventable
354.13 diseases in communities with low immunization rates. Community health boards must use
354.14 grant funds to provide immunization information and education and engage in immunization
354.15 awareness and support activities within populations or geographic areas that are experiencing
354.16 or are at risk of experiencing an outbreak of a vaccine-preventable disease.

354.17 Subd. 2. **Application.** Community health boards seeking a grant under this section shall
354.18 apply to the commissioner in a form and manner and according to timelines established by
354.19 the commissioner. The application must include a complete description of the
354.20 immunization-related activities the applicant proposes, the geographic area or population
354.21 to be served, the amount of funding sought, and a proposed budget detailing how the funds
354.22 will be spent.

354.23 Subd. 3. **Information and education materials; content.** (a) The commissioner must
354.24 develop and provide grant recipients with culturally competent information and educational
354.25 materials on immunizations, based on materials available from the Centers for Disease
354.26 Control and Prevention or the Institute of Vaccine Safety at Johns Hopkins Bloomberg
354.27 School of Public Health. The information and educational materials must be available in
354.28 the primary languages of the populations experiencing or at risk of experiencing a
354.29 vaccine-preventable disease outbreak and must include:

354.30 (1) the benefits and risks of immunizations to individuals and communities;

354.31 (2) indications and contraindications of immunizations;

354.32 (3) the recommended schedules of immunizations for children, adolescents, and adults;

355.1 (4) programs that provide free or reduced-cost immunizations to eligible individuals;
355.2 and

355.3 (5) health clinics, health care providers, and other locations at which individuals may
355.4 obtain immunizations.

355.5 (b) The grant funds may also be used to provide information to providers to encourage
355.6 the provider to submit the vaccine adverse events report system (VAERS) report as required
355.7 under federal law.

355.8 Subd. 4. **Workgroup.** The commissioner shall convene a workgroup to study and develop
355.9 recommendations on offering vaccines separately rather than bundled and on adjusting the
355.10 schedule of vaccine administration based on patient conditions and circumstances.

355.11 Sec. 72. **REPEALER.**

355.12 (a) Minnesota Statutes 2018, sections 144.1464; and 144.414, subdivision 5, are repealed.

355.13 (b) Minnesota Statutes 2018, sections 214.17; 214.18; 214.19; 214.20; 214.21; 214.22;
355.14 214.23; and 214.24, are repealed on January 1, 2020, and no new cases shall be investigated
355.15 under these sections after June 1, 2019.

355.16 **ARTICLE 10**

355.17 **MNSURE**

355.18 Section 1. Minnesota Statutes 2018, section 62V.05, subdivision 2, is amended to read:

355.19 ~~Subd. 2. **Operations funding.** (a) Prior to January 1, 2015, MNsure shall retain or collect~~
355.20 ~~up to 1.5 percent of total premiums for individual and small group market health plans and~~
355.21 ~~dental plans sold through MNsure to fund the cash reserves of MNsure, but the amount~~
355.22 ~~collected shall not exceed a dollar amount equal to 25 percent of the funds collected under~~
355.23 ~~section 62E.11, subdivision 6, for calendar year 2012.~~

355.24 ~~(b) Beginning January 1, 2015, MNsure shall retain or collect up to 3.5 percent of total~~
355.25 ~~premiums for individual and small group market health plans and dental plans sold through~~
355.26 ~~MNsure to fund the operations of MNsure, but the amount collected shall not exceed a~~
355.27 ~~dollar amount equal to 50 percent of the funds collected under section 62E.11, subdivision~~
355.28 ~~6, for calendar year 2012.~~

355.29 ~~(e)~~ (a) Beginning January 1, 2016, through December 31, 2019, MNsure shall retain or
355.30 collect up to 3.5 percent of total premiums for individual and small group market health
355.31 plans and dental plans sold through MNsure to fund the operations of MNsure, but the

356.1 amount collected may never exceed a dollar amount greater than 100 percent of the funds
356.2 collected under section 62E.11, subdivision 6, for calendar year 2012.

356.3 ~~(d) For fiscal years 2014 and 2015, the commissioner of management and budget is~~
356.4 ~~authorized to provide cash flow assistance of up to \$20,000,000 from the special revenue~~
356.5 ~~fund or the statutory general fund under section 16A.671, subdivision 3, paragraph (a), to~~
356.6 ~~MNsure. Any funds provided under this paragraph shall be repaid, with interest, by June~~
356.7 ~~30, 2015.~~

356.8 (b) Beginning January 1, 2020, MNsure shall retain or collect up to two percent of total
356.9 premiums for individual and small group health plans and dental plans sold through MNsure
356.10 to fund the operations of MNsure, but the amount collected may never exceed a dollar
356.11 amount greater than 25 percent of the funds collected under section 62E.11, subdivision 6,
356.12 for calendar year 2012.

356.13 ~~(e)~~ (c) Funding for the operations of MNsure shall cover any compensation provided to
356.14 navigators participating in the navigator program.

356.15 (d) Interagency agreements between MNsure and the Department of Human Services,
356.16 and the Public Assistance Cost Allocation Plan for the Department of Human Services,
356.17 shall not be modified to reflect any changes to the percentage of premiums that MNsure is
356.18 allowed to retain or collect under this section, and no additional funding shall be transferred
356.19 from the Department of Human Services to MNsure as a result of any changes to the
356.20 percentage of premiums that MNsure is allowed to retain or collect under this section.

356.21 Sec. 2. Minnesota Statutes 2018, section 62V.05, subdivision 5, is amended to read:

356.22 Subd. 5. **Health carrier and health plan requirements; participation.** (a) Beginning
356.23 January 1, 2015, the board may establish certification requirements for health carriers and
356.24 health plans to be offered through MNsure that satisfy federal requirements under ~~section~~
356.25 ~~1311(e)(1) of the Affordable Care Act, Public Law 111-148~~ United States Code, title 42,
356.26 section 18031(c)(1).

356.27 (b) Paragraph (a) does not apply if by June 1, 2013, the legislature enacts regulatory
356.28 requirements that:

356.29 (1) apply uniformly to all health carriers and health plans in the individual market;

356.30 (2) apply uniformly to all health carriers and health plans in the small group market; and

356.31 (3) satisfy minimum federal certification requirements under ~~section 1311(e)(1) of the~~
356.32 ~~Affordable Care Act, Public Law 111-148~~ United States Code, title 42, section 18031(c)(1).

357.1 (c) In accordance with ~~section 1311(e) of the Affordable Care Act, Public Law 111-148~~
357.2 United States Code, title 42, section 18031(e), the board shall establish policies and
357.3 procedures for certification and selection of health plans to be offered as qualified health
357.4 plans through MNsure. The board shall certify and select a health plan as a qualified health
357.5 plan to be offered through MNsure, if:

357.6 (1) the health plan meets the minimum certification requirements established in paragraph
357.7 (a) or the market regulatory requirements in paragraph (b);

357.8 (2) the board determines that making the health plan available through MNsure is in the
357.9 interest of qualified individuals and qualified employers;

357.10 (3) the health carrier applying to offer the health plan through MNsure also applies to
357.11 offer health plans at each actuarial value level and service area that the health carrier currently
357.12 offers in the individual and small group markets; and

357.13 (4) the health carrier does not apply to offer health plans in the individual and small
357.14 group markets through MNsure under a separate license of a parent organization or holding
357.15 company under section 60D.15, that is different from what the health carrier offers in the
357.16 individual and small group markets outside MNsure.

357.17 (d) In determining the interests of qualified individuals and employers under paragraph
357.18 (c), clause (2), the board may not exclude a health plan for any reason specified under ~~section~~
357.19 ~~1311(e)(1)(B) of the Affordable Care Act, Public Law 111-148~~ United States Code, title
357.20 42, section 18031(e)(1)(B). ~~The board may consider:~~

357.21 ~~(1) affordability;~~

357.22 ~~(2) quality and value of health plans;~~

357.23 ~~(3) promotion of prevention and wellness;~~

357.24 ~~(4) promotion of initiatives to reduce health disparities;~~

357.25 ~~(5) market stability and adverse selection;~~

357.26 ~~(6) meaningful choices and access;~~

357.27 ~~(7) alignment and coordination with state agency and private sector purchasing strategies~~
357.28 ~~and payment reform efforts; and~~

357.29 ~~(8) other criteria that the board determines appropriate.~~

357.30 (e) A health plan that meets the minimum certification requirements under paragraph
357.31 (c) and United States Code, title 42, section 18031(c)(1), and any regulations and guidance

358.1 issued under that section, is deemed to be in the interest of qualified individuals and qualified
358.2 employers. The board shall not establish certification requirements for health carriers and
358.3 health plans for participation in MNsure that are in addition to the certification requirements
358.4 under paragraph (c) and United States Code, title 42, section 18031(c)(1), and any regulations
358.5 and guidance issued under that section. The board shall not determine the cost of, cost-sharing
358.6 elements of, or benefits provided in health plans sold through MNsure.

358.7 ~~(e)~~ (f) For qualified health plans offered through MNsure on or after January 1, 2015,
358.8 the board shall establish policies and procedures under paragraphs (c) and (d) for selection
358.9 of health plans to be offered as qualified health plans through MNsure by February 1 of
358.10 each year, beginning February 1, 2014. The board shall consistently and uniformly apply
358.11 all policies and procedures and any requirements, standards, or criteria to all health carriers
358.12 and health plans. For any policies, procedures, requirements, standards, or criteria that are
358.13 defined as rules under section 14.02, subdivision 4, the board may use the process described
358.14 in subdivision 9.

358.15 ~~(f) For 2014, the board shall not have the power to select health carriers and health plans~~
358.16 ~~for participation in MNsure. The board shall permit all health plans that meet the certification~~
358.17 ~~requirements under section 1311(e)(1) of the Affordable Care Act, Public Law 111-148, to~~
358.18 ~~be offered through MNsure.~~

358.19 (g) Under this subdivision, the board shall have the power to verify that health carriers
358.20 and health plans are properly certified to be eligible for participation in MNsure.

358.21 (h) The board has the authority to decertify health carriers and health plans that fail to
358.22 maintain compliance with ~~section 1311(e)(1) of the Affordable Care Act, Public Law 111-148~~
358.23 United States Code, title 42, section 18031(c)(1).

358.24 (i) For qualified health plans offered through MNsure beginning January 1, 2015, health
358.25 carriers must use the most current addendum for Indian health care providers approved by
358.26 the Centers for Medicare and Medicaid Services and the tribes as part of their contracts with
358.27 Indian health care providers. MNsure shall comply with all future changes in federal law
358.28 with regard to health coverage for the tribes.

358.29 Sec. 3. Minnesota Statutes 2018, section 62V.05, subdivision 10, is amended to read:

358.30 Subd. 10. **Limitations; risk-bearing.** (a) The board shall not bear insurance risk or enter
358.31 into any agreement with health care providers to pay claims.

358.32 (b) Nothing in this subdivision shall prevent MNsure from providing insurance for its
358.33 employees.

359.1 (c) The commissioner of human services shall not bear insurance risk or enter into any
359.2 agreement with providers to pay claims for any health coverage administered by the
359.3 commissioner that is made available for purchase through the MNsure website as a qualifying
359.4 health plan or as an alternative to purchasing a qualifying health plan through MNsure or
359.5 an individual health plan offered outside of MNsure.

359.6 (d) Nothing in this subdivision shall prohibit:

359.7 (1) the commissioner of human services from administering the medical assistance
359.8 program under chapter 256B and the MinnesotaCare program under chapter 256L, as long
359.9 as health coverage under these programs is not purchased by the individual through the
359.10 MNsure Web site; and

359.11 (2) employees of the Department of Human Services from obtaining insurance from the
359.12 state employee group insurance program.

359.13 Sec. 4. Minnesota Statutes 2018, section 62V.08, is amended to read:

359.14 **62V.08 REPORTS.**

359.15 (a) MNsure shall submit a report to the legislature by January 15, 2015, and each January
359.16 15 thereafter, on: (1) the performance of MNsure operations; (2) meeting MNsure
359.17 responsibilities; (3) an accounting of MNsure budget activities; (4) practices and procedures
359.18 that have been implemented to ensure compliance with data practices laws, and a description
359.19 of any violations of data practices laws or procedures; and (5) the effectiveness of the
359.20 outreach and implementation activities of MNsure in reducing the rate of uninsurance.

359.21 (b) MNsure must publish its administrative and operational costs on a website to educate
359.22 consumers on those costs. The information published must include: (1) the amount of
359.23 premiums and federal premium subsidies collected; (2) the amount and source of revenue
359.24 received under section 62V.05, subdivision 1, paragraph (b), clause (3); (3) the amount and
359.25 source of any other fees collected for purposes of supporting operations; and (4) any misuse
359.26 of funds as identified in accordance with section 3.975. The website must be updated at
359.27 least annually.

359.28 (c) As part of the report required to be submitted to the legislature in paragraph (a), and
359.29 the information required to be published in paragraph (b), MNsure shall include the total
359.30 amount spent on business continuity planning, data privacy protection, and cyber security
359.31 provisions.

360.1 Sec. 5. Laws 2015, chapter 71, article 12, section 8, is amended to read:

360.2 **Sec. 8. EXPANDED ACCESS TO QUALIFIED HEALTH PLANS AND SUBSIDIES.**

360.3 The commissioner of commerce, in consultation with the Board of Directors of MNsure
360.4 and the MNsure Legislative Oversight Committee, shall develop a proposal to allow
360.5 individuals to purchase qualified health plans outside of MNsure directly from health plan
360.6 companies and to allow eligible individuals to receive advanced premium tax credits and
360.7 cost-sharing reductions when purchasing these health plans. The commissioner shall seek
360.8 all federal waivers and approvals necessary to implement this proposal and shall submit the
360.9 necessary federal waivers and approvals to the federal government no later than October 1,
360.10 2019. The commissioner shall submit a draft proposal to the MNsure board and the MNsure
360.11 Legislative Oversight Committee ~~at least 30 days before submitting a final proposal to the~~
360.12 ~~federal government~~ no later than September 1, 2019, and shall notify the board and legislative
360.13 oversight committee of any federal decision or action related to the proposal.

360.14 **Sec. 6. MNSURE PROGRAM DEVELOPMENT.**

360.15 No funds shall be appropriated to the Board of Directors of MNsure for new program
360.16 development until 834 EDI transmissions are being processed automatically and are
360.17 conveying accurate information without the intervention of manual reviews and processes.

360.18 **Sec. 7. RATES FOR INDIVIDUAL MARKET HEALTH AND DENTAL PLANS**
360.19 **FOR 2020.**

360.20 (a) Health carriers must take into account the reduction in the premium withhold
360.21 percentage under Minnesota Statutes, section 62V.05, subdivision 2, applicable beginning
360.22 in calendar year 2020 for individual market health plans and dental plans sold through
360.23 MNsure when setting rates for individual market health plans and dental plans for calendar
360.24 year 2020.

360.25 (b) For purposes of this section, "dental plan," "health carrier," "health plan," and
360.26 "individual market" have the meanings given in Minnesota Statutes, section 62V.02.

360.27 **Sec. 8. REQUEST FOR INFORMATION ON A PRIVATIZED STATE-BASED**
360.28 **MARKETPLACE SYSTEM.**

360.29 (a) The commissioner of human services, in consultation with the commissioners of
360.30 commerce and health, and interested stakeholders, shall develop a request for information
360.31 to consider the feasibility for a private vendor to provide the technology functionality for

361.1 the individual market currently provided by MNsure. The request shall seek options for a
361.2 privately run automated web-based broker system that provides certain core functions
361.3 including eligibility and enrollment functions, consumer outreach and assistance, and the
361.4 ability for consumers to compare and choose different qualified health plans. The system
361.5 must have the ability to integrate with the federal data hub and have account transfer
361.6 functionality to accept application handoffs compatible with the Medicaid and MinnesotaCare
361.7 eligibility and enrollment system maintained by the Department of Human Services.

361.8 (b) The commissioner shall report to the chairs and ranking minority members of the
361.9 legislative committees with jurisdiction over health insurance by February 15, 2020, the
361.10 results of the request for information and an analysis of the option for a privatized
361.11 marketplace, including estimated costs.

ARTICLE 11

HEALTH LICENSING BOARDS

361.12
361.13
361.14 Section 1. Minnesota Statutes 2018, section 147.037, subdivision 1, is amended to read:

361.15 Subdivision 1. **Requirements.** The board shall issue a license to practice medicine to
361.16 any person who satisfies the requirements in paragraphs (a) to (g).

361.17 (a) The applicant shall satisfy all the requirements established in section 147.02,
361.18 subdivision 1, paragraphs (a), (e), (f), (g), and (h).

361.19 (b) The applicant shall present evidence satisfactory to the board that the applicant is a
361.20 graduate of a medical or osteopathic school approved by the board as equivalent to accredited
361.21 United States or Canadian schools based upon its faculty, curriculum, facilities, accreditation,
361.22 or other relevant data. If the applicant is a graduate of a medical or osteopathic program
361.23 that is not accredited by the Liaison Committee for Medical Education or the American
361.24 Osteopathic Association, the applicant may use the Federation of State Medical Boards'
361.25 Federation Credentials Verification Service (FCVS) or its successor. If the applicant uses
361.26 this service as allowed under this paragraph, the physician application fee may be less than
361.27 \$200 but must not exceed the cost of administering this paragraph.

361.28 (c) The applicant shall present evidence satisfactory to the board that the applicant has
361.29 been awarded a certificate by the Educational Council for Foreign Medical Graduates, and
361.30 the applicant has a working ability in the English language sufficient to communicate with
361.31 patients and physicians and to engage in the practice of medicine.

361.32 (d) The applicant shall present evidence satisfactory to the board of the completion of
361.33 ~~two years~~ one year of graduate, clinical medical training in a program located in the United

362.1 ~~States, its territories, or Canada and accredited by a national accrediting organization~~
362.2 ~~approved by the board~~ accredited by a national accrediting organization approved by the
362.3 board or other graduate training approved in advance by the board as meeting standards
362.4 similar to those of a national accrediting organization. This requirement does not apply:

362.5 (1) to an applicant who is admitted as a permanent immigrant to the United States on or
362.6 before October 1, 1991, as a person of exceptional ability in the sciences according to Code
362.7 of Federal Regulations, title 20, section 656.22(d); or

362.8 (2) to an applicant holding a valid license to practice medicine in another country and
362.9 issued a permanent immigrant visa after October 1, 1991, as a person of extraordinary ability
362.10 in the field of science or as an outstanding professor or researcher according to Code of
362.11 Federal Regulations, title 8, section 204.5(h) and (i), or a temporary nonimmigrant visa as
362.12 a person of extraordinary ability in the field of science according to Code of Federal
362.13 Regulations, title 8, section 214.2(o),

362.14 provided that a person under clause (1) or (2) is admitted pursuant to rules of the United
362.15 States Department of Labor; ~~or~~

362.16 ~~(3) to an applicant who is licensed in another state, has practiced five years without~~
362.17 ~~disciplinary action in the United States, its territories, or Canada, has completed one year~~
362.18 ~~of the graduate, clinical medical training required by this paragraph, and has passed the~~
362.19 ~~Special Purpose Examination of the Federation of State Medical Boards within three attempts~~
362.20 ~~in the 24 months before licensing.~~

362.21 (e) The applicant must:

362.22 (1) have passed an examination prepared and graded by the Federation of State Medical
362.23 Boards, the United States Medical Licensing Examination program in accordance with
362.24 section 147.02, subdivision 1, paragraph (c), clause (2), or the Medical Council of Canada;
362.25 and

362.26 (2) ~~have a current license from the equivalent licensing agency in another state or country~~
362.27 ~~and~~, if the examination in clause (1) was passed more than ten years ago, either:

362.28 (i) pass the Special Purpose Examination of the Federation of State Medical Boards with
362.29 a score of 75 or better within three attempts; or

362.30 (ii) have a current certification by a specialty board of the American Board of Medical
362.31 Specialties, of the American Osteopathic Association, of the Royal College of Physicians
362.32 and Surgeons of Canada, or of the College of Family Physicians of Canada; or

363.1 (3) if the applicant fails to meet the requirement established in section 147.02, subdivision
363.2 1, paragraph (c), clause (2), because the applicant failed to pass each of steps one, two, and
363.3 three of the USMLE within the required three attempts, the applicant may be granted a
363.4 license provided the applicant:

363.5 (i) has passed each of steps one, two, and three with passing scores as recommended by
363.6 the USMLE program within no more than four attempts for any of the three steps;

363.7 (ii) is currently licensed in another state; and

363.8 (iii) has current certification by a specialty board of the American Board of Medical
363.9 Specialties, the American Osteopathic Association, the Royal College of Physicians and
363.10 Surgeons of Canada, or the College of Family Physicians of Canada.

363.11 (f) The applicant must not be under license suspension or revocation by the licensing
363.12 board of the state or jurisdiction in which the conduct that caused the suspension or revocation
363.13 occurred.

363.14 (g) The applicant must not have engaged in conduct warranting disciplinary action
363.15 against a licensee, or have been subject to disciplinary action other than as specified in
363.16 paragraph (f). If an applicant does not satisfy the requirements stated in this paragraph, the
363.17 board may issue a license only on the applicant's showing that the public will be protected
363.18 through issuance of a license with conditions or limitations the board considers appropriate.

363.19 Sec. 2. Minnesota Statutes 2018, section 147.0375, subdivision 1, is amended to read:

363.20 Subdivision 1. **Requirements.** The board shall issue a license to practice medicine to
363.21 any person who satisfies the requirements in paragraphs (a) to (d).

363.22 (a) The applicant must satisfy all the requirements established in section 147.02,
363.23 subdivision 1, paragraphs (a), (e), (f), (g), and (h).

363.24 (b) The applicant must present evidence satisfactory to the board that the applicant is a
363.25 graduate of a medical or osteopathic school approved by the board as equivalent to accredited
363.26 United States or Canadian schools based upon its faculty, curriculum, facilities, accreditation,
363.27 or other relevant data. If the applicant is a graduate of a medical or osteopathic program
363.28 that is not accredited by the Liaison Committee for Medical Education or the American
363.29 Osteopathic Association, the applicant may use the Federation of State Medical Boards'
363.30 Federation Credentials Verification Service (FCVS) or its successor. If the applicant uses
363.31 this service as allowed under this paragraph, the physician application fee may be less than
363.32 \$200 but must not exceed the cost of administering this paragraph.

364.1 (c) The applicant must present evidence satisfactory to the board of the completion of
 364.2 ~~two years~~ one year of graduate, clinical medical training in a program located in the United
 364.3 States, its territories, or Canada and ~~accredited by a national accrediting organization~~
 364.4 ~~approved by the board~~ accredited by a national accrediting organization approved by the
 364.5 board or other graduate training approved in advance by the board as meeting standards
 364.6 similar to those of a national accrediting organization. This requirement does not apply:

364.7 (1) to an applicant who is admitted as a permanent immigrant to the United States on or
 364.8 before October 1, 1991, as a person of exceptional ability in the sciences according to Code
 364.9 of Federal Regulations, title 20, section 656.22 (d); or

364.10 (2) to an applicant holding a valid license to practice medicine in another state or country
 364.11 and issued a permanent immigrant visa after October 1, 1991, as a person of extraordinary
 364.12 ability in the field of science or as an outstanding professor or researcher according to Code
 364.13 of Federal Regulations, title 8, section 204.5(h) and (i), or a temporary nonimmigrant visa
 364.14 or status as a person of extraordinary ability in the field of science according to Code of
 364.15 Federal Regulations, title 8, section 214.2(o); ~~or~~

364.16 ~~(3) to an applicant who is licensed in another state, has practiced five years without~~
 364.17 ~~disciplinary action in the United States, its territories, or Canada, has completed one year~~
 364.18 ~~of the graduate, clinical medical training required by this paragraph, and has passed the~~
 364.19 ~~Special Purpose Examination of the Federation of State Medical Boards within three attempts~~
 364.20 ~~in the 24 months before licensing.~~

364.21 (d) The applicant must present evidence satisfactory to the board that the applicant has
 364.22 been appointed to serve as a faculty member of a medical school accredited by the Liaison
 364.23 Committee of Medical Education or an osteopathic medical school accredited by the
 364.24 American Osteopathic Association.

364.25 Sec. 3. Minnesota Statutes 2018, section 148.59, is amended to read:

364.26 **148.59 LICENSE RENEWAL; LICENSE AND REGISTRATION FEES.**

364.27 A licensed optometrist shall pay to the state Board of Optometry a fee as set by the board
 364.28 in order to renew a license as provided by board rule. No fees shall be refunded. Fees may
 364.29 not exceed the following amounts but may be adjusted lower by board direction and are for
 364.30 the exclusive use of the board:

364.31 (1) optometry licensure application, \$160;

364.32 (2) optometry annual licensure renewal, ~~\$135~~ \$170;

- 365.1 (3) optometry late penalty fee, \$75;
- 365.2 (4) annual license renewal card, \$10;
- 365.3 (5) continuing education provider application, \$45;
- 365.4 (6) emeritus registration, \$10;
- 365.5 (7) endorsement/reciprocity application, \$160;
- 365.6 (8) replacement of initial license, \$12; ~~and~~
- 365.7 (9) license verification, \$50₂;
- 365.8 (10) jurisprudence state examination, \$75;
- 365.9 (11) Optometric Education Continuing Education data bank registration, \$20; and
- 365.10 (12) data requests and labels, \$50.

365.11 Sec. 4. Minnesota Statutes 2018, section 148E.180, is amended to read:

365.12 **148E.180 FEE AMOUNTS.**

365.13 Subdivision 1. **Application fees.** Nonrefundable application fees for licensure are as
365.14 follows may not exceed the following amounts:

- 365.15 (1) for a licensed social worker, ~~\$45~~ \$54;
- 365.16 (2) for a licensed graduate social worker, ~~\$45~~ \$54;
- 365.17 (3) for a licensed independent social worker, ~~\$45~~ \$54;
- 365.18 (4) for a licensed independent clinical social worker, ~~\$45~~ \$54;
- 365.19 (5) for a temporary license, \$50; and
- 365.20 (6) for a licensure by endorsement, ~~\$85~~ \$92.

365.21 The fee for criminal background checks is the fee charged by the Bureau of Criminal
365.22 Apprehension. The criminal background check fee must be included with the application
365.23 fee as required according to section 148E.055.

365.24 Subd. 2. **License fees.** Nonrefundable license fees are as follows may not exceed the
365.25 following amounts but may be adjusted lower by board action:

- 365.26 (1) for a licensed social worker, ~~\$81~~ \$97;
- 365.27 (2) for a licensed graduate social worker, ~~\$144~~ \$172;
- 365.28 (3) for a licensed independent social worker, ~~\$216~~ \$258;

366.1 (4) for a licensed independent clinical social worker, ~~\$238.50~~ \$284;

366.2 (5) for an emeritus inactive license, ~~\$43.20~~ \$51;

366.3 (6) for an emeritus active license, one-half of the renewal fee specified in subdivision
366.4 3; and

366.5 (7) for a temporary leave fee, the same as the renewal fee specified in subdivision 3.

366.6 If the licensee's initial license term is less or more than 24 months, the required license
366.7 fees must be prorated proportionately.

366.8 Subd. 3. **Renewal fees.** Nonrefundable renewal fees for licensure are as follows the
366.9 two-year renewal term may not exceed the following amounts but may be adjusted lower
366.10 by board action:

366.11 (1) for a licensed social worker, ~~\$81~~ \$97;

366.12 (2) for a licensed graduate social worker, ~~\$144~~ \$172;

366.13 (3) for a licensed independent social worker, ~~\$216~~ \$258; and

366.14 (4) for a licensed independent clinical social worker, ~~\$238.50~~ \$284.

366.15 Subd. 4. **Continuing education provider fees.** Continuing education provider fees are
366.16 as follows the following nonrefundable amounts:

366.17 (1) for a provider who offers programs totaling one to eight clock hours in a one-year
366.18 period according to section 148E.145, ~~\$50~~ \$60;

366.19 (2) for a provider who offers programs totaling nine to 16 clock hours in a one-year
366.20 period according to section 148E.145, ~~\$100~~ \$120;

366.21 (3) for a provider who offers programs totaling 17 to 32 clock hours in a one-year period
366.22 according to section 148E.145, ~~\$200~~ \$240;

366.23 (4) for a provider who offers programs totaling 33 to 48 clock hours in a one-year period
366.24 according to section 148E.145, ~~\$400~~ \$480; and

366.25 (5) for a provider who offers programs totaling 49 or more clock hours in a one-year
366.26 period according to section 148E.145, ~~\$600~~ \$720.

366.27 Subd. 5. **Late fees.** Late fees are as follows the following nonrefundable amounts:

366.28 (1) renewal late fee, one-fourth of the renewal fee specified in subdivision 3;

366.29 (2) supervision plan late fee, \$40; and

367.1 (3) license late fee, \$100 plus the prorated share of the license fee specified in subdivision
367.2 2 for the number of months during which the individual practiced social work without a
367.3 license.

367.4 Subd. 6. **License cards and wall certificates.** (a) The fee for a license card as specified
367.5 in section 148E.095 is \$10.

367.6 (b) The fee for a license wall certificate as specified in section 148E.095 is \$30.

367.7 Subd. 7. **Reactivation fees.** Reactivation fees are ~~as follows~~ the following nonrefundable
367.8 amounts:

367.9 (1) reactivation from a temporary leave or emeritus status, the prorated share of the
367.10 renewal fee specified in subdivision 3; and

367.11 (2) reactivation of an expired license, 1-1/2 times the renewal fees specified in subdivision
367.12 3.

367.13 Sec. 5. Minnesota Statutes 2018, section 150A.06, subdivision 3, is amended to read:

367.14 Subd. 3. **Waiver of examination.** (a) All or any part of the examination for dentists,
367.15 dental therapists, dental hygienists, or dental assistants, except that pertaining to the law of
367.16 Minnesota relating to dentistry and the rules of the board, may, at the discretion of the board,
367.17 be waived for an applicant who presents a certificate of having passed all components of
367.18 the National Board Dental Examinations or evidence of having maintained an adequate
367.19 scholastic standing as determined by the board.

367.20 (b) The board shall waive the clinical examination required for licensure for any dentist
367.21 applicant who is a graduate of a dental school accredited by the Commission on Dental
367.22 Accreditation, who has passed all components of the National Board Dental Examinations,
367.23 and who has satisfactorily completed a ~~Minnesota-based~~ postdoctoral general dentistry
367.24 residency program (GPR) or an advanced education in general dentistry (AEGD) program
367.25 after January 1, 2004. The postdoctoral program must be accredited by the Commission on
367.26 Dental Accreditation, be of at least one year's duration, and include an outcome assessment
367.27 evaluation assessing the resident's competence to practice dentistry. The board may require
367.28 the applicant to submit any information deemed necessary by the board to determine whether
367.29 the waiver is applicable.

368.1 Sec. 6. Minnesota Statutes 2018, section 150A.06, is amended by adding a subdivision to
368.2 read:

368.3 Subd. 10. **Emeritus inactive license.** A person licensed to practice dentistry, dental
368.4 therapy, dental hygiene, or dental assisting pursuant to section 150A.05 or Minnesota Rules,
368.5 part 3100.8500, who retires from active practice in the state may apply to the board for
368.6 emeritus inactive licensure. An application for emeritus inactive licensure may be made on
368.7 the biennial licensing form or by petitioning the board, and the applicant must pay a onetime
368.8 application fee pursuant to section 150A.091, subdivision 19. In order to receive emeritus
368.9 inactive licensure, the applicant must be in compliance with board requirements and cannot
368.10 be the subject of current disciplinary action resulting in suspension, revocation,
368.11 disqualification, condition, or restriction of the licensee to practice dentistry, dental therapy,
368.12 dental hygiene, or dental assisting. An emeritus inactive license is not a license to practice,
368.13 but is a formal recognition of completion of a person's dental career in good standing.

368.14 Sec. 7. Minnesota Statutes 2018, section 150A.06, is amended by adding a subdivision to
368.15 read:

368.16 Subd. 11. **Emeritus active licensure.** (a) A person licensed to practice dentistry, dental
368.17 therapy, dental hygiene, or dental assisting may apply for an emeritus active license if the
368.18 person is retired from active practice, is in compliance with board requirements, and is not
368.19 the subject of current disciplinary action resulting in suspension, revocation, disqualification,
368.20 condition, or restriction of the license to practice dentistry, dental therapy, dental hygiene,
368.21 or dental assisting.

368.22 (b) An emeritus active licensee may engage only in the following types of practice:

368.23 (1) pro bono or volunteer dental practice;

368.24 (2) paid practice not to exceed 500 hours per calendar year for the exclusive purpose of
368.25 providing licensing supervision to meet the board's requirements; or

368.26 (3) paid consulting services not to exceed 500 hours per calendar year.

368.27 (c) An emeritus active licensee shall not hold out as a full licensee and may only hold
368.28 out as authorized to practice as described in this subdivision. The board may take disciplinary
368.29 or corrective action against an emeritus active licensee based on violations of applicable
368.30 law or board requirements.

368.31 (d) A person may apply for an emeritus active license by completing an application form
368.32 specified by the board and must pay the application fee pursuant to section 150A.091,
368.33 subdivision 20.

369.1 (e) If an emeritus active license is not renewed every two years, the license expires. The
369.2 renewal date is the same as the licensee's renewal date when the licensee was in active
369.3 practice. In order to renew an emeritus active license, the licensee must:

369.4 (1) complete an application form as specified by the board;

369.5 (2) pay the required renewal fee pursuant to section 150A.091, subdivision 20; and

369.6 (3) report at least 25 continuing education hours completed since the last renewal, which
369.7 must include:

369.8 (i) at least one hour in two different required CORE areas;

369.9 (ii) at least one hour of mandatory infection control;

369.10 (iii) for dentists and dental therapists, at least 15 hours of fundamental credits for dentists
369.11 and dental therapists, and for dental hygienists and dental assistants, at least seven hours of
369.12 fundamental credits; and

369.13 (iv) for dentists and dental therapists, no more than ten elective credits, and for dental
369.14 hygienists and dental assistants, no more than six elective credits.

369.15 Sec. 8. Minnesota Statutes 2018, section 150A.091, is amended by adding a subdivision
369.16 to read:

369.17 Subd. 19. **Emeritus inactive license.** An individual applying for emeritus inactive
369.18 licensure under section 150A.06, subdivision 10, must pay a onetime fee of \$50. There is
369.19 no renewal fee for an emeritus inactive license.

369.20 Sec. 9. Minnesota Statutes 2018, section 150A.091, is amended by adding a subdivision
369.21 to read:

369.22 Subd. 20. **Emeritus active license.** An individual applying for emeritus active licensure
369.23 under section 150A.06, subdivision 11, must pay a fee upon application and upon renewal
369.24 every two years. The fees for emeritus active license application and renewal are as follows:
369.25 dentist, \$212; dental therapist, \$100; dental hygienist, \$75; and dental assistant, \$55.

369.26 Sec. 10. Minnesota Statutes 2018, section 151.01, subdivision 23, is amended to read:

369.27 Subd. 23. **Practitioner.** "Practitioner" means a licensed doctor of medicine, licensed
369.28 doctor of osteopathic medicine duly licensed to practice medicine, licensed doctor of
369.29 dentistry, licensed doctor of optometry, licensed podiatrist, licensed veterinarian, or licensed
369.30 advanced practice registered nurse. For purposes of sections 151.15, subdivision 4; 151.211,

370.1 subdivision 3; 151.252, subdivision 3; 151.37, subdivision 2, paragraphs (b), (e), and (f);
370.2 and 151.461, "practitioner" also means a physician assistant authorized to prescribe, dispense,
370.3 and administer under chapter 147A. For purposes of sections 151.15, subdivision 4; 151.211,
370.4 subdivision 3; 151.252, subdivision 3; 151.37, subdivision 2, paragraph (b); and 151.461,
370.5 "practitioner" also means a dental therapist authorized to dispense and administer under
370.6 chapter 150A.

370.7 Sec. 11. Minnesota Statutes 2018, section 151.06, is amended by adding a subdivision to
370.8 read:

370.9 Subd. 6. **Information provision; sources of lower cost prescription drugs.** (a) The
370.10 board shall publish a page on its website that provides regularly updated information
370.11 concerning:

370.12 (1) patient assistance programs offered by drug manufacturers, including information
370.13 on how to access the programs;

370.14 (2) the prescription drug assistance program established by the Minnesota Board of
370.15 Aging under section 256.975, subdivision 9;

370.16 (3) the websites through which individuals can access information concerning eligibility
370.17 for and enrollment in Medicare, medical assistance, MinnesotaCare, and other
370.18 government-funded programs that help pay for the cost of health care;

370.19 (4) availability of providers that are authorized to participate under section 340b of the
370.20 federal Public Health Services Act, United States Code, title 42, section 256b;

370.21 (5) having a discussion with the pharmacist or the consumer's health care provider about
370.22 alternatives to a prescribed drug, including a lower cost or generic drug if the drug prescribed
370.23 is too costly for the consumer; and

370.24 (6) any other resource that the board deems useful to individuals who are attempting to
370.25 purchase prescription drugs at lower costs.

370.26 (b) The board must prepare educational materials, including brochures and posters, based
370.27 on the information it provides on its website under paragraph (a). The materials must be in
370.28 a form that can be downloaded from the board's website and used for patient education by
370.29 pharmacists and by health care practitioners who are licensed to prescribe. The board is not
370.30 required to provide printed copies of these materials.

371.1 (c) The board shall require pharmacists and pharmacies to make available to patients
371.2 information on sources of lower cost prescription drugs, including information on the
371.3 availability of the website established under paragraph (a).

371.4 Sec. 12. Minnesota Statutes 2018, section 151.211, subdivision 2, is amended to read:

371.5 Subd. 2. **Refill requirements.** Except as provided in subdivision 3, a prescription drug
371.6 order may be refilled only with the written, electronic, or verbal consent of the prescriber
371.7 and in accordance with the requirements of this chapter, the rules of the board, and where
371.8 applicable, section 152.11. The date of such refill must be recorded and initialed upon the
371.9 original prescription drug order, or within the electronically maintained record of the original
371.10 prescription drug order, by the pharmacist, pharmacist intern, or practitioner who refills the
371.11 prescription.

371.12 Sec. 13. Minnesota Statutes 2018, section 151.211, is amended by adding a subdivision
371.13 to read:

371.14 Subd. 3. **Emergency prescription refills.** (a) A pharmacist may, using sound professional
371.15 judgment and in accordance with accepted standards of practice, dispense a legend drug
371.16 without a current prescription drug order from a licensed practitioner if all of the following
371.17 conditions are met:

371.18 (1) the patient has been compliant with taking the medication and has consistently had
371.19 the drug filled or refilled as demonstrated by records maintained by the pharmacy;

371.20 (2) the pharmacy from which the legend drug is dispensed has record of a prescription
371.21 drug order for the drug in the name of the patient who is requesting it, but the prescription
371.22 drug order does not provide for a refill, or the time during which the refills were valid has
371.23 elapsed;

371.24 (3) the pharmacist has tried but is unable to contact the practitioner who issued the
371.25 prescription drug order, or another practitioner responsible for the patient's care, to obtain
371.26 authorization to refill the prescription;

371.27 (4) the drug is essential to sustain the life of the patient or to continue therapy for a
371.28 chronic condition;

371.29 (5) failure to dispense the drug to the patient would result in harm to the health of the
371.30 patient; and

372.1 (6) the drug is not a controlled substance listed in section 152.02, subdivisions 3 to 6,
372.2 except for a controlled substance that has been specifically prescribed to treat a seizure
372.3 disorder, in which case the pharmacist may dispense up to a 72-hour supply.

372.4 (b) If the conditions in paragraph (a) are met, the amount of the drug dispensed by the
372.5 pharmacist to the patient must not exceed a 30-day supply, or the quantity originally
372.6 prescribed, whichever is less, except as provided for controlled substances in paragraph (a),
372.7 clause (6). If the standard unit of dispensing for the drug exceeds a 30-day supply, the
372.8 amount of the drug dispensed or sold must not exceed the standard unit of dispensing.

372.9 (c) A pharmacist shall not dispense or sell the same drug to the same patient, as provided
372.10 in this section, more than one time in any 12-month period.

372.11 (d) A pharmacist must notify the practitioner who issued the prescription drug order not
372.12 later than 72 hours after the drug is sold or dispensed. The pharmacist must request and
372.13 receive authorization before any additional refills may be dispensed. If the practitioner
372.14 declines to provide authorization for additional refills, the pharmacist must inform the patient
372.15 of that fact.

372.16 (e) The record of a drug sold or dispensed under this section shall be maintained in the
372.17 same manner required for prescription drug orders under this section.

372.18 **Sec. 14. [151.254] INSULIN REGISTRATION FEE.**

372.19 Subdivision 1. **Definition.** (a) For purposes of this section, the following terms have the
372.20 meanings given them.

372.21 (b) "Manufacturer" means a manufacturer licensed under section 151.252 engaged in
372.22 the manufacturing of insulin.

372.23 (c) "Wholesaler" means a wholesale drug distributor licensed under section 151.47 and
372.24 engaged in the wholesale drug distribution of insulin.

372.25 Subd. 2. **Reporting requirements.** (a) Effective March 1 of each year, beginning March
372.26 1, 2020, each manufacturer and each wholesaler must report to the Board of Pharmacy every
372.27 sale, delivery, or other distribution within or into the state of insulin that was made to any
372.28 practitioner, pharmacy, hospital, or other person who is permitted by section 151.37 to
372.29 possess insulin for administration or was dispensed to human patients during the previous
372.30 calendar year. Reporting must be in a manner specified by the board. If the manufacturer
372.31 or wholesaler fails to provide information required under this paragraph on a timely basis,
372.32 the board may assess an administrative penalty of \$100 per day. This penalty shall not be

373.1 considered a form of disciplinary action. Any penalty assessed under this section shall be
373.2 deposited in the insulin assistance account established under section 256.938.

373.3 (b) By March 1 of each year, beginning March 1, 2020, each owner of a pharmacy with
373.4 at least one location within this state must report to the board any intracompany delivery
373.5 or distribution of insulin into this state, to the extent that those deliveries and distributions
373.6 are not reported to the board by a licensed wholesaler owned by, under contract to, or
373.7 otherwise operating on behalf of the owner of the pharmacy. Reporting must be in the
373.8 manner and format specified by the board for deliveries and distributions that occurred
373.9 during the previous calendar year. The report must include the name of the manufacturer
373.10 or wholesaler from which the owner of the pharmacy ultimately purchased the insulin and
373.11 the amount and date the purchase occurred.

373.12 Subd. 3. **Determination of manufacturer's registration fee.** (a) The board shall annually
373.13 assess manufacturers a registration fee that in aggregate equals the total cost of the insulin
373.14 assistance program established under section 256.937 for the previous fiscal year, not to
373.15 exceed \$....., including any administration costs incurred by the commissioner of human
373.16 services or the board in collecting the fee. The board shall determine each manufacturer's
373.17 annual insulin registration fee that is prorated and based on the manufacturer's percentage
373.18 of the total number of units reported to the board under subdivision 2. For the first
373.19 assessment, the commissioner shall estimate the cost of the program for the first fiscal year
373.20 and notify the board of the estimated cost by March 1, 2020. The board shall determine
373.21 each manufacturer's initial registration fee based on the estimated cost.

373.22 (b) By April 1 of each year, beginning April 1, 2020, the board shall notify each
373.23 manufacturer of the annual amount of the manufacturer's insulin registration fee to be paid
373.24 in accordance with section 151.252, subdivision 1, paragraph (b).

373.25 (c) A manufacturer may dispute the fee assessed under this section as determined by the
373.26 board no later than 30 days after the date of notification. However, the manufacturer must
373.27 still remit the registration fee required by section 151.252, subdivision 1, paragraph (b).
373.28 The dispute must be filed with the board in the manner and using the forms specified by
373.29 the board. A manufacturer must submit, with the required forms, data satisfactory to the
373.30 board that demonstrates that the fee was incorrect or otherwise unwarranted. The board
373.31 must make a decision concerning a dispute no later than 60 days after receiving the required
373.32 dispute forms. If the board determines that the manufacturer has satisfactorily demonstrated
373.33 that the original fee was incorrect, the board must: (1) adjust the manufacturer's fee; (2)
373.34 adjust the manufacturer's fee due the next year by the amount in excess of the correct fee
373.35 that should have been paid; or (3) refund the amount paid in error.

374.1 Subd. 4. **Exclusion.** This section does not include biosimilars produced or distributed
374.2 pursuant to a biologics license application, approved under United States Code, title 42,
374.3 section 262(k)(3).

374.4 Sec. 15. Minnesota Statutes 2018, section 152.126, subdivision 6, is amended to read:

374.5 **Subd. 6. Access to reporting system data.** (a) Except as indicated in this subdivision,
374.6 the data submitted to the board under subdivision 4 is private data on individuals as defined
374.7 in section 13.02, subdivision 12, and not subject to public disclosure.

374.8 (b) Except as specified in subdivision 5, the following persons shall be considered
374.9 permissible users and may access the data submitted under subdivision 4 in the same or
374.10 similar manner, and for the same or similar purposes, as those persons who are authorized
374.11 to access similar private data on individuals under federal and state law:

374.12 (1) a prescriber or an agent or employee of the prescriber to whom the prescriber has
374.13 delegated the task of accessing the data, to the extent the information relates specifically to
374.14 a current patient, to whom the prescriber is:

374.15 (i) prescribing or considering prescribing any controlled substance;

374.16 (ii) providing emergency medical treatment for which access to the data may be necessary;

374.17 (iii) providing care, and the prescriber has reason to believe, based on clinically valid
374.18 indications, that the patient is potentially abusing a controlled substance; or

374.19 (iv) providing other medical treatment for which access to the data may be necessary
374.20 for a clinically valid purpose and the patient has consented to access to the submitted data,
374.21 and with the provision that the prescriber remains responsible for the use or misuse of data
374.22 accessed by a delegated agent or employee;

374.23 (2) a dispenser or an agent or employee of the dispenser to whom the dispenser has
374.24 delegated the task of accessing the data, to the extent the information relates specifically to
374.25 a current patient to whom that dispenser is dispensing or considering dispensing any
374.26 controlled substance and with the provision that the dispenser remains responsible for the
374.27 use or misuse of data accessed by a delegated agent or employee;

374.28 (3) a licensed pharmacist who is providing pharmaceutical care for which access to the
374.29 data may be necessary to the extent that the information relates specifically to a current
374.30 patient for whom the pharmacist is providing pharmaceutical care: (i) if the patient has
374.31 consented to access to the submitted data; or (ii) if the pharmacist is consulted by a prescriber
374.32 who is requesting data in accordance with clause (1);

375.1 (4) an individual who is the recipient of a controlled substance prescription for which
375.2 data was submitted under subdivision 4, or a guardian of the individual, parent or guardian
375.3 of a minor, or health care agent of the individual acting under a health care directive under
375.4 chapter 145C;

375.5 (5) personnel or designees of a health-related licensing board listed in section 214.01,
375.6 subdivision 2, or of the Emergency Medical Services Regulatory Board, assigned to conduct
375.7 a bona fide investigation of a complaint received by that board that alleges that a specific
375.8 licensee is impaired by use of a drug for which data is collected under subdivision 4, has
375.9 engaged in activity that would constitute a crime as defined in section 152.025, or has
375.10 engaged in the behavior specified in subdivision 5, paragraph (a);

375.11 (6) personnel of the board engaged in the collection, review, and analysis of controlled
375.12 substance prescription information as part of the assigned duties and responsibilities under
375.13 this section;

375.14 (7) authorized personnel of a vendor under contract with the state of Minnesota who are
375.15 engaged in the design, implementation, operation, and maintenance of the prescription
375.16 monitoring program as part of the assigned duties and responsibilities of their employment,
375.17 provided that access to data is limited to the minimum amount necessary to carry out such
375.18 duties and responsibilities, and subject to the requirement of de-identification and time limit
375.19 on retention of data specified in subdivision 5, paragraphs (d) and (e);

375.20 (8) federal, state, and local law enforcement authorities acting pursuant to a valid search
375.21 warrant;

375.22 (9) personnel of the Minnesota health care programs assigned to use the data collected
375.23 under this section to identify and manage recipients whose usage of controlled substances
375.24 may warrant restriction to a single primary care provider, a single outpatient pharmacy, and
375.25 a single hospital;

375.26 (10) personnel of the Department of Human Services assigned to access the data pursuant
375.27 to paragraph (i);

375.28 (11) personnel of the health professionals services program established under section
375.29 214.31, to the extent that the information relates specifically to an individual who is currently
375.30 enrolled in and being monitored by the program, and the individual consents to access to
375.31 that information. The health professionals services program personnel shall not provide this
375.32 data to a health-related licensing board or the Emergency Medical Services Regulatory
375.33 Board, except as permitted under section 214.33, subdivision 3.

376.1 For purposes of clause (4), access by an individual includes persons in the definition of
376.2 an individual under section 13.02; and

376.3 (12) personnel or designees of a health-related licensing board listed in section 214.01,
376.4 subdivision 2, assigned to conduct a bona fide investigation of a complaint received by that
376.5 board that alleges that a specific licensee is inappropriately prescribing controlled substances
376.6 as defined in this section.

376.7 (c) By July 1, 2017, every prescriber licensed by a health-related licensing board listed
376.8 in section 214.01, subdivision 2, practicing within this state who is authorized to prescribe
376.9 controlled substances for humans and who holds a current registration issued by the federal
376.10 Drug Enforcement Administration, and every pharmacist licensed by the board and practicing
376.11 within the state, shall register and maintain a user account with the prescription monitoring
376.12 program. Data submitted by a prescriber, pharmacist, or their delegate during the registration
376.13 application process, other than their name, license number, and license type, is classified
376.14 as private pursuant to section 13.02, subdivision 12.

376.15 (d) Only permissible users identified in paragraph (b), clauses (1), (2), (3), (6), (7), (9),
376.16 and (10), may directly access the data electronically. No other permissible users may directly
376.17 access the data electronically. If the data is directly accessed electronically, the permissible
376.18 user shall implement and maintain a comprehensive information security program that
376.19 contains administrative, technical, and physical safeguards that are appropriate to the user's
376.20 size and complexity, and the sensitivity of the personal information obtained. The permissible
376.21 user shall identify reasonably foreseeable internal and external risks to the security,
376.22 confidentiality, and integrity of personal information that could result in the unauthorized
376.23 disclosure, misuse, or other compromise of the information and assess the sufficiency of
376.24 any safeguards in place to control the risks.

376.25 (e) The board shall not release data submitted under subdivision 4 unless it is provided
376.26 with evidence, satisfactory to the board, that the person requesting the information is entitled
376.27 to receive the data.

376.28 (f) The board shall maintain a log of all persons who access the data for a period of at
376.29 least three years and shall ensure that any permissible user complies with paragraph ~~(e)~~ (d)
376.30 prior to attaining direct access to the data.

376.31 (g) Section 13.05, subdivision 6, shall apply to any contract the board enters into pursuant
376.32 to subdivision 2. A vendor shall not use data collected under this section for any purpose
376.33 not specified in this section.

377.1 (h) The board may participate in an interstate prescription monitoring program data
377.2 exchange system provided that permissible users in other states have access to the data only
377.3 as allowed under this section, and that section 13.05, subdivision 6, applies to any contract
377.4 or memorandum of understanding that the board enters into under this paragraph.

377.5 (i) With available appropriations, the commissioner of human services shall establish
377.6 and implement a system through which the Department of Human Services shall routinely
377.7 access the data for the purpose of determining whether any client enrolled in an opioid
377.8 treatment program licensed according to chapter 245A has been prescribed or dispensed a
377.9 controlled substance in addition to that administered or dispensed by the opioid treatment
377.10 program. When the commissioner determines there have been multiple prescribers or multiple
377.11 prescriptions of controlled substances, the commissioner shall:

377.12 (1) inform the medical director of the opioid treatment program only that the
377.13 commissioner determined the existence of multiple prescribers or multiple prescriptions of
377.14 controlled substances; and

377.15 (2) direct the medical director of the opioid treatment program to access the data directly,
377.16 review the effect of the multiple prescribers or multiple prescriptions, and document the
377.17 review.

377.18 If determined necessary, the commissioner of human services shall seek a federal waiver
377.19 of, or exception to, any applicable provision of Code of Federal Regulations, title 42, section
377.20 2.34, paragraph (c), prior to implementing this paragraph.

377.21 (j) The board shall review the data submitted under subdivision 4 on at least a quarterly
377.22 basis and shall establish criteria, in consultation with the advisory task force, for referring
377.23 information about a patient to prescribers and dispensers who prescribed or dispensed the
377.24 prescriptions in question if the criteria are met.

377.25 (k) The board shall conduct random audits, on at least a quarterly basis, of electronic
377.26 access by permissible users, as identified in paragraph (b), clauses (1), (2), (3), (6), (7), (9),
377.27 and (10), to the data in subdivision 4, to ensure compliance with permissible use as defined
377.28 in this section. A permissible user whose account has been selected for a random audit shall
377.29 respond to an inquiry by the board, no later than 30 days after receipt of notice that an audit
377.30 is being conducted. Failure to respond may result in deactivation of access to the electronic
377.31 system and referral to the appropriate health licensing board, or the commissioner of human
377.32 services, for further action.

377.33 (l) A permissible user who has delegated the task of accessing the data in subdivision 4
377.34 to an agent or employee shall audit the use of the electronic system by delegated agents or

378.1 employees on at least a quarterly basis to ensure compliance with permissible use as defined
378.2 in this section. When a delegated agent or employee has been identified as inappropriately
378.3 accessing data, the permissible user must immediately remove access for that individual
378.4 and notify the board within seven days. The board shall notify all permissible users associated
378.5 with the delegated agent or employee of the alleged violation.

378.6 **Sec. 16. [214.122] INFORMATION PROVISION; PHARMACEUTICAL**
378.7 **ASSISTANCE PROGRAMS.**

378.8 (a) The Board of Medical Practice and the Board of Nursing shall at least annually inform
378.9 licensees who are authorized to prescribe prescription drugs of the availability of the Board
378.10 of Pharmacy's website that contains information on resources and programs to assist patients
378.11 with the cost of prescription drugs. The boards shall provide licensees with the website
378.12 address established by the Board of Pharmacy under section 151.06, subdivision 6, and the
378.13 materials described under section 151.06, subdivision 6, paragraph (b).

378.14 (b) Licensees must make available to patients information on sources of lower cost
378.15 prescription drugs, including information on the availability of the website established by
378.16 the Board of Pharmacy under section 151.06, subdivision 6.

378.17 **Sec. 17. GUIDELINES AUTHORIZING PATIENT-ASSISTED MEDICATION**
378.18 **ADMINISTRATION IN EMERGENCIES.**

378.19 (a) Within the limits of the board's available appropriation, the Emergency Medical
378.20 Services Regulatory Board shall propose guidelines authorizing EMTs, AEMTs, and
378.21 paramedics certified under Minnesota Statutes, section 144E.28, to assist a patient in
378.22 emergency situations with administering prescription medications that are:

378.23 (1) carried by a patient;

378.24 (2) intended to treat adrenal insufficiency or other rare conditions that require emergency
378.25 treatment with a previously prescribed medication;

378.26 (3) intended to treat a specific life-threatening condition; and

378.27 (4) administered via routes of delivery that are within the scope of training of the EMT,
378.28 AEMT, or paramedic.

378.29 (b) The Emergency Medical Services Regulatory Board shall submit the proposed
378.30 guidelines and draft legislation as necessary to the chairs and ranking minority members of
378.31 the legislative committees with jurisdiction over health care by January 1, 2020.

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

379.2 **ARTICLE 12**

379.3 **MISCELLANEOUS**

379.4 Section 1. Minnesota Statutes 2018, section 62A.30, is amended by adding a subdivision
379.5 to read:

379.6 Subd. 4. **Mammograms.** (a) For purposes of subdivision 2, coverage for a preventive
379.7 mammogram screening (1) includes digital breast tomosynthesis for enrollees at risk for
379.8 breast cancer, and (2) is covered as a preventive item or service, as described under section
379.9 62Q.46.

379.10 (b) For purposes of this subdivision, "digital breast tomosynthesis" means a radiologic
379.11 procedure that involves the acquisition of projection images over the stationary breast to
379.12 produce cross-sectional digital three-dimensional images of the breast. "At risk for breast
379.13 cancer" means:

379.14 (1) having a family history with one or more first- or second-degree relatives with breast
379.15 cancer;

379.16 (2) testing positive for BRCA1 or BRCA2 mutations;

379.17 (3) having heterogeneously dense breasts or extremely dense breasts based on the Breast
379.18 Imaging Reporting and Data System established by the American College of Radiology; or

379.19 (4) having a previous diagnosis of breast cancer.

379.20 (c) This subdivision does not apply to coverage provided through a public health care
379.21 program under chapter 256B or 256L.

379.22 (d) Nothing in this subdivision limits the coverage of digital breast tomosynthesis in a
379.23 policy, plan, certificate, or contract referred to in subdivision 1 that is in effect prior to
379.24 January 1, 2020.

379.25 (e) Nothing in this subdivision prohibits a policy, plan, certificate, or contract referred
379.26 to in subdivision 1 from covering digital breast tomosynthesis for an enrollee who is not at
379.27 risk for breast cancer.

379.28 **EFFECTIVE DATE.** This section is effective January 1, 2020, and applies to health
379.29 plans issued, sold, or renewed on or after that date.

380.1 Sec. 2. Minnesota Statutes 2018, section 62A.65, subdivision 2, is amended to read:

380.2 Subd. 2. **Preexisting condition protection; guaranteed issue and renewal.** (a) No
380.3 individual health plan may be offered, sold, issued, or renewed to a Minnesota resident
380.4 unless the health plan provides that the plan is guaranteed issued and is guaranteed renewable
380.5 at a premium rate that does not take into account the claims experience or any change in
380.6 the health status of any covered person that occurred after the initial issuance of the health
380.7 plan to the person. The premium rate upon renewal must also otherwise comply with this
380.8 section. A health carrier must not refuse to renew an individual health plan, except for
380.9 nonpayment of premiums, fraud, ~~or~~ misrepresentation, or as otherwise provided in paragraph
380.10 (b).

380.11 (b) A health carrier may close product offerings that cover less than 50 individuals in
380.12 total, provided that the carrier offers to each covered individual, on a guaranteed issue basis,
380.13 the option to purchase another individual health plan currently being offered by the health
380.14 carrier.

380.15 Sec. 3. Minnesota Statutes 2018, section 62D.12, is amended by adding a subdivision to
380.16 read:

380.17 **Subd. 20. Dividends, distributions, or transfers.** (a) A for-profit health maintenance
380.18 organization may pay dividends or make distributions or transfers, including to a legal entity
380.19 that is an affiliate of the health maintenance organization or that is a subsidiary corporation
380.20 of a local unit of government organized under chapter 383B, in accordance with section
380.21 60D.20, subdivision 2, except that the commissioner referenced in section 60D.20,
380.22 subdivision 2, shall be the commissioner of health.

380.23 (b) If a nonprofit health maintenance organization plans on distributing or transferring
380.24 an amount, including to a legal entity that is an affiliate of the health maintenance
380.25 organization or that is a subsidiary corporation of a local unit of government organized
380.26 under chapter 383B, that together with other distributions or transfers made within the
380.27 preceding 12 months exceeds the greater of: (1) ten percent of the health maintenance
380.28 organization's net worth on December 31 of the preceding year; or (2) the health maintenance
380.29 organization's net income, not including realized capital gains, for the 12-month period
380.30 ending on December 31 of the preceding year, but does not include pro rata distributions
380.31 of any class of the health maintenance organization's own securities, the health maintenance
380.32 organization must meet the requirements of paragraph (c).

380.33 (c) Prior to making a distribution or transfer identified in paragraph (b), a nonprofit
380.34 health maintenance organization must notify the commissioner of the planned distribution

381.1 or transfer. Upon receipt of notification, the commissioner shall review the distribution or
381.2 transfer to determine whether the distribution or transfer is reasonable in relation to the
381.3 health maintenance organization's outstanding liabilities and the quality of the health
381.4 maintenance organization's earnings and the extent to which the reported earnings include
381.5 items such as surplus relief reinsurance transactions and reserve restrengthening, and in
381.6 consideration of the factors described in section 60D.20, subdivision 4. No distribution or
381.7 transfer shall be made by the health maintenance organization until: (1) 30 days after the
381.8 commissioner has received notice and has not within this time period disapproved the
381.9 distribution or transfer; or (2) the commissioner has approved the distribution or transfer
381.10 within the 30-day period.

381.11 (d) For purposes of this subdivision, "affiliate" means an entity that controls, is controlled
381.12 by, or is under common control with the health maintenance organization including a
381.13 nonprofit hospital that is within the same integrated health care system as the health
381.14 maintenance organization.

381.15 (e) The commissioner of health shall enforce this subdivision.

381.16 Sec. 4. Minnesota Statutes 2018, section 62K.07, is amended to read:

381.17 **62K.07 INFORMATION DISCLOSURES.**

381.18 Subdivision 1. **In general.** (a) A health carrier offering individual or small group health
381.19 plans must submit the following information in a format determined by the commissioner
381.20 of commerce:

381.21 (1) claims payment policies and practices;

381.22 (2) periodic financial disclosures;

381.23 (3) data on enrollment;

381.24 (4) data on disenrollment;

381.25 (5) data on the number of claims that are denied;

381.26 (6) data on rating practices;

381.27 (7) information on cost-sharing and payments with respect to out-of-network coverage;

381.28 and

381.29 (8) other information required by the secretary of the United States Department of Health

381.30 and Human Services under the Affordable Care Act.

382.1 (b) A health carrier offering an individual or small group health plan must comply with
382.2 all information disclosure requirements of all applicable state and federal law, including
382.3 the Affordable Care Act.

382.4 (c) Except for qualified health plans sold on MNsure, information reported under
382.5 paragraph (a), clauses (3) and (4), is nonpublic data as defined under section 13.02,
382.6 subdivision 9. Information reported under paragraph (a), clauses (1) through (8), must be
382.7 reported by MNsure for qualified health plans sold through MNsure.

382.8 Subd. 2. Prescription drug costs. (a) Each health carrier that offers a prescription drug
382.9 benefit in its individual health plans or small group health plans shall include in the applicable
382.10 rate filing required under section 62A.02 the following information about covered prescription
382.11 drugs:

382.12 (1) the 25 most frequently prescribed drugs in the previous plan year;

382.13 (2) the 25 most costly prescription drugs as a portion of the individual health plan's or
382.14 small group health plan's total annual expenditures in the previous plan year;

382.15 (3) the 25 prescription drugs that have caused the greatest increase in total individual
382.16 health plan or small group health plan spending in the previous plan year;

382.17 (4) the projected impact of the cost of prescription drugs on premium rates;

382.18 (5) if any health plan offered by the health carrier requires enrollees to pay cost-sharing
382.19 on any covered prescription drugs including deductibles, co-payments, or coinsurance in
382.20 an amount that is greater than the amount the enrollee's health plan would pay for the drug
382.21 absent the applicable enrollee cost-sharing and after accounting for any rebate amount; and

382.22 (6) if the health carrier prohibits third-party payments including manufacturer drug
382.23 discounts or coupons that cover all or a portion of an enrollee's cost-sharing requirements
382.24 including deductibles, co-payments, or coinsurance from applying toward the enrollee's
382.25 cost-sharing obligations under the enrollee's health plan.

382.26 (b) The commissioner of commerce, in consultation with the commissioner of health,
382.27 shall release a summary of the information reported in paragraph (a) at the same time as
382.28 the information required under section 62A.02, subdivision 2, paragraph (c).

382.29 Subd. 3. Enforcement. ~~(d)~~ The commissioner of commerce shall enforce this section.

382.30 EFFECTIVE DATE. This section is effective for individual health plans and small
382.31 group health plans offered, issued, sold, or renewed on or after January 1, 2021.

383.1 Sec. 5. Minnesota Statutes 2018, section 62Q.01, is amended by adding a subdivision to
383.2 read:

383.3 Subd. 6b. **Nonquantitative treatment limitations or NQTLs.** "Nonquantitative treatment
383.4 limitations" or "NQTLs" means processes, strategies, or evidentiary standards, or other
383.5 factors that are not expressed numerically, but otherwise limit the scope or duration of
383.6 benefits for treatment. NQTLs include but are not limited to:

383.7 (1) medical management standards limiting or excluding benefits based on (i) medical
383.8 necessity or medical appropriateness, or (ii) whether the treatment is experimental or
383.9 investigative;

383.10 (2) formulary design for prescription drugs;

383.11 (3) health plans with multiple network tiers;

383.12 (4) criteria and parameters for provider inclusion in provider networks, including
383.13 credentialing standards and reimbursement rates;

383.14 (5) health plan methods for determining usual, customary, and reasonable charges;

383.15 (6) fail-first or step therapy protocols;

383.16 (7) exclusions based on failure to complete a course of treatment;

383.17 (8) restrictions based on geographic location, facility type, provider specialty, and other
383.18 criteria that limit the scope or duration of benefits for services provided under the health
383.19 plan;

383.20 (9) in- and out-of-network geographic limitations;

383.21 (10) standards for providing access to out-of-network providers;

383.22 (11) limitations on inpatient services for situations where the enrollee is a threat to self
383.23 or others;

383.24 (12) exclusions for court-ordered and involuntary holds;

383.25 (13) experimental treatment limitations;

383.26 (14) service coding;

383.27 (15) exclusions for services provided by clinical social workers; and

383.28 (16) provider reimbursement rates, including rates of reimbursement for mental health
383.29 and substance use disorder services in primary care.

384.1 Sec. 6. Minnesota Statutes 2018, section 62Q.47, is amended to read:

384.2 **62Q.47 ALCOHOLISM, MENTAL HEALTH, AND CHEMICAL DEPENDENCY**
384.3 **SERVICES.**

384.4 (a) All health plans, as defined in section 62Q.01, that provide coverage for alcoholism,
384.5 mental health, or chemical dependency services, must comply with the requirements of this
384.6 section.

384.7 (b) Cost-sharing requirements and benefit or service limitations for outpatient mental
384.8 health and outpatient chemical dependency and alcoholism services, except for persons
384.9 placed in chemical dependency services under Minnesota Rules, parts 9530.6600 to
384.10 9530.6655, must not place a greater financial burden on the insured or enrollee, or be more
384.11 restrictive than those requirements and limitations for outpatient medical services.

384.12 (c) Cost-sharing requirements and benefit or service limitations for inpatient hospital
384.13 mental health and inpatient hospital and residential chemical dependency and alcoholism
384.14 services, except for persons placed in chemical dependency services under Minnesota Rules,
384.15 parts 9530.6600 to 9530.6655, must not place a greater financial burden on the insured or
384.16 enrollee, or be more restrictive than those requirements and limitations for inpatient hospital
384.17 medical services.

384.18 (d) A health plan company must not impose an NQTL with respect to mental health and
384.19 substance use disorders in any classification of benefits unless, under the terms of the health
384.20 plan as written and in operation, any processes, strategies, evidentiary standards, or other
384.21 factors used in applying the NQTL to mental health and substance use disorders in the
384.22 classification are comparable to, and are applied no more stringently than, the processes,
384.23 strategies, evidentiary standards, or other factors used in applying the NQTL with respect
384.24 to medical and surgical benefits in the same classification.

384.25 ~~(d)~~ (e) All health plans must meet the requirements of the federal Mental Health Parity
384.26 Act of 1996, Public Law 104-204; Paul Wellstone and Pete Domenici Mental Health Parity
384.27 and Addiction Equity Act of 2008; the Affordable Care Act; and any amendments to, and
384.28 federal guidance or regulations issued under, those acts.

384.29 (f) The commissioner may require information from health plan companies to confirm
384.30 that mental health parity is being implemented by the health plan company. Information
384.31 required may include comparisons between mental health and substance use disorder
384.32 treatment and other medical conditions, including a comparison of prior authorization
384.33 requirements, drug formulary design, claim denials, rehabilitation services, and other
384.34 information the commissioner deems appropriate.

385.1 (g) Regardless of the health care provider's professional license, if the service provided
 385.2 is consistent with the provider's scope of practice and the health plan company's credentialing
 385.3 and contracting provisions, mental health therapy visits and medication maintenance visits
 385.4 shall be considered primary care visits for the purpose of applying any enrollee cost-sharing
 385.5 requirements imposed under the enrollee's health plan.

385.6 (h) By June 1 of each year, beginning June 1, 2021, the commissioner of commerce, in
 385.7 consultation with the commissioner of health, shall submit a report on compliance and
 385.8 oversight to the chairs and ranking minority members of the legislative committees with
 385.9 jurisdiction over health and commerce. The report must:

385.10 (1) describe the commissioner's process for reviewing health plan company compliance
 385.11 with United States Code, title 42, section 18031(j), any federal regulations or guidance
 385.12 relating to compliance and oversight, and compliance with this section and section 62Q.53;

385.13 (2) identify any enforcement actions taken by either commissioner during the preceding
 385.14 12-month period regarding compliance with parity for mental health and substance use
 385.15 disorders benefits under state and federal law, summarizing the results of any market conduct
 385.16 examinations. The summary must include: (i) the number of formal enforcement actions
 385.17 taken; (ii) the benefit classifications examined in each enforcement action; and (iii) the
 385.18 subject matter of each enforcement action, including quantitative and nonquantitative
 385.19 treatment limitations;

385.20 (3) detail any corrective action taken by either commissioner to ensure health plan
 385.21 company compliance with this section and section 62Q.53, and United States Code, title
 385.22 42, section 18031(j); and

385.23 (4) describe the information provided by either commissioner to the public about
 385.24 alcoholism, mental health, or chemical dependency parity protections under state and federal
 385.25 law.

385.26 The report must be written in nontechnical, readily understandable language and must be
 385.27 made available to the public by, among other means as the commissioners find appropriate,
 385.28 posting the report on department websites. Individually identifiable information must be
 385.29 excluded from the report, consistent with state and federal privacy protections.

385.30 **Sec. 7. [62Q.48] COST-SHARING IN PRESCRIPTION INSULIN DRUGS.**

385.31 Subdivision 1. **Scope of coverage.** This section applies to all health plans issued or
 385.32 renewed to a Minnesota resident.

386.1 Subd. 2. **Definitions.** (a) For the purposes of this section, the terms defined in this
386.2 subdivision have the meanings given them.

386.3 (b) "Cost-sharing" means a deductible payment, co-payment, or coinsurance amount
386.4 imposed on an enrollee for a covered prescription drug in accordance with the terms and
386.5 conditions of the enrollee's health plan.

386.6 (c) "Legend drug" has the same meaning as in section 151.01, subdivision 17.

386.7 (d) "Prescription insulin drug" means a legend drug that contains insulin and is used to
386.8 treat diabetes.

386.9 (e) "Net price" means the health plan company's cost for a prescription insulin drug,
386.10 including any rebates or discounts received by or accrued directly or indirectly to the health
386.11 plan company from a drug manufacturer or pharmacy benefit manager.

386.12 Subd. 3. **Cost-sharing limits.** (a) A health plan that imposes a cost-sharing requirement
386.13 on the coverage of a prescription insulin drug shall limit the total amount of cost-sharing
386.14 that an enrollee is required to pay at point of sale, including deductible payments and the
386.15 cost-sharing amounts charged once the deductible is met at an amount that does not exceed
386.16 the net price of the prescription insulin drug.

386.17 (b) Nothing in this section shall prevent a health plan company from imposing a
386.18 cost-sharing requirement that is less than the amount specified in paragraph (a).

386.19 **EFFECTIVE DATE.** This section is effective for health plans issued or renewed on or
386.20 after January 1, 2020.

386.21 Sec. 8. **[62Q.528] DRUG COVERAGE IN EMERGENCY SITUATIONS.**

386.22 A health plan that provides prescription drug coverage must provide coverage for a
386.23 prescription drug dispensed by a pharmacist under section 151.211, subdivision 3, under
386.24 the terms of coverage that would apply had the prescription drug been dispensed according
386.25 to a prescription.

386.26 Sec. 9. Minnesota Statutes 2018, section 525A.11, is amended to read:

386.27 **525A.11 PERSONS THAT MAY RECEIVE ANATOMICAL GIFT; PURPOSE**
386.28 **OF ANATOMICAL GIFT.**

386.29 (a) An anatomical gift may be made to the following persons named in the document
386.30 of gift:

387.1 (1) a hospital; accredited medical school, dental school, college, or university; organ
387.2 procurement organization; or nonprofit organization in medical education or research, for
387.3 research or education;

387.4 (2) subject to paragraph (b), an individual designated by the person making the anatomical
387.5 gift if the individual is the recipient of the part; and

387.6 (3) an eye bank or tissue bank.

387.7 (b) If an anatomical gift to an individual under paragraph (a), clause (2), cannot be
387.8 transplanted into the individual, the part passes in accordance with paragraph (g) in the
387.9 absence of an express, contrary indication by the person making the anatomical gift.

387.10 (c) If an anatomical gift of one or more specific parts or of all parts is made in a document
387.11 of gift that does not name a person described in paragraph (a) but identifies the purpose for
387.12 which an anatomical gift may be used, the following rules apply:

387.13 (1) if the part is an eye and the gift is for the purpose of transplantation or therapy, the
387.14 gift passes to the appropriate eye bank;

387.15 (2) if the part is tissue and the gift is for the purpose of transplantation or therapy, the
387.16 gift passes to the appropriate tissue bank;

387.17 (3) if the part is an organ and the gift is for the purpose of transplantation or therapy,
387.18 the gift passes to the appropriate organ procurement organization as custodian of the organ;
387.19 and

387.20 (4) if the part is an organ, an eye, or tissue and the gift is for the purpose of research or
387.21 education, the gift passes to the appropriate procurement organization.

387.22 (d) For the purpose of paragraph (c), if there is more than one purpose of an anatomical
387.23 gift set forth in the document of gift but the purposes are not set forth in any priority, the
387.24 gift must be used for transplantation or therapy, if suitable. If the gift cannot be used for
387.25 transplantation or therapy, the gift may be used for research or education.

387.26 (e) If an anatomical gift of one or more specific parts is made in a document of gift that
387.27 does not name a person described in paragraph (a) and does not identify the purpose of the
387.28 gift, the gift may be used only for transplantation or therapy, and the gift passes in accordance
387.29 with paragraph (g).

387.30 (f) If a document of gift specifies only a general intent to make an anatomical gift by
387.31 words such as "donor," "organ donor," or "body donor," or by a symbol or statement of

388.1 similar import, the gift may be used only for transplantation or therapy, and the gift passes
388.2 in accordance with paragraph (g).

388.3 (g) For purposes of paragraphs (b), (e), and (f), the following rules apply:

388.4 (1) if the part is an eye, the gift passes to the appropriate eye bank;

388.5 (2) if the part is tissue, the gift passes to the appropriate tissue bank; and

388.6 (3) if the part is an organ, the gift passes to the appropriate organ procurement
388.7 organization as custodian of the organ.

388.8 (h) An anatomical gift of an organ for transplantation or therapy, other than an anatomical
388.9 gift under paragraph (a), clause (2), passes to the organ procurement organization as custodian
388.10 of the organ.

388.11 (i) If an anatomical gift does not pass pursuant to paragraphs (a) to (h) or the decedent's
388.12 body or part is not used for transplantation, therapy, research, or education, custody of the
388.13 body or part passes to the person under obligation to dispose of the body or part.

388.14 (j) A person may not accept an anatomical gift if the person knows that the gift was not
388.15 effectively made under section 525A.05 or 525A.10 or if the person knows that the decedent
388.16 made a refusal under section 525A.07 that was not revoked. For purposes of this paragraph,
388.17 if a person knows that an anatomical gift was made on a document of gift, the person is
388.18 deemed to know of any amendment or revocation of the gift or any refusal to make an
388.19 anatomical gift on the same document of gift.

388.20 (k) Except as otherwise provided in paragraph (a), clause (2), nothing in this chapter
388.21 affects the allocation of organs for transplantation or therapy.

388.22 (l) For purposes of paragraphs (c), clauses (1) and (4), and (g), no gift of an eye or a part
388.23 of an eye shall be directly or indirectly processed by or distributed to a for profit entity, and
388.24 no gift shall be sold or distributed for profit.

388.25 Sec. 10. Laws 2017, First Special Session chapter 6, article 5, section 11, is amended to
388.26 read:

388.27 **Sec. 11. MORATORIUM ON CONVERSION TRANSACTIONS.**

388.28 (a) Notwithstanding Laws 2017, chapter 2, article 2, a nonprofit health service plan
388.29 corporation operating under Minnesota Statutes, chapter 62C, or nonprofit health maintenance
388.30 organization operating under Minnesota Statutes, chapter 62D, as of January 1, 2017, may
388.31 only merge or consolidate with; or convert, or transfer all or a substantial portion of its

389.1 assets to an entity that is a corporation organized under Minnesota Statutes, chapter 317A;
389.2 or to a nonprofit hospital within the same integrated health system as the health maintenance
389.3 organization.

389.4 (b) Paragraph (a) does not apply if the nonprofit service plan corporation or nonprofit
389.5 health maintenance organization files an intent to dissolve due to insolvency of the
389.6 corporation in accordance with Minnesota Statutes, chapter 317A, or insolvency proceedings
389.7 are commenced under Minnesota Statutes, chapter 60B.

389.8 (c) Nothing in this section shall be construed to authorize a health maintenance
389.9 organization or a nonprofit ~~health~~ service plan corporation to engage in any transaction or
389.10 activities not otherwise permitted under state law.

389.11 (d) This section expires July 1, ~~2019~~ 2023.

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

389.13 **ARTICLE 13**

389.14 **FORECAST ADJUSTMENT**

389.15 Section 1. **DEPARTMENT OF HUMAN SERVICES FORECAST ADJUSTMENT.**

389.16 The dollar amounts shown in the columns marked "Appropriations" are added to or, if
389.17 shown in parentheses, are subtracted from the appropriations in Laws 2017, First Special
389.18 Session chapter 6, article 18, from the general fund, or any other fund named, to the
389.19 commissioner of human services for the purposes specified in this article, to be available
389.20 for the fiscal year indicated for each purpose. The figure "2019" used in this article means
389.21 that the appropriations listed are available for the fiscal year ending June 30, 2019.

389.22 **APPROPRIATIONS**

389.23 **Available for the Year**

389.24 **Ending June 30**

389.25 **2019**

389.26 Sec. 2. **COMMISSIONER OF HUMAN**
389.27 **SERVICES**

389.28 Subdivision 1. **Total Appropriation** **\$** **(318,423,000)**

389.29 **Appropriations by Fund**

389.30 **2019**

389.31 **General** **(317,538,000)**

389.32 **Health Care Access** **8,410,000**

389.33 **Federal TANF** **(9,295,000)**

390.1 Subd. 2. Forecasted Programs

390.2 (a) Minnesota Family

390.3 Investment Program

390.4 (MFIP)/Diversionary Work

390.5 Program (DWP)

390.6 Appropriations by Fund

390.7 General (19,361,000)

390.8 Federal TANF (8,893,000)

390.9 (b) MFIP Child Care Assistance (16,789,000)

390.10 (c) General Assistance (7,928,000)

390.11 (d) Minnesota Supplemental Aid (549,000)

390.12 (e) Housing Support (13,836,000)

390.13 (f) Northstar Care for Children (19,027,000)

390.14 (g) MinnesotaCare 8,410,000

390.15 This appropriation is from the health care

390.16 access fund.

390.17 (h) Medical Assistance

390.18 Appropriations by Fund

390.19 General (222,176,000)

390.20 Health Care Access -0-

390.21 (i) Alternative Care -0-

390.22 (j) Consolidated Chemical Dependency

390.23 Treatment Fund (CCDTF) Entitlement (17,872,000)

390.24 Subd. 3. Technical Activities (402,000)

390.25 This appropriation is from the federal TANF

390.26 fund.

390.27 Sec. 3. EFFECTIVE DATE.

390.28 Sections 1 and 2 are effective the day following final enactment.

390.29

ARTICLE 14

390.30

APPROPRIATIONS

390.31 Section 1. HEALTH AND HUMAN SERVICES APPROPRIATIONS.

391.1 The sums shown in the columns marked "Appropriations" are appropriated to the agencies
 391.2 and for the purposes specified in this article. The appropriations are from the general fund,
 391.3 or another named fund, and are available for the fiscal years indicated for each purpose.
 391.4 The figures "2020" and "2021" used in this article mean that the appropriations listed under
 391.5 them are available for the fiscal year ending June 30, 2020, or June 30, 2021, respectively.
 391.6 "The first year" is fiscal year 2020. "The second year" is fiscal year 2021. "The biennium"
 391.7 is fiscal years 2020 and 2021.

APPROPRIATIONS

Available for the Year

Ending June 30

2020

2021

391.12 **Sec. 2. COMMISSIONER OF HUMAN**
 391.13 **SERVICES**

391.14 **Subdivision 1. Total Appropriation** **\$ 8,059,179,000** **\$ 7,936,318,000**

Appropriations by Fund

	<u>2020</u>	<u>2021</u>
391.16		
391.17 <u>General</u>	<u>7,269,277,000</u>	<u>7,143,381,000</u>
391.18 <u>State Government</u>		
391.19 <u>Special Revenue</u>	<u>4,299,000</u>	<u>4,299,000</u>
391.20 <u>Health Care Access</u>	<u>513,185,000</u>	<u>515,750,000</u>
391.21 <u>Federal TANF</u>	<u>270,522,000</u>	<u>272,992,000</u>
391.22 <u>Lottery Prize</u>	<u>1,896,000</u>	<u>1,896,000</u>

391.23 The amounts that may be spent for each
 391.24 purpose are specified in the following
 391.25 subdivisions.

391.26 **Subd. 2. TANF Maintenance of Effort**

391.27 **(a) Nonfederal Expenditures.** The
 391.28 commissioner shall ensure that sufficient
 391.29 qualified nonfederal expenditures are made
 391.30 each year to meet the state's maintenance of
 391.31 effort (MOE) requirements of the TANF block
 391.32 grant specified under Code of Federal
 391.33 Regulations, title 45, section 263.1. In order

392.1 to meet these basic TANF/MOE requirements,
 392.2 the commissioner may report as TANF/MOE
 392.3 expenditures only nonfederal money expended
 392.4 for allowable activities listed in the following
 392.5 clauses:

392.6 (1) MFIP cash, diversionary work program,
 392.7 and food assistance benefits under Minnesota
 392.8 Statutes, chapter 256J;

392.9 (2) the child care assistance programs under
 392.10 Minnesota Statutes, sections 119B.03 and
 392.11 119B.05, and county child care administrative
 392.12 costs under Minnesota Statutes, section
 392.13 119B.15;

392.14 (3) state and county MFIP administrative costs
 392.15 under Minnesota Statutes, chapters 256J and
 392.16 256K;

392.17 (4) state, county, and tribal MFIP employment
 392.18 services under Minnesota Statutes, chapters
 392.19 256J and 256K;

392.20 (5) expenditures made on behalf of legal
 392.21 noncitizen MFIP recipients who qualify for
 392.22 the MinnesotaCare program under Minnesota
 392.23 Statutes, chapter 256L;

392.24 (6) qualifying working family credit
 392.25 expenditures under Minnesota Statutes, section
 392.26 290.0671;

392.27 (7) qualifying Minnesota education credit
 392.28 expenditures under Minnesota Statutes, section
 392.29 290.0674; and

392.30 (8) qualifying Head Start expenditures under
 392.31 Minnesota Statutes, section 119A.50.

392.32 **(b) Nonfederal Expenditures; Reporting.**
 392.33 For the activities listed in paragraph (a),

393.1 clauses (2) to (8), the commissioner may
393.2 report only expenditures that are excluded
393.3 from the definition of assistance under Code
393.4 of Federal Regulations, title 45, section
393.5 260.31.

393.6 **(c) Maintenance of Effort Expenditures**
393.7 **Required.** The commissioner shall ensure that
393.8 the MOE used by the commissioner of
393.9 management and budget for the February and
393.10 November forecasts required under Minnesota
393.11 Statutes, section 16A.103, contains
393.12 expenditures under paragraph (a), clause (1),
393.13 equal to at least 16 percent of the total required
393.14 under Code of Federal Regulations, title 45,
393.15 section 263.1.

393.16 **(d) Limitation; Exceptions.** The
393.17 commissioner must not claim an amount of
393.18 TANF/MOE in excess of the 75 percent
393.19 standard in Code of Federal Regulations, title
393.20 45, section 263.1(a)(2), except:

393.21 (1) to the extent necessary to meet the 80
393.22 percent standard under Code of Federal
393.23 Regulations, title 45, section 263.1(a)(1), if it
393.24 is determined by the commissioner that the
393.25 state will not meet the TANF work
393.26 participation target rate for the current year;

393.27 (2) to provide any additional amounts under
393.28 Code of Federal Regulations, title 45, section
393.29 264.5, that relate to replacement of TANF
393.30 funds due to the operation of TANF penalties;
393.31 and

393.32 (3) to provide any additional amounts that may
393.33 contribute to avoiding or reducing TANF work
393.34 participation penalties through the operation

394.1 of the excess MOE provisions of Code of
394.2 Federal Regulations, title 45, section 261.43
394.3 (a)(2).

394.4 **(e) Supplemental Expenditures.** For the
394.5 purposes of paragraph (d), the commissioner
394.6 may supplement the MOE claim with working
394.7 family credit expenditures or other qualified
394.8 expenditures to the extent such expenditures
394.9 are otherwise available after considering the
394.10 expenditures allowed in this subdivision.

394.11 **(f) Reduction of Appropriations; Exception.**
394.12 The requirement in Minnesota Statutes, section
394.13 256.011, subdivision 3, that federal grants or
394.14 aids secured or obtained under that subdivision
394.15 be used to reduce any direct appropriations
394.16 provided by law, does not apply if the grants
394.17 or aids are federal TANF funds.

394.18 **(g) IT Appropriations Generally.** This
394.19 appropriation includes funds for information
394.20 technology projects, services, and support.
394.21 Notwithstanding Minnesota Statutes, section
394.22 16E.0466, funding for information technology
394.23 project costs shall be incorporated into the
394.24 service level agreement and paid to the Office
394.25 of MN.IT Services by the Department of
394.26 Human Services under the rates and
394.27 mechanism specified in that agreement.

394.28 **(h) Receipts for Systems Project.**
394.29 Appropriations and federal receipts for
394.30 information systems projects for MAXIS,
394.31 PRISM, MMIS, ISDS, METS, and SSIS must
394.32 be deposited in the state systems account
394.33 authorized in Minnesota Statutes, section
394.34 256.014. Any unexpended balance in the
394.35 appropriations for these projects does not

395.1 cancel and is available for ongoing
 395.2 development and operations.
 395.3 **(i) Federal SNAP Education and Training**
 395.4 **Grants.** Federal funds available during fiscal
 395.5 years 2020 and 2021 for Supplemental
 395.6 Nutrition Assistance Program Education and
 395.7 Training and SNAP Quality Control
 395.8 Performance Bonus grants are appropriated
 395.9 to the commissioner of human services for the
 395.10 purposes allowable under the terms of the
 395.11 federal award. This paragraph is effective the
 395.12 day following final enactment.

395.13 **Subd. 3. Working Family Credit as TANF/MOE.**

395.14 The commissioner may claim as TANF/MOE
 395.15 up to \$6,707,000 per year of working family
 395.16 credit expenditures in each fiscal year.

395.17 **Subd. 4. Central Office; Operations**

395.18	<u>Appropriations by Fund</u>	
395.19	<u>General</u>	<u>120,177,000</u>
		<u>118,098,000</u>
395.20	<u>State Government</u>	
395.21	<u>Special Revenue</u>	<u>4,174,000</u>
		<u>4,174,000</u>
395.22	<u>Health Care Access</u>	<u>20,709,000</u>
		<u>20,709,000</u>
395.23	<u>Federal TANF</u>	<u>100,000</u>
		<u>100,000</u>

395.24 **(a) Administrative Recovery; Set-Aside.** The
 395.25 commissioner may invoice local entities
 395.26 through the SWIFT accounting system as an
 395.27 alternative means to recover the actual cost of
 395.28 administering the following provisions:
 395.29 (1) the statewide data management system
 395.30 authorized in Minnesota Statutes, section
 395.31 125A.744, subdivision 3;
 395.32 (2) repayment of the special revenue
 395.33 maximization account as provided under

- 396.1 Minnesota Statutes, section 245.495,
396.2 paragraph (b);
396.3 (3) repayment of the special revenue
396.4 maximization account as provided under
396.5 Minnesota Statutes, section 256B.0625,
396.6 subdivision 20, paragraph (k);
396.7 (4) targeted case management under
396.8 Minnesota Statutes, section 256B.0924,
396.9 subdivision 6, paragraph (g);
396.10 (5) residential services for children with severe
396.11 emotional disturbance under Minnesota
396.12 Statutes, section 256B.0945, subdivision 4,
396.13 paragraph (d); and
396.14 (6) repayment of the special revenue
396.15 maximization account as provided under
396.16 Minnesota Statutes, section 256F.10,
396.17 subdivision 6, paragraph (b).
396.18 **(b) Transfer; Systems Account.** By June 30,
396.19 2021, the commissioner shall transfer
396.20 \$17,718,000 from the state systems account
396.21 authorized in Minnesota Statutes, section
396.22 256.014, subdivision 2, to the general fund.
396.23 This is a onetime transfer.
396.24 **(c) Transfer; Medical Assistance Holding**
396.25 **Account.** By June 30, 2021, the commissioner
396.26 shall transfer \$2,600,000 from the medical
396.27 assistance holding account under Minnesota
396.28 Statutes, section 256.01, subdivision 2, to the
396.29 general fund. This is a onetime transfer.
396.30 **(d) Transfer; SSI Interim Assistance**
396.31 **Operations Account.** By June 30, 2021, the
396.32 commissioner shall transfer \$3,600,000 from
396.33 the SSI interim assistance operations account
396.34 under Minnesota Statutes, section 256D.06,

- 397.1 subdivision 5, paragraph (e), to the general
 397.2 fund. This is a onetime transfer.
- 397.3 **(e) Transfer to Office of Legislative Auditor.**
 397.4 \$300,000 in fiscal year 2020 and \$300,000 in
 397.5 fiscal year 2021 are from the general fund for
 397.6 transfer to the Office of the Legislative
 397.7 Auditor for audit activities under Minnesota
 397.8 Statutes, section 3.972, subdivision 2b.
- 397.9 **(f) Transfer to Office of Legislative Auditor.**
 397.10 \$400,000 in fiscal year 2020 and \$400,000 in
 397.11 fiscal year 2021 are from the general fund for
 397.12 transfer to the Office of the Legislative
 397.13 Auditor for audit activities under Minnesota
 397.14 Statutes, section 3.972, subdivision 2a.
- 397.15 **(g) Fraud Prevention Investigations.**
 397.16 \$425,000 in fiscal year 2020 and \$425,000 in
 397.17 fiscal year 2021 are from the general fund for
 397.18 the fraud prevention investigation project
 397.19 under Minnesota Statutes, section 256.983.
- 397.20 **(h) Family Child Care Task Force. \$75,000**
 397.21 in fiscal year 2020 is from the general fund
 397.22 for the Family Child Care Task Force under
 397.23 article 2, section 46. This is a onetime
 397.24 appropriation.
- 397.25 **(i) Ombudsperson for Child Care**
 397.26 **Providers. \$114,000 in fiscal year 2020 and**
 397.27 **\$120,000 in fiscal year 2021 are from the**
 397.28 **general fund for the ombudsperson for child**
 397.29 **care providers under Minnesota Statutes,**
 397.30 **section 245A.60.**
- 397.31 **(j) Development of New Child Care**
 397.32 **Regulatory System. \$409,000 in fiscal year**
 397.33 **2020 is from the general fund for development**
 397.34 **of a new child care regulatory system based**

398.1 on the risk-based violation levels under
 398.2 Minnesota Statutes, section 245A.055,
 398.3 subdivision 3, including use of an abbreviated
 398.4 inspection under Minnesota Statutes, section
 398.5 245A.055, subdivision 2. Of this amount,
 398.6 \$300,000 is for researching and developing
 398.7 the abbreviated inspection model based on key
 398.8 indicators, and \$109,000 is to update the
 398.9 Electronic Licensing Inspection Checklist
 398.10 Information (ELICI) system. This is a onetime
 398.11 appropriation.

398.12 **(k) Reducing Appropriations for Unfilled**
 398.13 **Positions.** The general fund and nongeneral
 398.14 fund appropriations to the Department of
 398.15 Human Services for agency operations for the
 398.16 biennium ending June 30, 2021, are reduced
 398.17 for salary and benefit amounts attributable to
 398.18 any positions that are not filled within 180
 398.19 days of the posting of the position. This
 398.20 paragraph applies only to positions that are
 398.21 posted in fiscal years 2019, 2020, and 2021.
 398.22 Reductions made under this section must be
 398.23 reflected as reductions in agency base budgets
 398.24 for fiscal years 2022 and 2023. The
 398.25 commissioner of management and budget must
 398.26 report to the chairs and ranking minority
 398.27 members of the senate and the house of
 398.28 representatives health and human services
 398.29 finance committees regarding the amount of
 398.30 reductions in appropriations under this section.
 398.31 This paragraph expires December 31, 2021.

398.32 **(l) Base Level Adjustment.** The general fund
 398.33 base is \$120,254,000 in fiscal year 2022 and
 398.34 \$122,743,000 in fiscal year 2023.

398.35 **Subd. 5. Central Office; Children and Families**

399.1	<u>Appropriations by Fund</u>		
399.2	<u>General</u>	<u>10,818,000</u>	<u>10,787,000</u>
399.3	<u>Federal TANF</u>	<u>2,582,000</u>	<u>2,582,000</u>

399.4 **(a) Financial Institution Data Match and**
 399.5 **Payment of Fees.** The commissioner is
 399.6 authorized to allocate up to \$310,000 each
 399.7 year in fiscal year 2020 and fiscal year 2021
 399.8 from the state systems account authorized in
 399.9 Minnesota Statutes, section 256.014,
 399.10 subdivision 2, to make payments to financial
 399.11 institutions in exchange for performing data
 399.12 matches between account information held by
 399.13 financial institutions and the public authority's
 399.14 database of child support obligors as
 399.15 authorized by Minnesota Statutes, section
 399.16 13B.06, subdivision 7.

399.17 **(b) Base Level Adjustment.** The general fund
 399.18 base is \$10,733,000 in fiscal year 2022 and
 399.19 \$10,680,000 in fiscal year 2023.

399.20 **Subd. 6. Central Office; Health Care**

399.21	<u>Appropriations by Fund</u>		
399.22	<u>General</u>	<u>23,099,000</u>	<u>23,702,000</u>
399.23	<u>Health Care Access</u>	<u>24,313,000</u>	<u>24,313,000</u>

399.24 **Base Level Adjustment.** The general fund
 399.25 base is \$24,088,000 in fiscal year 2022 and
 399.26 \$24,074,000 in fiscal year 2023.

399.27 **Subd. 7. Central Office; Continuing Care for**
 399.28 **Older Adults**

399.29	<u>Appropriations by Fund</u>		
399.30	<u>General</u>	<u>16,259,000</u>	<u>16,434,000</u>
399.31	<u>State Government</u>		
399.32	<u>Special Revenue</u>	<u>125,000</u>	<u>125,000</u>

399.33 **Office of Ombudsman for Long-Term Care.**
 399.34 \$1,312,000 in fiscal year 2020 and \$1,501,000
 399.35 in fiscal year 2021 are from the general fund

400.1 for nine additional regional ombudsmen and
 400.2 one deputy director in the Office of
 400.3 Ombudsman for Long-Term Care, to perform
 400.4 the duties in Minnesota Statutes, section
 400.5 256.9742.

400.6 **Subd. 8. Central Office; Community Supports**

400.7	<u>Appropriations by Fund</u>		
400.8	<u>General</u>	<u>34,558,000</u>	<u>34,168,000</u>
400.9	<u>Lottery Prize</u>	<u>163,000</u>	<u>163,000</u>

400.10 **(a) Social Functioning Measurement Tool.**

400.11 \$100,000 in fiscal year 2020 is from the
 400.12 general fund for the commissioner to
 400.13 determine whether the Center for Victims of
 400.14 Torture's social functioning measurement tool
 400.15 can be adapted for other populations that
 400.16 receive targeted case management and other
 400.17 medical assistance services. This is a onetime
 400.18 appropriation and is available until June 30,
 400.19 2023.

400.20 **(b) Person-Centered Telepresence Platform**

400.21 **Expansion.** \$100,000 in fiscal year 2020 is
 400.22 from the general fund for development of a
 400.23 proposal to expand and implement a statewide
 400.24 person-centered telepresence platform. This
 400.25 is a onetime appropriation.

400.26 **(c) Base Level Adjustment.** The general fund

400.27 base is \$34,483,000 in fiscal year 2022 and
 400.28 \$34,085,000 in fiscal year 2023.

400.29 **Subd. 9. Forecasted Programs; MFIP/DWP**

400.30	<u>Appropriations by Fund</u>		
400.31	<u>General</u>	<u>79,959,000</u>	<u>80,738,000</u>
400.32	<u>Federal TANF</u>	<u>75,607,000</u>	<u>76,851,000</u>

400.33 **Subd. 10. Forecasted Programs; MFIP Child**
 400.34 **Care Assistance**

105,380,000

-0-

401.1	<u>Subd. 11. Forecasted Programs; General</u>		
401.2	<u>Assistance</u>	<u>49,791,000</u>	<u>50,308,000</u>
401.3	<u>(a) General Assistance Standard. The</u>		
401.4	<u>commissioner shall set the monthly standard</u>		
401.5	<u>of assistance for general assistance units</u>		
401.6	<u>consisting of an adult recipient who is</u>		
401.7	<u>childless and unmarried or living apart from</u>		
401.8	<u>parents or a legal guardian at \$203. The</u>		
401.9	<u>commissioner may reduce this amount</u>		
401.10	<u>according to Laws 1997, chapter 85, article 3,</u>		
401.11	<u>section 54.</u>		
401.12	<u>(b) Emergency General Assistance Limit.</u>		
401.13	<u>The amount appropriated for emergency</u>		
401.14	<u>general assistance is limited to no more than</u>		
401.15	<u>\$6,729,812 in fiscal year 2020 and \$6,729,812</u>		
401.16	<u>in fiscal year 2021. Funds to counties shall be</u>		
401.17	<u>allocated by the commissioner using the</u>		
401.18	<u>allocation method under Minnesota Statutes,</u>		
401.19	<u>section 256D.06.</u>		
401.20	<u>Subd. 12. Forecasted Programs; Minnesota</u>		
401.21	<u>Supplemental Aid</u>	<u>42,271,000</u>	<u>45,860,000</u>
401.22	<u>Subd. 13. Forecasted Programs; Housing</u>		
401.23	<u>Support</u>	<u>167,680,000</u>	<u>170,253,000</u>
401.24	<u>Subd. 14. Forecasted Programs; Northstar Care</u>		
401.25	<u>for Children</u>	<u>86,497,000</u>	<u>94,095,000</u>
401.26	<u>Subd. 15. Forecasted Programs; MinnesotaCare</u>	<u>25,100,000</u>	<u>27,665,000</u>
401.27	<u>This appropriation is from the health care</u>		
401.28	<u>access fund.</u>		
401.29	<u>Subd. 16. Forecasted Programs; Medical</u>		
401.30	<u>Assistance</u>		
401.31	<u>Appropriations by Fund</u>		
401.32	<u>General</u>	<u>5,610,535,000</u>	<u>5,619,035,000</u>
401.33	<u>Health Care Access</u>	<u>439,598,000</u>	<u>439,598,000</u>
401.34	<u>(a) Behavioral Health Services. \$1,000,000</u>		
401.35	<u>in fiscal year 2020 and \$1,000,000 in fiscal</u>		

402.1	<u>year 2021 are for behavioral health services</u>		
402.2	<u>provided by hospitals identified under</u>		
402.3	<u>Minnesota Statutes, section 256.969,</u>		
402.4	<u>subdivision 2b, paragraph (a), clause (4). The</u>		
402.5	<u>increase in payments shall be made by</u>		
402.6	<u>increasing the adjustment under Minnesota</u>		
402.7	<u>Statutes, section 256.969, subdivision 2b,</u>		
402.8	<u>paragraph (e), clause (2).</u>		
402.9	<u>(b) Base Level Adjustment.</u> The health care		
402.10	<u>access fund base is \$439,598,000 in fiscal year</u>		
402.11	<u>2022 and \$439,598,000 in fiscal year 2023.</u>		
402.12	<u>Subd. 17. Forecasted Programs; Alternative</u>		
402.13	<u>Care</u>	<u>45,135,000</u>	<u>45,154,000</u>
402.14	<u>Alternative Care Transfer.</u> Any money		
402.15	<u>allocated to the alternative care program that</u>		
402.16	<u>is not spent for the purposes indicated does</u>		
402.17	<u>not cancel but must be transferred to the</u>		
402.18	<u>medical assistance account.</u>		
402.19	<u>Subd. 18. Forecasted Programs; Chemical</u>		
402.20	<u>Dependency Treatment Fund</u>	<u>127,503,000</u>	<u>131,750,000</u>
402.21	<u>Transfer; Consolidated Chemical</u>		
402.22	<u>Dependency Treatment Fund.</u> Any balance		
402.23	<u>remaining in the consolidated chemical</u>		
402.24	<u>dependency treatment fund at the end of fiscal</u>		
402.25	<u>year 2020, estimated to be \$23,855,000, shall</u>		
402.26	<u>be transferred to the general fund.</u>		
402.27	<u>Subd. 19. Grant Programs; Support Services</u>		
402.28	<u>Grants</u>		
402.29	<u>Appropriations by Fund</u>		
402.30	<u>General</u>	<u>8,715,000</u>	<u>8,715,000</u>
402.31	<u>Federal TANF</u>	<u>96,312,000</u>	<u>96,311,000</u>
402.32	<u>Subd. 20. Grant Programs; Basic Sliding Fee</u>		
402.33	<u>Child Care Assistance Grants</u>	<u>44,655,000</u>	<u>-0-</u>

403.1	<u>Base Level Adjustment.</u> The general fund		
403.2	base is \$218,616,000 in fiscal year 2022 and		
403.3	<u>zero in fiscal year 2023.</u>		
403.4	<u>Subd. 21. Grant Programs; Child Care</u>		
403.5	<u>Development Grants</u>	<u>1,737,000</u>	<u>1,737,000</u>
403.6	<u>Subd. 22. Grant Programs; Child Support</u>		
403.7	<u>Enforcement Grants</u>	<u>50,000</u>	<u>50,000</u>
403.8	<u>Subd. 23. Grant Programs; Children's Services</u>		
403.9	<u>Grants</u>		
403.10	<u>Appropriations by Fund</u>		
403.11	<u>General</u>	<u>39,165,000</u>	<u>39,165,000</u>
403.12	<u>Federal TANF</u>	<u>140,000</u>	<u>140,000</u>
403.13	<u>Title IV-E Adoption Assistance.</u> The		
403.14	commissioner shall allocate funds from the		
403.15	<u>Title IV-E reimbursement to the state from</u>		
403.16	<u>the Fostering Connections to Success and</u>		
403.17	<u>Increasing Adoptions Act for adoptive, foster,</u>		
403.18	<u>and kinship families as required in Minnesota</u>		
403.19	<u>Statutes, section 256N.261.</u>		
403.20	<u>Additional federal reimbursement to the state</u>		
403.21	<u>as a result of the Fostering Connections to</u>		
403.22	<u>Success and Increasing Adoptions Act's</u>		
403.23	<u>expanded eligibility for title IV-E adoption</u>		
403.24	<u>assistance is for postadoption, foster care,</u>		
403.25	<u>adoption, and kinship services, including a</u>		
403.26	<u>parent-to-parent support network.</u>		
403.27	<u>Subd. 24. Grant Programs; Children and</u>		
403.28	<u>Community Service Grants</u>	<u>58,201,000</u>	<u>58,201,000</u>
403.29	<u>Subd. 25. Grant Programs; Children and</u>		
403.30	<u>Economic Support Grants</u>		
403.31	<u>Appropriations by Fund</u>		
403.32	<u>General</u>	<u>22,665,000</u>	<u>22,065,000</u>
403.33	<u>Federal TANF</u>	<u>-0-</u>	<u>1,000,000</u>
403.34	<u>(a) Minnesota Food Assistance Program.</u>		
403.35	<u>Unexpended funds for the Minnesota food</u>		

404.1 assistance program for fiscal year 2020 do not
404.2 cancel but are available for this purpose in
404.3 fiscal year 2021.

404.4 **(b) Pathways to Prosperity.** \$1,000,000 in
404.5 fiscal year 2021 is from the federal TANF
404.6 fund for the unified benefit amount of the
404.7 Minnesota Pathways to Prosperity and
404.8 Well-Being pilot project. The commissioner
404.9 shall award the grant only upon issuance of
404.10 formal approval of the pilot project plan as
404.11 required under article 2, section 41,
404.12 subdivision 1, paragraph (c), and after
404.13 fulfillment of the condition in article 2, section
404.14 41, subdivision 1, paragraph (b), clause (3).
404.15 No amount of the appropriation may be used
404.16 for any other purpose of the pilot project. The
404.17 base for this appropriation is \$1,000,000 in
404.18 fiscal year 2022 and \$1,000,000 in fiscal year
404.19 2023. This is not an ongoing appropriation.
404.20 The commissioner of management and budget
404.21 shall not include a base amount for this
404.22 appropriation in fiscal year 2024. This section
404.23 expires June 30, 2023.

404.24 **(c) Homeless Youth Drop-In Program**
404.25 **Grant.** Notwithstanding Minnesota Statutes,
404.26 section 16B.97, \$100,000 in fiscal year 2020
404.27 is from the general fund for a grant to an
404.28 organization in Anoka County providing
404.29 services and programming through a drop-in
404.30 program to meet the basic needs, including
404.31 mental health needs, of homeless youth in the
404.32 north metropolitan suburbs, to develop a
404.33 model of its homeless youth drop-in program
404.34 that can be shared and replicated in other

405.1 communities throughout Minnesota. This is a
405.2 onetime appropriation.

405.3 **(d) Shelter-Linked Youth Mental Health**
405.4 **Grants.** \$500,000 in fiscal year 2020 is from
405.5 the general fund for shelter-linked youth
405.6 mental health grants under Minnesota Statutes,
405.7 section 256K.46. This is a onetime
405.8 appropriation and is available until June 30,
405.9 2023. This paragraph expires July 1, 2023.

405.10 **Subd. 26. Grant Programs; Health Care Grants**

<u>Appropriations by Fund</u>			
405.12	<u>General</u>	<u>3,711,000</u>	<u>3,711,000</u>
405.13	<u>Health Care Access</u>	<u>3,465,000</u>	<u>3,465,000</u>

405.14 **Subd. 27. Grant Programs; Other Long-Term**
405.15 **Care Grants** 1,925,000 1,925,000

405.16 **Subd. 28. Grant Programs; Aging and Adult**
405.17 **Services Grants** 32,811,000 32,995,000

405.18 **Subd. 29. Grant Programs; Deaf and**
405.19 **Hard-of-Hearing Grants** 2,675,000 2,675,000

405.20 **Base Level Adjustment.** The general fund
405.21 base is \$2,886,000 in fiscal year 2022 and
405.22 \$2,886,000 in fiscal year 2023.

405.23 **Subd. 30. Grant Programs; Disabilities Grants** 21,995,000 21,996,000

405.24 **(a) Semi-Independent Living Services**
405.25 **Grants.** \$1,000,000 in fiscal year 2020 and
405.26 \$1,000,000 in fiscal year 2021 are from the
405.27 general fund for reimbursement to lead
405.28 agencies under Minnesota Statutes, section
405.29 252.275.

405.30 **(b) Parent-to-Parent Peer Support Grants.**
405.31 \$100,000 in fiscal year 2020 and \$100,000 in
405.32 fiscal year 2021 are from the general fund for
405.33 grants under Minnesota Statutes, section
405.34 256.4751.

406.1 **(c) Adaptive Fitness Access Grants.**
406.2 \$125,000 in fiscal year 2020 and \$125,000 in
406.3 fiscal year 2021 are from the general fund for
406.4 the grant program under Minnesota Statutes,
406.5 section 256.488.

406.6 **(d) Day Training and Habilitation Disability**
406.7 **Waiver Rate System Transition Grants.**
406.8 \$200,000 in fiscal year 2020 and \$200,000 in
406.9 fiscal year 2021 are from the general fund for
406.10 day training and habilitation disability waiver
406.11 rate system transition grants under article 5,
406.12 section 60.

406.13 **(e) Family Support Grants.** The general fund
406.14 base for family support grants under
406.15 Minnesota Statutes, section 252.32, is
406.16 \$10,278,000 in fiscal year 2022 and
406.17 \$8,278,000 in fiscal year 2023. The
406.18 commissioner may use up to \$2,000,000 of
406.19 the 2022 fiscal year base funding to reimburse
406.20 counties that issue family support grants in an
406.21 amount that exceeds the county's allocation in
406.22 fiscal year 2021.

406.23 **(f) Base Level Adjustment.** The general fund
406.24 base is \$27,996,000 in fiscal year 2022 and
406.25 \$25,996,000 in fiscal year 2023.

406.26 **Subd. 31. Grant Programs; Housing Support**
406.27 **Grants**

9,339,000

10,389,000

406.28 **(a) Community-Based Housing and**
406.29 **Behavioral Health Services for Opiate**
406.30 **Addiction.** Notwithstanding Minnesota
406.31 Statutes, section 16B.97, \$25,000 in fiscal year
406.32 2020 and \$25,000 in fiscal year 2021 are from
406.33 the general fund for a grant to Oasis Central
406.34 Minnesota, Inc., serving Morrison County to
406.35 provide opioid programming, behavioral

407.1 health services, and residential housing with
407.2 employment services.

407.3 **(b) Transitional Housing Program.**

407.4 Notwithstanding Minnesota Statutes, section
407.5 16B.97, \$50,000 in fiscal year 2020 is from
407.6 the general fund for a transitional housing and
407.7 support program located in Rice County that
407.8 serves women and children in crisis to enhance
407.9 current services and supports and to determine
407.10 if the program's model can be expanded
407.11 statewide. The commissioner of human
407.12 services shall report by February 1, 2020, to
407.13 the chairs and ranking minority members of
407.14 the legislative committees with jurisdiction
407.15 over transitional housing programs on the
407.16 outcomes of the program and provide
407.17 recommendations on expanding the program's
407.18 model statewide. This is a onetime
407.19 appropriation.

407.20 **Subd. 32. Grant Programs; Adult Mental Health**
407.21 **Grants**

86,858,000

82,577,000

407.22 **(a) Taylor Hayden Violence Prevention**

407.23 **Grants.** \$100,000 in fiscal year 2020 is for
407.24 violence prevention grants to nonprofit
407.25 organizations with expertise in violence
407.26 prevention to conduct violence prevention
407.27 initiatives or public awareness and education
407.28 campaigns on violence prevention. This is a
407.29 onetime appropriation.

407.30 **(b) Project Legacy.** \$250,000 in fiscal year

407.31 2020 is for a grant to Project Legacy to
407.32 provide counseling and outreach to youth and
407.33 young adults from families with a history of
407.34 generational poverty. Money from this
407.35 appropriation must be spent for mental health

408.1 care, medical care, chemical dependency
408.2 intervention, housing, and mentoring and
408.3 counseling services for first generation college
408.4 students. This is a onetime appropriation and
408.5 is available until June 30, 2023. This
408.6 paragraph expires July 1, 2023.

408.7 **(c) Housing Options for Persons with**
408.8 **Serious Mental Illness. \$2,000,000 in fiscal**
408.9 **year 2020 is for adult mental health grants**
408.10 **under Minnesota Statutes, section 245.4661,**
408.11 **subdivision 9, paragraph (a), clause (2), to**
408.12 **increase availability of housing options with**
408.13 **supports for persons with serious mental**
408.14 **illness. This is a onetime appropriation and is**
408.15 **available until June 30, 2023. This paragraph**
408.16 **expires July 1, 2023.**

408.17 **(d) Officer-Involved Community-Based**
408.18 **Care Coordination Grants. \$1,000,000 in**
408.19 **fiscal year 2020 is for officer-involved**
408.20 **community-based care coordination grants.**

408.21 **Of this amount:**

408.22 **(1) \$900,000 is for officer-involved**
408.23 **community-based care coordination grants**
408.24 **under Minnesota Statutes, section 245.4663.**

408.25 **Of this amount, \$500,000 shall be awarded to**
408.26 **Blue Earth county. This is a onetime**
408.27 **appropriation and is available until June 30,**
408.28 **2023; and**

408.29 **(2) \$100,000 is for up to ten planning grants**
408.30 **under article 3, section 37. In awarding these**
408.31 **grants, the commissioner must place a priority**
408.32 **on funding nonmetro programs. This is a**
408.33 **onetime appropriation and is available until**
408.34 **June 30, 2023.**

409.1 This paragraph expires July 1, 2023.

409.2 **(e) Mobile Mental Health Crisis Response**

409.3 **Team Funding.** \$4,150,000 in fiscal year

409.4 2020 and \$4,150,000 in fiscal year 2021 are

409.5 for adult mental health grants under Minnesota

409.6 Statutes, section 245.4661, subdivision 9,

409.7 paragraph (a), clause (1), to fund regional

409.8 mobile mental health crisis response teams

409.9 throughout the state. This is a onetime

409.10 appropriation and is available until June 30,

409.11 2023. This paragraph expires July 1, 2023.

409.12 **(f) Specialized Mental Health Community**

409.13 **Supervision Pilot Project.** \$200,000 in fiscal

409.14 year 2020 and \$200,000 in fiscal year 2021

409.15 are for a grant to Anoka County for

409.16 establishment of a specialized mental health

409.17 community supervision caseload pilot project.

409.18 This is a onetime appropriation.

409.19 **(g) Base Level Adjustment.** The general fund

409.20 base is \$78,427,000 in fiscal year 2022 and

409.21 \$78,427,000 in fiscal year 2023.

409.22 **Subd. 33. Grant Programs; Child Mental Health**
409.23 **Grants**

21,519,000

20,826,000

409.24 **(a) Community-Based Children's Mental**

409.25 **Health Grant.** Notwithstanding Minnesota

409.26 Statutes, section 16B.97, \$193,000 in fiscal

409.27 year 2020 is from the general fund for a grant

409.28 to the Family Enhancement Center for staffing

409.29 and administrative support to provide children

409.30 access to expert mental health services

409.31 regardless of a child's insurance status or

409.32 income. This is a onetime appropriation and

409.33 is available until June 30, 2021.

410.1 **(b) Telemedicine Equipment for**
 410.2 **School-Linked Mental Health Services.**
 410.3 \$500,000 in fiscal year 2020 is for grants to
 410.4 purchase equipment to deliver school-linked
 410.5 mental health services by telemedicine. The
 410.6 grants may be awarded to new or existing
 410.7 providers statewide. The commissioner shall
 410.8 report to the legislative committees with
 410.9 jurisdiction over mental health on the
 410.10 effectiveness of the grants after funds
 410.11 appropriated under this section are expended.
 410.12 This is a onetime appropriation and available
 410.13 until June 30, 2023. This paragraph expires
 410.14 July 1, 2023.

410.15 **Subd. 34. Grant Programs; Chemical**
 410.16 **Dependency Treatment Support Grants**

410.17	<u>Appropriations by Fund</u>		
410.18	<u>General</u>	<u>2,386,000</u>	<u>2,386,000</u>
410.19	<u>Lottery Prize</u>	<u>1,733,000</u>	<u>1,733,000</u>

410.20 **(a) Problem Gambling.** \$225,000 in fiscal
 410.21 year 2020 and \$225,000 in fiscal year 2021
 410.22 are from the lottery prize fund for a grant to
 410.23 the state affiliate recognized by the National
 410.24 Council on Problem Gambling. The affiliate
 410.25 must provide services to increase public
 410.26 awareness of problem gambling, education,
 410.27 and training for individuals and organizations
 410.28 providing effective treatment services to
 410.29 problem gamblers and their families, and
 410.30 research related to problem gambling.

410.31 **(b) Fetal Alcohol Spectrum Disorders**
 410.32 **Grants.** \$250,000 in fiscal year 2020 and
 410.33 \$250,000 in fiscal year 2021 are from the
 410.34 general fund for a grant under Minnesota
 410.35 Statutes, section 254A.21, to a statewide

411.1	<u>organization that focuses solely on prevention</u>		
411.2	<u>of and intervention with fetal alcohol spectrum</u>		
411.3	<u>disorders.</u>		
411.4	<u>Subd. 35. Direct Care and Treatment -</u>		
411.5	<u>Generally</u>		
411.6	<u>Transfer; State-Operated Services Account.</u>		
411.7	<u>Any balance remaining in the state operated</u>		
411.8	<u>services account at the end of fiscal year 2019,</u>		
411.9	<u>estimated to be \$13,000,000 shall be</u>		
411.10	<u>transferred to the general fund.</u>		
411.11	<u>Subd. 36. Direct Care and Treatment - Mental</u>		
411.12	<u>Health and Substance Abuse</u>	<u>129,209,000</u>	<u>129,201,000</u>
411.13	<u>Base Level Adjustment.</u> The general fund		
411.14	<u>base is \$129,197,000 in fiscal year 2022 and</u>		
411.15	<u>\$129,197,000 in fiscal year 2023.</u>		
411.16	<u>Subd. 37. Direct Care and Treatment -</u>		
411.17	<u>Community-Based Services</u>	<u>15,036,000</u>	<u>13,448,000</u>
411.18	<u>Base Level Adjustment.</u> The general fund		
411.19	<u>base is \$13,447,000 in fiscal year 2022 and</u>		
411.20	<u>\$13,447,000 in fiscal year 2023.</u>		
411.21	<u>Subd. 38. Direct Care and Treatment - Forensic</u>		
411.22	<u>Services</u>	<u>112,126,000</u>	<u>115,342,000</u>
411.23	<u>Base Level Adjustment.</u> The general fund		
411.24	<u>base is \$115,944,000 in fiscal year 2022 and</u>		
411.25	<u>\$115,944,000 in fiscal year 2023.</u>		
411.26	<u>Subd. 39. Direct Care and Treatment - Sex</u>		
411.27	<u>Offender Program</u>	<u>87,338,000</u>	<u>87,887,000</u>
411.28	<u>(a) Transfer Authority.</u> Money appropriated		
411.29	<u>for the Minnesota sex offender program may</u>		
411.30	<u>be transferred between fiscal years of the</u>		
411.31	<u>biennium with the approval of the</u>		
411.32	<u>commissioner of management and budget.</u>		

412.1 (b) Base Level Adjustment. The general fund
412.2 base is \$88,432,000 in fiscal year 2022 and
412.3 \$88,432,000 in fiscal year 2023.

412.4 Subd. 40. Direct Care and Treatment -
412.5 Operations

47,499,000

47,708,000

412.6 (a) Community Competency Restoration
412.7 Task Force. \$200,000 in fiscal year 2020 is
412.8 for the Community Competency Restoration
412.9 Task Force under article 3, section 38. This is
412.10 a onetime appropriation and is available until
412.11 June 30, 2023.

412.12 (b) Base Level Adjustment. The general fund
412.13 base is \$47,632,000 in fiscal year 2022 and
412.14 \$47,632,000 in fiscal year 2023.

412.15 Subd. 41. Technical Activities

95,781,000

96,008,000

412.16 (a) Generally. This appropriation is from the
412.17 federal TANF fund.

412.18 (b) Base Level Adjustment. The TANF fund
412.19 base is \$96,360,000 in fiscal year 2022 and
412.20 \$96,620,000 in fiscal year 2023.

412.21 Sec. 3. COMMISSIONER OF HEALTH

412.22 Subdivision 1. Total Appropriation

\$

225,613,000

\$

227,613,000

412.23 Appropriations by Fund

	<u>2020</u>	<u>2021</u>
412.24		
412.25 <u>General</u>	<u>157,717,000</u>	<u>157,862,000</u>
412.26 <u>State Government</u>		
412.27 <u>Special Revenue</u>	<u>56,183,000</u>	<u>58,038,000</u>
412.28 <u>Federal TANF</u>	<u>11,713,000</u>	<u>11,713,000</u>

412.29 The amounts that may be spent for each
412.30 purpose are specified in the following
412.31 subdivisions.

412.32 Subd. 2. Health Improvement

413.1	<u>Appropriations by Fund</u>		
413.2	<u>General</u>	<u>129,644,000</u>	<u>128,970,000</u>
413.3	<u>State Government</u>		
413.4	<u>Special Revenue</u>	<u>7,150,000</u>	<u>6,969,000</u>
413.5	<u>Federal TANF</u>	<u>11,713,000</u>	<u>11,713,000</u>
413.6	<u>(a) TANF Appropriations. (1) \$3,579,000 in</u>		
413.7	<u>fiscal year 2020 and \$3,579,000 in fiscal year</u>		
413.8	<u>2021 are from the TANF fund for home</u>		
413.9	<u>visiting and nutritional services under</u>		
413.10	<u>Minnesota Statutes, section 145.882,</u>		
413.11	<u>subdivision 7, clauses (6) and (7). Funds must</u>		
413.12	<u>be distributed to community health boards</u>		
413.13	<u>according to Minnesota Statutes, section</u>		
413.14	<u>145A.131, subdivision 1;</u>		
413.15	<u>(2) \$2,000,000 in fiscal year 2020 and</u>		
413.16	<u>\$2,000,000 in fiscal year 2021 are from the</u>		
413.17	<u>TANF fund for decreasing racial and ethnic</u>		
413.18	<u>disparities in infant mortality rates under</u>		
413.19	<u>Minnesota Statutes, section 145.928,</u>		
413.20	<u>subdivision 7;</u>		
413.21	<u>(3) \$4,978,000 in fiscal year 2020 and</u>		
413.22	<u>\$4,978,000 in fiscal year 2021 are from the</u>		
413.23	<u>TANF fund for the family home visiting grant</u>		
413.24	<u>program under Minnesota Statutes, section</u>		
413.25	<u>145A.17. \$4,000,000 of the funding in each</u>		
413.26	<u>fiscal year must be distributed to community</u>		
413.27	<u>health boards according to Minnesota Statutes,</u>		
413.28	<u>section 145A.131, subdivision 1. \$978,000 of</u>		
413.29	<u>the funding in each fiscal year must be</u>		
413.30	<u>distributed to tribal governments according to</u>		
413.31	<u>Minnesota Statutes, section 145A.14,</u>		
413.32	<u>subdivision 2a;</u>		
413.33	<u>(4) \$1,156,000 in fiscal year 2020 and</u>		
413.34	<u>\$1,156,000 in fiscal year 2021 are from the</u>		

414.1 TANF fund for family planning grants under
 414.2 Minnesota Statutes, section 145.925; and
 414.3 (5) The commissioner may use up to 6.23
 414.4 percent of the amounts appropriated from the
 414.5 TANF fund each year to conduct the ongoing
 414.6 evaluations required under Minnesota Statutes,
 414.7 section 145A.17, subdivision 7, and training
 414.8 and technical assistance as required under
 414.9 Minnesota Statutes, section 145A.17,
 414.10 subdivisions 4 and 5.

414.11 **(b) TANF Carryforward.** Any unexpended
 414.12 balance of the TANF appropriation in the first
 414.13 year of the biennium does not cancel but is
 414.14 available for the second year.

414.15 **(c) Perinatal Hospice Grants.** \$515,000 in
 414.16 fiscal year 2020 is from the general fund for
 414.17 perinatal hospice development, training, and
 414.18 awareness grants under article 9, section 64.
 414.19 Eligible entities may apply for multiple grants.
 414.20 The commissioner may use up to \$15,000 for
 414.21 administration of these grants. This is a
 414.22 onetime appropriation and is available until
 414.23 June 30, 2023.

414.24 **(d) Statewide Tobacco Cessation.** \$1,598,000
 414.25 in fiscal year 2020 and \$2,748,000 in fiscal
 414.26 year 2021 are from the general fund for
 414.27 statewide tobacco cessation services under
 414.28 Minnesota Statutes, section 144.397. The base
 414.29 for this appropriation is \$2,878,000 in fiscal
 414.30 year 2022 and \$2,878,000 in fiscal year 2023.

414.31 **(e) Safe Harbor for Sexually Exploited**
 414.32 **Youth.** \$500,000 in fiscal year 2020 and
 414.33 \$500,000 in fiscal year 2021 are from the
 414.34 general fund for the statewide program for

415.1 safe harbor for sexually exploited youth. Of
 415.2 these amounts:

415.3 (1) \$470,000 in fiscal year 2020 and \$470,000
 415.4 in fiscal year 2021 are for grants for
 415.5 comprehensive services, including
 415.6 trauma-informed, culturally specific services
 415.7 for sexually exploited youth under Minnesota
 415.8 Statutes, section 145.4716;

415.9 (2) \$5,000 in fiscal year 2020 and \$5,000 in
 415.10 fiscal year 2021 are for evaluation activities
 415.11 under Minnesota Statutes, section 145.4718.
 415.12 The base appropriation includes \$45,000 in
 415.13 fiscal year 2020 and \$45,000 in fiscal year
 415.14 2021 for evaluation activities under Minnesota
 415.15 Statutes, section 145.4718; and

415.16 (3) \$25,000 in fiscal year 2020 and \$25,000
 415.17 in fiscal year 2021 are for training and
 415.18 protocol implementation.

415.19 **(f) Study on Breastfeeding Disparities.**
 415.20 \$69,000 in fiscal year 2020 is from the general
 415.21 fund for a study on breastfeeding disparities.

415.22 **(g) Palliative Care Advisory Council.**
 415.23 \$44,000 in fiscal year 2020 and \$44,000 in
 415.24 fiscal year 2021 are from the general fund for
 415.25 the Palliative Care Advisory Council under
 415.26 Minnesota Statutes, section 144.059. This is
 415.27 a onetime appropriation.

415.28 **(h) Study on the Increase in Abortions after**
 415.29 **20 Weeks.** \$34,000 in fiscal year 2020 is from
 415.30 the general fund for an evaluation of the
 415.31 increase in abortions occurring after the
 415.32 gestational age of 20 weeks and the reasons
 415.33 for the increase. The commissioner shall report
 415.34 the findings to the chairs and ranking minority

416.1 members of the legislative committees with
416.2 jurisdiction over health care policy and finance
416.3 by February 15, 2020. This is a onetime
416.4 appropriation.

416.5 **(i) Positive Abortion Alternatives Grants.**
416.6 \$336,000 in fiscal year 2020 and \$336,000 in
416.7 fiscal year 2021 are from the general fund for
416.8 the positive abortion alternatives grants under
416.9 Minnesota Statutes, section 145.4235.

416.10 **(j) Mental Health Services for Pre- and**
416.11 **Postpartum Women.** \$100,000 in fiscal year
416.12 2020 is from the general fund for mental
416.13 health services to women suffering from pre-
416.14 and postpartum mood and anxiety disorders
416.15 under Minnesota Statutes, section 145.908.
416.16 This is a onetime appropriation and is
416.17 available until June 30, 2023.

416.18 **(k) Comprehensive Suicide Prevention.**
416.19 \$1,321,000 in fiscal year 2020 and \$1,321,000
416.20 in fiscal year 2021 are from the general fund
416.21 for a Minnesota-based suicide prevention
416.22 lifeline as part of the suicide prevention plan
416.23 described in Minnesota Statutes, section
416.24 145.56. This is a onetime appropriation and
416.25 is available until June 30, 2023.

416.26 **(l) Health Professionals Loan Forgiveness.**
416.27 \$354,000 in fiscal year 2020 is from the
416.28 general fund for transfer to the health
416.29 professional education loan forgiveness
416.30 program account for loan forgiveness for
416.31 mental health professionals agreeing to
416.32 practice in designated rural areas under
416.33 Minnesota Statutes, section 144.1501,
416.34 subdivision 2, paragraph (a), clause (1). This
416.35 is a onetime appropriation and is available

417.1 until June 30, 2023. If the commissioner does
 417.2 not receive enough qualified applicants to use
 417.3 the entire allocation of funds as required, the
 417.4 remaining funds may be used for loan
 417.5 forgiveness for mental health professionals
 417.6 agreeing to practice in underserved urban
 417.7 communities or may be allocated
 417.8 proportionally among other eligible
 417.9 professionals agreeing to practice in
 417.10 designated rural areas.

417.11 **(m) Cannabinoid Products Workgroup.**
 417.12 \$8,000 in fiscal year 2020 is from the general
 417.13 fund for the cannabinoid products workgroup
 417.14 under article 9, section 66. This is a onetime
 417.15 appropriation.

417.16 **(n) Prescription Drug Price Transparency.**
 417.17 \$739,000 in fiscal year 2020 and \$595,000 in
 417.18 fiscal year 2021 are from the general fund for
 417.19 implementation of the Prescription Drug Price
 417.20 Transparency Act under Minnesota Statutes,
 417.21 section 62J.84. The base for this appropriation
 417.22 is \$565,000 in fiscal year 2022 and \$565,000
 417.23 in fiscal year 2023.

417.24 **(o) Vaccine-Preventable Diseases Grants.**
 417.25 \$50,000 in fiscal year 2020 and \$50,000 in
 417.26 fiscal year 2021 are from the general fund for
 417.27 the vaccine-preventable diseases grant
 417.28 program under article 9, section 71. This is a
 417.29 onetime appropriation.

417.30 **(p) Base Level Reduction.** The general fund
 417.31 base for the statewide health improvement
 417.32 program is reduced by \$50,000 in fiscal year
 417.33 2020 and by \$50,000 in fiscal year 2021. This
 417.34 is a onetime reduction.

418.1 (q) Base Level Adjustment. The general fund
418.2 base is \$128,305,000 in fiscal year 2022 and
418.3 \$127,705,000 in fiscal year 2023.

418.4 Subd. 3. Health Protection

418.5 Appropriations by Fund

418.6	<u>General</u>	<u>18,637,000</u>	<u>19,456,000</u>
418.7	<u>State Government</u>		
418.8	<u>Special Revenue</u>	<u>49,033,000</u>	<u>51,069,000</u>

418.9 (a) Public Health Laboratory Equipment.
418.10 \$840,000 in fiscal year 2020 and \$655,000 in
418.11 fiscal year 2021 are from the general fund for
418.12 equipment for the public health laboratory.
418.13 This is a onetime appropriation and is
418.14 available until June 30, 2023.

418.15 (b) Base Level Adjustment. The general fund
418.16 base is \$18,801,000 in fiscal year 2022 and
418.17 \$18,801,000 in fiscal year 2023. The state
418.18 government special revenue fund base is
418.19 \$51,069,000 in fiscal year 2022 and
418.20 \$51,076,000 in fiscal year 2023.

418.21 Subd. 4. Health Operations 9,436,000 9,436,000

418.22 Sec. 4. HEALTH-RELATED BOARDS

418.23 Subdivision 1. Total Appropriation \$ 23,996,000 \$ 24,016,000

418.24 This appropriation is from the state
418.25 government special revenue fund unless
418.26 specified otherwise. The amounts that may be
418.27 spent for each purpose are specified in the
418.28 following subdivisions.

418.29 Subd. 2. Board of Chiropractic Examiners 605,000 605,000

418.30 Subd. 3. Board of Dentistry 1,468,000 1,465,000

418.31 Emeritus Licensing Activities. \$8,000 in
418.32 fiscal year 2020 and \$5,000 in fiscal year 2021

419.1	<u>are for emeritus licensing activities under</u>		
419.2	<u>Minnesota Statutes, section 150A.06.</u>		
419.3	<u>Subd. 4. Board of Dietetics and Nutrition</u>		
419.4	<u>Practice</u>	<u>145,000</u>	<u>145,000</u>
419.5	<u>Subd. 5. Board of Marriage and Family Therapy</u>	<u>376,000</u>	<u>377,000</u>
419.6	<u>Subd. 6. Board of Medical Practice</u>	<u>5,405,000</u>	<u>5,405,000</u>
419.7	<u>Health Professional Services Program. This</u>		
419.8	<u>appropriation includes \$1,023,000 in fiscal</u>		
419.9	<u>year 2020 and \$1,002,000 in fiscal year 2021</u>		
419.10	<u>for the health professional services program.</u>		
419.11	<u>Subd. 7. Board of Nursing</u>	<u>4,916,000</u>	<u>4,916,000</u>
419.12	<u>Subd. 8. Board of Nursing Home Administrators</u>	<u>2,898,000</u>	<u>2,898,000</u>
419.13	<u>(a) Administrative Services Unit - Volunteer</u>		
419.14	<u>Health Care Provider Program. Of this</u>		
419.15	<u>appropriation, \$150,000 in fiscal year 2020</u>		
419.16	<u>and \$150,000 in fiscal year 2021 are to pay</u>		
419.17	<u>for medical professional liability coverage</u>		
419.18	<u>required under Minnesota Statutes, section</u>		
419.19	<u>214.40.</u>		
419.20	<u>(b) Administrative Services Unit -</u>		
419.21	<u>Retirement Costs. Of this appropriation,</u>		
419.22	<u>\$558,000 in fiscal year 2020 is for the</u>		
419.23	<u>administrative services unit to pay for the</u>		
419.24	<u>retirement costs of health-related board</u>		
419.25	<u>employees. This funding may be transferred</u>		
419.26	<u>to the health board incurring retirement costs.</u>		
419.27	<u>Any board that has an unexpended balance for</u>		
419.28	<u>an amount transferred under this paragraph</u>		
419.29	<u>shall transfer the unexpended amount to the</u>		
419.30	<u>administrative services unit. These funds are</u>		
419.31	<u>available either year of the biennium.</u>		
419.32	<u>(c) Administrative Services Unit - Contested</u>		
419.33	<u>Cases and Other Legal Proceedings. Of this</u>		
419.34	<u>appropriation, \$200,000 in fiscal year 2020</u>		

420.1 and \$200,000 in fiscal year 2021 are for costs
 420.2 of contested case hearings and other
 420.3 unanticipated costs of legal proceedings
 420.4 involving health-related boards. Upon
 420.5 certification by a health-related board to the
 420.6 administrative services unit that costs will be
 420.7 incurred and that there is insufficient money
 420.8 available to pay for the costs out of
 420.9 appropriations currently available to that
 420.10 board, the administrative services unit is
 420.11 authorized to transfer money from this
 420.12 appropriation to the board for payment of
 420.13 those costs with the approval of the
 420.14 commissioner of management and budget. The
 420.15 commissioner of management and budget must
 420.16 require any board that has an unexpended
 420.17 balance for an amount transferred under this
 420.18 paragraph to transfer the unexpended amount
 420.19 to the administrative services unit to be
 420.20 deposited in the state government special
 420.21 revenue fund.

420.22	<u>Subd. 9. Board of Optometry</u>	<u>176,000</u>	<u>176,000</u>
420.23	<u>Subd. 10. Board of Pharmacy</u>	<u>3,326,000</u>	<u>3,338,000</u>
420.24	<u>\$25,000 in fiscal year 2020 is for random</u>		
420.25	<u>audits under Minnesota Statutes, section</u>		
420.26	<u>152.126, subdivision 6, paragraph (k), of</u>		
420.27	<u>permissible users of the prescription</u>		
420.28	<u>monitoring program. This is a onetime</u>		
420.29	<u>appropriation.</u>		
420.30	<u>Subd. 11. Board of Physical Therapy</u>	<u>557,000</u>	<u>559,000</u>
420.31	<u>Subd. 12. Board of Podiatric Medicine</u>	<u>209,000</u>	<u>209,000</u>
420.32	<u>Subd. 13. Board of Psychology</u>	<u>1,285,000</u>	<u>1,285,000</u>
420.33	<u>Subd. 14. Board of Social Work</u>	<u>1,289,000</u>	<u>1,291,000</u>
420.34	<u>Subd. 15. Board of Veterinary Medicine</u>	<u>332,000</u>	<u>338,000</u>

421.1	<u>Subd. 16. Board of Behavioral Health and</u>		
421.2	<u>Therapy</u>	<u>669,000</u>	<u>669,000</u>
421.3	<u>Subd. 17. Board of Occupational Therapy</u>		
421.4	<u>Practice</u>	<u>340,000</u>	<u>340,000</u>
421.5	<u>Sec. 5. EMERGENCY MEDICAL SERVICES</u>		
421.6	<u>REGULATORY BOARD</u>	<u>\$ 3,950,000</u>	<u>\$ 3,951,000</u>
421.7	<u>(a) Cooper/Sams Volunteer Ambulance</u>		
421.8	<u>Program. \$950,000 in fiscal year 2020 and</u>		
421.9	<u>\$950,000 in fiscal year 2021 are for the</u>		
421.10	<u>Cooper/Sams volunteer ambulance program</u>		
421.11	<u>under Minnesota Statutes, section 144E.40.</u>		
421.12	<u>(1) Of this amount, \$861,000 in fiscal year</u>		
421.13	<u>2020 and \$861,000 in fiscal year 2021 are for</u>		
421.14	<u>the ambulance service personnel longevity</u>		
421.15	<u>award and incentive program under Minnesota</u>		
421.16	<u>Statutes, section 144E.40.</u>		
421.17	<u>(2) Of this amount, \$89,000 in fiscal year 2020</u>		
421.18	<u>and \$89,000 in fiscal year 2021 are for the</u>		
421.19	<u>operations of the ambulance service personnel</u>		
421.20	<u>longevity award and incentive program under</u>		
421.21	<u>Minnesota Statutes, section 144E.40.</u>		
421.22	<u>(b) EMSRB Operations. \$1,707,000 in fiscal</u>		
421.23	<u>year 2020 and \$1,707,000 in fiscal year 2021</u>		
421.24	<u>are for board operations.</u>		
421.25	<u>(c) Regional Grants. \$585,000 in fiscal year</u>		
421.26	<u>2020 and \$585,000 in fiscal year 2021 are for</u>		
421.27	<u>regional emergency medical services</u>		
421.28	<u>programs, to be distributed equally to the eight</u>		
421.29	<u>emergency medical service regions under</u>		
421.30	<u>Minnesota Statutes, section 144E.52.</u>		
421.31	<u>(d) Ambulance Training Grant. \$585,000</u>		
421.32	<u>in fiscal year 2020 and \$585,000 in fiscal year</u>		
421.33	<u>2021 are for training grants under Minnesota</u>		
421.34	<u>Statutes, section 144E.35.</u>		

422.1 (e) **Base Level Adjustment.** The base is
 422.2 \$3,902,000 in fiscal year 2022 and \$3,902,000
 422.3 in fiscal year 2023.

422.4 (f) **Regional Emergency Medical Services**
 422.5 **Programs.** \$347,000 in fiscal year 2020 and
 422.6 \$348,000 in fiscal year 2021 are to be
 422.7 deposited in the emergency medical services
 422.8 system fund and distributed by the Emergency
 422.9 Medical Services Regulatory Board according
 422.10 to Minnesota Statutes, section 144E.50. The
 422.11 base for this appropriation is \$299,000 in fiscal
 422.12 year 2022 and \$299,000 in fiscal year 2023.

422.13 Sec. 6. **COUNCIL ON DISABILITY** \$ 1,014,000 \$ 1,006,000

422.14 Sec. 7. **OMBUDSMAN FOR MENTAL**
 422.15 **HEALTH AND DEVELOPMENTAL**
 422.16 **DISABILITIES** \$ 2,688,000 \$ 2,438,000

422.17 **Department of Psychiatry Monitoring.**
 422.18 \$100,000 in fiscal year 2020 and \$100,000 in
 422.19 fiscal year 2021 are for monitoring the
 422.20 Department of Psychiatry at the University of
 422.21 Minnesota.

422.22 Sec. 8. **OMBUDSPERSONS FOR FAMILIES** \$ 467,000 \$ 467,000

422.23 Sec. 9. **COMMISSIONER OF MANAGEMENT**
 422.24 **AND BUDGET** \$ 498,000 \$ 498,000

422.25 (a) **Transfer.** By June 30, 2019, the
 422.26 commissioner shall transfer \$399,000,000
 422.27 from the general fund to the health care access
 422.28 fund. This is a onetime transfer.

422.29 (b) **Transfer.** By June 30, 2020, the
 422.30 commissioner shall transfer \$168,776,000
 422.31 from the general fund to the health care access
 422.32 fund. This is a onetime transfer.

422.33 (c) **Transfer.** By June 30, 2022, the
 422.34 commissioner shall transfer \$116,049,000

423.1 from the general fund to the health care access
423.2 fund. This is a onetime transfer. This
423.3 paragraph expires July 1, 2022.

423.4 **(d) Proven-Effective Practices Evaluation**

423.5 **Activities.** \$498,000 in fiscal year 2020 and
423.6 \$498,000 in fiscal year 2021 are from the
423.7 general fund for evaluation activities under
423.8 Minnesota Statutes, section 16A.055,
423.9 subdivision 1a.

423.10 Sec. 10. Laws 2017, First Special Session chapter 6, article 18, section 7, is amended to
423.11 read:

423.12 **Sec. 7. OMBUDSMAN FOR MENTAL**
423.13 **HEALTH AND DEVELOPMENTAL**
423.14 **DISABILITIES**

\$ 2,427,000
\$ 2,407,000 \$ 2,177,000

423.15 **Department of Psychiatry Monitoring.**

423.16 \$100,000 in fiscal year 2018 and \$100,000 in
423.17 fiscal year 2019 are for monitoring the
423.18 Department of Psychiatry at the University of
423.19 Minnesota.

423.20 Sec. 11. **TRANSFERS.**

423.21 Subdivision 1. **Forecasted programs.** The commissioner of human services, with the
423.22 approval of the commissioner of management and budget, may transfer unencumbered
423.23 appropriation balances for the biennium ending June 30, 2021, within fiscal years among
423.24 the MFIP, general assistance, medical assistance, MinnesotaCare, MFIP child care assistance
423.25 under Minnesota Statutes, section 119B.05, Minnesota supplemental aid program, housing
423.26 support, the entitlement portion of Northstar Care for Children under Minnesota Statutes,
423.27 chapter 256N, and the entitlement portion of the chemical dependency consolidated treatment
423.28 fund, and between fiscal years of the biennium. The commissioner shall inform the chairs
423.29 and ranking minority members of the senate Health and Human Services Finance Committee
423.30 and the house of representatives Health and Human Services Finance Committee quarterly
423.31 about transfers made under this subdivision.

423.32 Subd. 2. **Administration.** Positions, salary money, and nonsalary administrative money
423.33 may be transferred within the Departments of Health and Human Services only to set up
423.34 and manage operating budgets with the advance approval of the commissioner of management

424.1 and budget. The commissioner shall inform the chairs and ranking minority members of
424.2 the senate Health and Human Services Finance Committee and the house of representatives
424.3 Health and Human Services Finance Committee quarterly about the transfers made under
424.4 this subdivision.

424.5 Sec. 12. **INDIRECT COSTS NOT TO FUND PROGRAMS.**

424.6 The commissioners of health and human services shall not use indirect cost allocations
424.7 to pay for the operational costs of any program for which they are responsible.

424.8 Sec. 13. **EXPIRATION OF UNCODIFIED LANGUAGE.**

424.9 All uncodified language contained in this article expires on June 30, 2021, unless a
424.10 different expiration date is explicit.

424.11 Sec. 14. **EFFECTIVE DATE.**

424.12 This article is effective July 1, 2019, unless a different effective date is specified.

16A.724 HEALTH CARE ACCESS FUND.

Subd. 2. **Transfers.** (a) Notwithstanding section 295.581, to the extent available resources in the health care access fund exceed expenditures in that fund, effective for the biennium beginning July 1, 2007, the commissioner of management and budget shall transfer the excess funds from the health care access fund to the general fund on June 30 of each year, provided that the amount transferred in fiscal year 2016 shall not exceed \$48,000,000, the amount in fiscal year 2017 shall not exceed \$122,000,000, and the amount in any fiscal biennium thereafter shall not exceed \$244,000,000. The purpose of this transfer is to meet the rate increase required under Laws 2003, First Special Session chapter 14, article 13C, section 2, subdivision 6.

(b) For fiscal years 2006 to 2011, MinnesotaCare shall be a forecasted program, and, if necessary, the commissioner shall reduce these transfers from the health care access fund to the general fund to meet annual MinnesotaCare expenditures or, if necessary, transfer sufficient funds from the general fund to the health care access fund to meet annual MinnesotaCare expenditures.

119B.011 DEFINITIONS.

Subdivision 1. **Scope.** For the purposes of this chapter, the following terms have the meanings given.

Subd. 2. **Applicant.** "Child care fund applicants" means all parents, stepparents, legal guardians, or eligible relative caregivers who are members of the family and reside in the household that applies for child care assistance under the child care fund.

Subd. 3. **Application.** "Application" means the submission to a county agency, by or on behalf of a family, of a completed, signed, and dated:

- (1) child care assistance universal application form; or
- (2) child care addendum form in combination with a combined application form for MFIP, DWP, or food support.

Subd. 4. **Child.** "Child" means a person 12 years old or younger, or a person age 13 or 14 who is disabled, as defined in section 125A.02.

Subd. 5. **Child care.** "Child care" means the care of a child by someone other than a parent, stepparent, legal guardian, eligible relative caregiver, or the spouses of any of the foregoing in or outside the child's own home for gain or otherwise, on a regular basis, for any part of a 24-hour day.

Subd. 6. **Child care fund.** "Child care fund" means a program under this chapter providing:

- (1) financial assistance for child care to parents engaged in employment, job search, or education and training leading to employment, or an at-home infant child care subsidy; and
- (2) grants to develop, expand, and improve the access and availability of child care services statewide.

Subd. 7. **Child care services.** "Child care services" means the provision of child care as defined in subdivision 5.

Subd. 8. **Commissioner.** "Commissioner" means the commissioner of human services.

Subd. 9. **County board.** "County board" means the board of county commissioners in each county.

Subd. 10. **Department.** "Department" means the Department of Human Services.

Subd. 10a. **Diversionsary work program.** "Diversionsary work program" means the program established under section 256J.95.

Subd. 11. **Education program.** "Education program" means remedial or basic education or English as a second language instruction, a program leading to a commissioner of education-selected high school equivalency certification or high school diploma, postsecondary programs excluding postbaccalaureate programs, and other education and training needs as documented in an employment plan, as defined in subdivision 12. The employment plan must outline education and training needs of a recipient, meet state requirements for employment plans, meet the requirements of this chapter, and Minnesota Rules, parts 3400.0010 to 3400.0230, and meet the requirements of programs that provide federal reimbursement for child care services.

APPENDIX
Repealed Minnesota Statutes: UEH2414-1

Subd. 12. **Employment plan.** "Employment plan" means employment of recipients financially eligible for child care assistance, or other work activities defined under section 256J.49, approved in an employability development, job search support plan, or employment plan that is developed by the county agency, if it is acting as an employment and training service provider, or by an employment and training service provider certified by the commissioner of employment and economic development or an individual designated by the county to provide employment and training services. The plans and designation of a service provider must meet the requirements of this chapter and chapter 256J or 256K, Minnesota Rules, parts 3400.0010 to 3400.0230, and other programs that provide federal reimbursement for child care services.

Subd. 13. **Family.** "Family" means parents, stepparents, guardians and their spouses, or other eligible relative caregivers and their spouses, and their blood related dependent children and adoptive siblings under the age of 18 years living in the same home including children temporarily absent from the household in settings such as schools, foster care, and residential treatment facilities or parents, stepparents, guardians and their spouses, or other relative caregivers and their spouses temporarily absent from the household in settings such as schools, military service, or rehabilitation programs. An adult family member who is not in an authorized activity under this chapter may be temporarily absent for up to 60 days. When a minor parent or parents and his, her, or their child or children are living with other relatives, and the minor parent or parents apply for a child care subsidy, "family" means only the minor parent or parents and their child or children. An adult age 18 or older who meets this definition of family and is a full-time high school or postsecondary student may be considered a dependent member of the family unit if 50 percent or more of the adult's support is provided by the parents, stepparents, guardians, and their spouses or eligible relative caregivers and their spouses residing in the same household.

Subd. 13a. **Family stabilization services.** "Family stabilization services" means the services under section 256J.575.

Subd. 14. **Human services board.** "Human services board" means a board established under section 402.02, Laws 1974, chapter 293, or Laws 1976, chapter 340.

Subd. 15. **Income.** "Income" means earned income as defined under section 256P.01, subdivision 3, unearned income as defined under section 256P.01, subdivision 8, and public assistance cash benefits, including the Minnesota family investment program, diversionary work program, work benefit, Minnesota supplemental aid, general assistance, refugee cash assistance, at-home infant child care subsidy payments, and child support and maintenance distributed to the family under section 256.741, subdivision 2a. The following are deducted from income: funds used to pay for health insurance premiums for family members, and child or spousal support paid to or on behalf of a person or persons who live outside of the household. Income sources not included in this subdivision and section 256P.06, subdivision 3, are not counted.

Subd. 16. **Legal nonlicensed child care provider.** "Legal nonlicensed child care provider" means: (1) a child care provider who is excluded from licensing requirements under section 245A.03, subdivision 2; or (2) a child care provider authorized to provide care in a child's home under section 119B.09, subdivision 13, provided the provider only cares for related children, children from a single, unrelated family, or both related children and children from a single, unrelated family.

Subd. 17. **MFIP.** "MFIP" means the Minnesota family investment program, the state's TANF program under Public Law 104-193, Title I, and includes the MFIP program under chapter 256J and tribal contracts under section 119B.02, subdivision 2, or 256.01, subdivision 2.

Subd. 18. **Postsecondary educational systems.** "Postsecondary educational systems" means the University of Minnesota Board of Regents and the Board of Trustees of the Minnesota State Colleges and Universities.

Subd. 19. **Provider.** "Provider" means: (1) an individual or child care center or facility, either licensed or unlicensed, providing legal child care services as defined under section 245A.03; or (2) an individual or child care center or facility holding a valid child care license issued by another state or a tribe and providing child care services in the licensing state or in the area under the licensing tribe's jurisdiction. A legally unlicensed family child care provider must be at least 18 years of age, and not a member of the MFIP assistance unit or a member of the family receiving child care assistance to be authorized under this chapter.

Subd. 19a. **Registration.** "Registration" means the process used by a county to determine whether the provider selected by a family applying for or receiving child care assistance to care for that family's children meets the requirements necessary for payment of child care assistance for care provided by that provider.

APPENDIX
Repealed Minnesota Statutes: UEH2414-1

Subd. 19b. **Student parent.** "Student parent" means a person who is:

- (1) under 21 years of age and has a child;
- (2) pursuing a high school diploma or commissioner of education-selected high school equivalency certification;
- (3) residing within a county that has a basic sliding fee waiting list under section 119B.03, subdivision 4; and
- (4) not an MFIP participant.

Subd. 20. **Transition year families.** "Transition year families" means families who have received MFIP assistance, or who were eligible to receive MFIP assistance after choosing to discontinue receipt of the cash portion of MFIP assistance under section 256J.31, subdivision 12, or families who have received DWP assistance under section 256J.95 for at least three of the last six months before losing eligibility for MFIP or DWP. Notwithstanding Minnesota Rules, parts 3400.0040, subpart 10, and 3400.0090, subpart 2, transition year child care may be used to support employment, approved education or training programs, or job search that meets the requirements of section 119B.10. Transition year child care is not available to families who have been disqualified from MFIP or DWP due to fraud.

Subd. 20a. **Transition year extension families.** "Transition year extension families" means families who have completed their transition year of child care assistance under this subdivision and who are eligible for, but on a waiting list for, services under section 119B.03. For purposes of sections 119B.03, subdivision 3, and 119B.05, subdivision 1, clause (2), families participating in extended transition year shall not be considered transition year families. Notwithstanding Minnesota Rules, parts 3400.0040, subpart 10, and 3400.0090, subpart 2, transition year extension child care may be used to support employment, approved education or training programs, or a job search that meets the requirements of section 119B.10 for the length of time necessary for families to be moved from the basic sliding fee waiting list into the basic sliding fee program.

Subd. 21. **Recoupment of overpayments.** "Recoupment of overpayments" means the reduction of child care assistance payments to an eligible family or a child care provider in order to correct an overpayment of child care assistance.

Subd. 22. **Service period.** "Service period" means the biweekly period used by the child care assistance program for billing and payment purposes.

119B.02 DUTIES OF COMMISSIONER.

Subdivision 1. **Child care services.** The commissioner shall develop standards for county and human services boards to provide child care services to enable eligible families to participate in employment, training, or education programs. Within the limits of available appropriations, the commissioner shall distribute money to counties to reduce the costs of child care for eligible families. The commissioner shall adopt rules to govern the program in accordance with this section. The rules must establish a sliding schedule of fees for parents receiving child care services. The rules shall provide that funds received as a lump-sum payment of child support arrearages shall not be counted as income to a family in the month received but shall be prorated over the 12 months following receipt and added to the family income during those months. The commissioner shall maximize the use of federal money under title I and title IV of Public Law 104-193, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, and other programs that provide federal or state reimbursement for child care services for low-income families who are in education, training, job search, or other activities allowed under those programs. Money appropriated under this section must be coordinated with the programs that provide federal reimbursement for child care services to accomplish this purpose. Federal reimbursement obtained must be allocated to the county that spent money for child care that is federally reimbursable under programs that provide federal reimbursement for child care services. The counties shall use the federal money to expand child care services. The commissioner may adopt rules under chapter 14 to implement and coordinate federal program requirements.

Subd. 2. **Contractual agreements with tribes.** The commissioner may enter into contractual agreements with a federally recognized Indian tribe with a reservation in Minnesota to carry out the responsibilities of county human service agencies to the extent necessary for the tribe to operate child care assistance programs under sections 119B.03 and 119B.05. An agreement may allow the state to make payments for child care assistance services provided under section 119B.05. The commissioner shall consult with the affected county or counties in the contractual agreement negotiations, if the county or counties wish to be included, in order to avoid the duplication of

APPENDIX
Repealed Minnesota Statutes: UEH2414-1

county and tribal child care services. Funding to support services under section 119B.03 may be transferred to the federally recognized Indian tribe with a reservation in Minnesota from allocations available to counties in which reservation boundaries lie. When funding is transferred under section 119B.03, the amount shall be commensurate to estimates of the proportion of reservation residents with characteristics identified in section 119B.03, subdivision 6, to the total population of county residents with those same characteristics.

Subd. 3. **Supervision of counties.** The commissioner shall supervise child care programs administered by the counties through standard-setting, technical assistance to the counties, approval of county child care fund plans, and distribution of public money for services. The commissioner shall provide training and other support services to assist counties in planning for and implementing child care assistance programs. The commissioner shall adopt rules under chapter 14 that establish minimum administrative standards for the provision of child care services by county boards of commissioners.

Subd. 4. **Universal application form.** The commissioner must develop and make available to all counties a universal application form for child care assistance under this chapter. The commissioner may develop and make available to all counties a child care addendum form to be used to supplement the combined application form for MFIP, DWP, or Food Support or to supplement other statewide application forms for public assistance programs for families applying for one of these programs in addition to child care assistance. The application must provide notice of eligibility requirements for assistance and penalties for wrongfully obtaining assistance.

Subd. 5. **Program integrity.** For child care assistance programs under this chapter, the commissioner shall enforce the requirements for program integrity and fraud prevention investigations under sections 256.046, 256.98, and 256.983.

Subd. 6. **Data.** Data collected, maintained, used, or disseminated by the welfare system pertaining to persons selected as legal nonlicensed child care providers by families receiving child care assistance shall be treated as licensing data as provided in section 13.46, subdivision 4.

Subd. 7. **Child care market rate survey.** Biennially, the commissioner shall survey prices charged by child care providers in Minnesota to determine the 75th percentile for like-care arrangements in county price clusters.

119B.025 DUTIES OF COUNTIES.

Subdivision 1. **Applications.** (a) The county shall verify the following at all initial child care applications using the universal application:

- (1) identity of adults;
- (2) presence of the minor child in the home, if questionable;
- (3) relationship of minor child to the parent, stepparent, legal guardian, eligible relative caretaker, or the spouses of any of the foregoing;
- (4) age;
- (5) immigration status, if related to eligibility;
- (6) Social Security number, if given;
- (7) counted income;
- (8) spousal support and child support payments made to persons outside the household;
- (9) residence; and
- (10) inconsistent information, if related to eligibility.

(b) The county must mail a notice of approval or denial of assistance to the applicant within 30 calendar days after receiving the application. The county may extend the response time by 15 calendar days if the applicant is informed of the extension.

Subd. 2. **Social Security numbers.** The county must request Social Security numbers from all applicants for child care assistance under this chapter. A county may not deny child care assistance solely on the basis of failure of an applicant to report a Social Security number.

Subd. 3. **Redeterminations.** (a) Notwithstanding Minnesota Rules, part 3400.0180, item A, the county shall conduct a redetermination according to paragraphs (b) and (c).

APPENDIX
Repealed Minnesota Statutes: UEH2414-1

(b) The county shall use the redetermination form developed by the commissioner. The county must verify the factors listed in subdivision 1, paragraph (a), as part of the redetermination.

(c) An applicant's eligibility must be redetermined no more frequently than every 12 months. The following criteria apply:

(1) a family meets the eligibility redetermination requirements if a complete redetermination form and all required verifications are received within 30 days after the date the form was due;

(2) if the 30th day after the date the form was due falls on a Saturday, Sunday, or holiday, the 30-day time period is extended to include the next day that is not a Saturday, Sunday, or holiday. Assistance shall be payable retroactively from the redetermination due date;

(3) for a family where at least one parent is younger than 21 years of age, does not have a high school degree or commissioner of education-selected high school equivalency certification, and is a student in a school district or another similar program that provides or arranges for child care, parenting, social services, career and employment supports, and academic support to achieve high school graduation, the redetermination of eligibility may be deferred beyond 12 months, to the end of the student's school year; and

(4) a family and the family's providers must be notified that the family's redetermination is due at least 45 days before the end of the family's 12-month eligibility period.

Subd. 4. **Changes in eligibility.** (a) The county shall process a change in eligibility factors according to paragraphs (b) to (g).

(b) A family is subject to the reporting requirements in section 256P.07.

(c) If a family reports a change or a change is known to the agency before the family's regularly scheduled redetermination, the county must act on the change. The commissioner shall establish standards for verifying a change.

(d) A change in income occurs on the day the participant received the first payment reflecting the change in income.

(e) During a family's 12-month eligibility period, if the family's income increases and remains at or below 85 percent of the state median income, adjusted for family size, there is no change to the family's eligibility. The county shall not request verification of the change. The co-payment fee shall not increase during the remaining portion of the family's 12-month eligibility period.

(f) During a family's 12-month eligibility period, if the family's income increases and exceeds 85 percent of the state median income, adjusted for family size, the family is not eligible for child care assistance. The family must be given 15 calendar days to provide verification of the change. If the required verification is not returned or confirms ineligibility, the family's eligibility ends following a subsequent 15-day adverse action notice.

(g) Notwithstanding Minnesota Rules, parts 3400.0040, subpart 3, and 3400.0170, subpart 1, if an applicant or participant reports that employment ended, the agency may accept a signed statement from the applicant or participant as verification that employment ended.

119B.03 BASIC SLIDING FEE PROGRAM.

Subdivision 1. **Notice of allocation.** By October 1 of each year, the commissioner shall notify all counties of their final child care fund program allocation.

Subd. 2. **Waiting list.** Each county that receives funds under this section must keep a written record and report to the commissioner the number of eligible families who have applied for a child care subsidy or have requested child care assistance. Counties shall perform a preliminary determination of eligibility when a family requests child care assistance. At a minimum, a county must make a preliminary determination of eligibility based on family size, income, and authorized activity. A family seeking child care assistance must provide the required information to the county. A family that appears to be eligible must be put on a waiting list if funds are not immediately available. The waiting list must identify students in need of child care. Counties must review and update their waiting list at least every six months.

Subd. 3. **Eligible participants.** Families that meet the eligibility requirements under sections 119B.09 and 119B.10, except MFIP participants, diversionary work program, and transition year families are eligible for child care assistance under the basic sliding fee program. Families enrolled in the basic sliding fee program shall be continued until they are no longer eligible. Child care assistance provided through the child care fund is considered assistance to the parent.

APPENDIX
Repealed Minnesota Statutes: UEH2414-1

Subd. 4. **Funding priority.** (a) First priority for child care assistance under the basic sliding fee program must be given to eligible non-MFIP families who do not have a high school diploma or commissioner of education-selected high school equivalency certification or who need remedial and basic skill courses in order to pursue employment or to pursue education leading to employment and who need child care assistance to participate in the education program. This includes student parents as defined under section 119B.011, subdivision 19b. Within this priority, the following subpriorities must be used:

- (1) child care needs of minor parents;
- (2) child care needs of parents under 21 years of age; and
- (3) child care needs of other parents within the priority group described in this paragraph.

(b) Second priority must be given to parents who have completed their MFIP or DWP transition year, or parents who are no longer receiving or eligible for diversionary work program supports.

(c) Third priority must be given to families who are eligible for portable basic sliding fee assistance through the portability pool under subdivision 9.

(d) Fourth priority must be given to families in which at least one parent is a veteran as defined under section 197.447.

(e) Families under paragraph (b) must be added to the basic sliding fee waiting list on the date they begin the transition year under section 119B.011, subdivision 20, and must be moved into the basic sliding fee program as soon as possible after they complete their transition year.

Subd. 5. **Review of use of funds; reallocation.** (a) After each quarter, the commissioner shall review the use of basic sliding fee program allocations by county. The commissioner may reallocate unexpended or unencumbered money among those counties who have expended their full allocation or may allow a county to expend up to ten percent of its allocation in the subsequent allocation period.

(b) Any unexpended state and federal appropriations from the first year of the biennium may be carried forward to the second year of the biennium.

Subd. 6. **Allocation formula.** The basic sliding fee state and federal funds shall be allocated on a calendar year basis. Funds shall be allocated first in amounts equal to each county's guaranteed floor according to subdivision 8, with any remaining available funds allocated according to the following formula:

(a) One-fourth of the funds shall be allocated in proportion to each county's total expenditures for the basic sliding fee child care program reported during the most recent fiscal year completed at the time of the notice of allocation.

(b) Up to one-fourth of the funds shall be allocated in proportion to the number of families participating in the transition year child care program as reported during and averaged over the most recent six months completed at the time of the notice of allocation. Funds in excess of the amount necessary to serve all families in this category shall be allocated according to paragraph (f).

(c) Up to one-fourth of the funds shall be allocated in proportion to the average of each county's most recent six months of reported first, second, and third priority waiting list as defined in subdivision 2 and the reinstatement list of those families whose assistance was terminated with the approval of the commissioner under Minnesota Rules, part 3400.0183, subpart 1. Funds in excess of the amount necessary to serve all families in this category shall be allocated according to paragraph (f).

(d) Up to one-fourth of the funds shall be allocated in proportion to the average of each county's most recent six months of reported waiting list as defined in subdivision 2 and the reinstatement list of those families whose assistance was terminated with the approval of the commissioner under Minnesota Rules, part 3400.0183, subpart 1. Funds in excess of the amount necessary to serve all families in this category shall be allocated according to paragraph (f).

(e) The amount necessary to serve all families in paragraphs (b), (c), and (d) shall be calculated based on the basic sliding fee average cost of care per family in the county with the highest cost in the most recently completed calendar year.

(f) Funds in excess of the amount necessary to serve all families in paragraphs (b), (c), and (d) shall be allocated in proportion to each county's total expenditures for the basic sliding fee child

APPENDIX
Repealed Minnesota Statutes: UEH2414-1

care program reported during the most recent fiscal year completed at the time of the notice of allocation.

Subd. 6a. **Allocation due to increased funding.** When funding increases are implemented within a calendar year, every county must receive an allocation at least equal to its original allocation for the same time period. The remainder of the allocation must be recalculated to reflect the funding increase, according to formulas identified in subdivision 6.

Subd. 6b. **Allocation due to decreased funding.** When funding decreases are implemented within a calendar year, county allocations must be reduced in an amount proportionate to the reduction in the total allocation for the same time period. This applies when a funding decrease necessitates the revision of an existing calendar year allocation.

Subd. 8. **Guaranteed floor.** (a) Beginning January 1, 1996, each county's guaranteed floor shall equal 90 percent of the allocation received in the preceding calendar year. For the period January 1, 1999, to December 31, 1999, each county's guaranteed floor must be equal to its original calendar year 1998 allocation or its actual earnings for calendar year 1998, whichever is less.

(b) When the amount of funds available for allocation is less than the amount available in the previous year, each county's previous year allocation shall be reduced in proportion to the reduction in the statewide funding, for the purpose of establishing the guaranteed floor.

Subd. 9. **Portability pool.** (a) The commissioner shall establish a pool of up to five percent of the annual appropriation for the basic sliding fee program to provide continuous child care assistance for eligible families who move between Minnesota counties. At the end of each allocation period, any unspent funds in the portability pool must be used for assistance under the basic sliding fee program. If expenditures from the portability pool exceed the amount of money available, the reallocation pool must be reduced to cover these shortages.

(b) To be eligible for portable basic sliding fee assistance, a family that has moved from a county in which it was receiving basic sliding fee assistance to a county with a waiting list for the basic sliding fee program must:

(1) meet the income and eligibility guidelines for the basic sliding fee program; and

(2) notify the new county of residence within 60 days of moving and submit information to the new county of residence to verify eligibility for the basic sliding fee program.

(c) The receiving county must:

(1) accept administrative responsibility for applicants for portable basic sliding fee assistance at the end of the two months of assistance under the Unitary Residency Act;

(2) continue basic sliding fee assistance for the lesser of six months or until the family is able to receive assistance under the county's regular basic sliding program; and

(3) notify the commissioner through the quarterly reporting process of any family that meets the criteria of the portable basic sliding fee assistance pool.

Subd. 10. **Application; entry points.** Two or more methods of applying for the basic sliding fee program must be available to applicants in each county. To meet the requirements of this subdivision, a county may provide alternative methods of applying for assistance, including, but not limited to, a mail application, or application sites that are located outside of government offices.

119B.035 AT-HOME INFANT CHILD CARE PROGRAM.

Subdivision 1. **Establishment.** A family in which a parent provides care for the family's infant child may receive a subsidy in lieu of assistance if the family is eligible for or is receiving assistance under the basic sliding fee program. An eligible family must meet the eligibility factors under section 119B.09, except as provided in subdivision 4, and the requirements of this section. Subject to federal match and maintenance of effort requirements for the child care and development fund, and up to available appropriations, the commissioner shall provide assistance under the at-home infant child care program and for administrative costs associated with the program. At the end of a fiscal year, the commissioner may carry forward any unspent funds under this section to the next fiscal year within the same biennium for assistance under the basic sliding fee program.

Subd. 2. **Eligible families.** A family with an infant under the age of one year is eligible for assistance if:

(1) the family is not receiving MFIP, other cash assistance, or other child care assistance;

APPENDIX
Repealed Minnesota Statutes: UEH2414-1

(2) the family has not previously received a lifelong total of 12 months of assistance under this section; and

(3) the family is participating in the basic sliding fee program or provides verification of participating in an authorized activity at the time of application and meets the program requirements.

Subd. 3. **Eligible parent.** A family is eligible for assistance under this section if one parent cares for the family's infant child. The eligible parent must:

(1) be over the age of 18;

(2) care for the infant full time in the infant's home; and

(3) care for any other children in the family who are eligible for child care assistance under this chapter.

For purposes of this section, "parent" means birth parent, adoptive parent, or stepparent.

Subd. 4. **Assistance.** (a) A family is limited to a lifetime total of 12 months of assistance under subdivision 2. The maximum rate of assistance is equal to 68 percent of the rate established under section 119B.13 for care of infants in licensed family child care in the applicant's county of residence.

(b) A participating family must report income and other family changes as specified in sections 256P.06 and 256P.07, and the county's plan under section 119B.08, subdivision 3.

(c) Persons who are admitted to the at-home infant child care program retain their position in any basic sliding fee program. Persons leaving the at-home infant child care program reenter the basic sliding fee program at the position they would have occupied.

(d) Assistance under this section does not establish an employer-employee relationship between any member of the assisted family and the county or state.

Subd. 5. **Implementation.** The commissioner shall implement the at-home infant child care program under this section through counties that administer the basic sliding fee program under section 119B.03. The commissioner must develop and distribute consumer information on the at-home infant child care program to assist parents of infants or expectant parents in making informed child care decisions.

119B.04 FEDERAL CHILD CARE AND DEVELOPMENT FUND.

Subdivision 1. **Commissioner to administer program.** The commissioner is authorized and directed to receive, administer, and expend funds available under the child care and development fund under Public Law 104-193, Title VI.

Subd. 2. **Rulemaking authority.** The commissioner may adopt rules under chapter 14 to administer the child care and development fund.

119B.05 MFIP CHILD CARE ASSISTANCE PROGRAM.

Subdivision 1. **Eligible participants.** Families eligible for child care assistance under the MFIP child care program are:

(1) MFIP participants who are employed or in job search and meet the requirements of section 119B.10;

(2) persons who are members of transition year families under section 119B.011, subdivision 20, and meet the requirements of section 119B.10;

(3) families who are participating in employment orientation or job search, or other employment or training activities that are included in an approved employability development plan under section 256J.95;

(4) MFIP families who are participating in work job search, job support, employment, or training activities as required in their employment plan, or in appeals, hearings, assessments, or orientations according to chapter 256J;

(5) MFIP families who are participating in social services activities under chapter 256J as required in their employment plan approved according to chapter 256J;

(6) families who are participating in services or activities that are included in an approved family stabilization plan under section 256J.575;

APPENDIX
Repealed Minnesota Statutes: UEH2414-1

(7) families who are participating in programs as required in tribal contracts under section 119B.02, subdivision 2, or 256.01, subdivision 2;

(8) families who are participating in the transition year extension under section 119B.011, subdivision 20a;

(9) student parents as defined under section 119B.011, subdivision 19b; and

(10) student parents who turn 21 years of age and who continue to meet the other requirements under section 119B.011, subdivision 19b. A student parent continues to be eligible until the student parent is approved for basic sliding fee child care assistance or until the student parent's redetermination, whichever comes first. At the student parent's redetermination, if the student parent was not approved for basic sliding fee child care assistance, a student parent's eligibility ends following a 15-day adverse action notice.

Subd. 4. **Contracts; other uses allowed.** Counties may contract for administration of the program or may arrange for or contract for child care funds to be used by other appropriate programs, in accordance with this section and as permitted by federal law and regulations.

Subd. 5. **Federal reimbursement.** Counties shall maximize their federal reimbursement under federal reimbursement programs for money spent for persons eligible under this chapter. The commissioner shall allocate any federal earnings to the county to be used to expand child care services under this chapter.

119B.06 FEDERAL CHILD CARE AND DEVELOPMENT BLOCK GRANT.

Subdivision 1. **Commissioner to administer block grant.** The commissioner is authorized and directed to receive, administer, and expend child care funds available under the child care and development block grant authorized under the Child Care and Development Block Grant Act of 2014, Public Law 113-186.

Subd. 2. **Rulemaking authority.** The commissioner may adopt rules under chapter 14 to administer the child care development block grant program.

Subd. 3. **Child care development fund plan development; review.** In an effort to improve state legislative involvement in the development of the Minnesota child care and development fund plan, the commissioner must present a draft copy of the plan to the legislative finance committees that oversee child care assistance funding no less than 30 days prior to the required deadline for submission of the plan to the federal government. The legislature must submit any adjustments to the plan to the commissioner for consideration within ten business days of receiving the draft plan. The commissioner must present a copy of the final plan to the chairs of the legislative finance committees that oversee child care assistance funding no less than four days prior to the deadline for submission of the plan to the federal government.

119B.08 REPORTING AND PAYMENTS.

Subdivision 1. **Reports.** The commissioner shall specify requirements for reports under the authority provided in section 256.01, subdivision 2, paragraph (p).

Subd. 2. **Monthly payments.** The commissioner shall make monthly payments on a reimbursement basis for expenditures reported outside of the electronic system used to administer child care assistance. Payments may be withheld if monthly reports are incomplete or untimely.

Subd. 3. **Child care fund plan.** The county and designated administering agency shall submit a biennial child care fund plan to the commissioner. The commissioner shall establish the dates by which the county must submit the plans. The plan shall include:

(1) a description of strategies to coordinate and maximize public and private community resources, including school districts, health care facilities, government agencies, neighborhood organizations, and other resources knowledgeable in early childhood development, in particular to coordinate child care assistance with existing community-based programs and service providers including child care resource and referral programs, early childhood family education, school readiness, Head Start, local interagency early intervention committees, special education services, early childhood screening, and other early childhood care and education services and programs to the extent possible, to foster collaboration among agencies and other community-based programs that provide flexible, family-focused services to families with young children and to facilitate transition into kindergarten. The county must describe a method by which to share information, responsibility, and accountability among service and program providers;

APPENDIX
Repealed Minnesota Statutes: UEH2414-1

(2) a description of procedures and methods to be used to make copies of the proposed state plan reasonably available to the public, including members of the public particularly interested in child care policies such as parents, child care providers, culturally specific service organizations, child care resource and referral programs, interagency early intervention committees, potential collaborative partners and agencies involved in the provision of care and education to young children, and allowing sufficient time for public review and comment; and

(3) information as requested by the department to ensure compliance with the child care fund statutes and rules promulgated by the commissioner.

The commissioner shall notify counties within 90 days of the date the plan is submitted whether the plan is approved or the corrections or information needed to approve the plan. The commissioner shall withhold a county's allocation until it has an approved plan. Plans not approved by the end of the second quarter after the plan is due may result in a 25 percent reduction in allocation. Plans not approved by the end of the third quarter after the plan is due may result in a 100 percent reduction in the allocation to the county. Counties are to maintain services despite any reduction in their allocation due to plans not being approved.

119B.09 FINANCIAL ELIGIBILITY.

Subdivision 1. **General eligibility requirements.** (a) Child care services must be available to families who need child care to find or keep employment or to obtain the training or education necessary to find employment and who:

(1) have household income less than or equal to 67 percent of the state median income, adjusted for family size, at application and redetermination, and meet the requirements of section 119B.05; receive MFIP assistance; and are participating in employment and training services under chapter 256J; or

(2) have household income less than or equal to 47 percent of the state median income, adjusted for family size, at application and less than or equal to 67 percent of the state median income, adjusted for family size, at redetermination.

(b) Child care services must be made available as in-kind services.

(c) All applicants for child care assistance and families currently receiving child care assistance must be assisted and required to cooperate in establishment of paternity and enforcement of child support obligations for all children in the family at application and redetermination as a condition of program eligibility. For purposes of this section, a family is considered to meet the requirement for cooperation when the family complies with the requirements of section 256.741.

(d) All applicants for child care assistance and families currently receiving child care assistance must pay the co-payment fee under section 119B.12, subdivision 2, as a condition of eligibility. The co-payment fee may include additional recoupment fees due to a child care assistance program overpayment.

Subd. 3. **Priorities; allocations.** If a county projects that its child care allocation is insufficient to meet the needs of all eligible families, it may prioritize among the families that remain to be served after the county has complied with the priority requirements of section 119B.03. Counties that have established a priority for families who are not MFIP participants beyond those established under section 119B.03 must submit the policy in the annual child care fund plan.

Subd. 4. **Eligibility; annual income; calculation.** (a) Annual income of the applicant family is the current monthly income of the family multiplied by 12 or the income for the 12-month period immediately preceding the date of application, or income calculated by the method which provides the most accurate assessment of income available to the family.

(b) Self-employment income must be calculated based on gross receipts less operating expenses.

(c) Income changes are processed under section 119B.025, subdivision 4. Included lump sums counted as income under section 256P.06, subdivision 3, must be annualized over 12 months. Income must be verified with documentary evidence. If the applicant does not have sufficient evidence of income, verification must be obtained from the source of the income.

Subd. 4a. **Temporary ineligibility of military personnel.** Counties must reserve a family's position under the child care assistance fund if a family has been receiving child care assistance but is temporarily ineligible for assistance due to increased income from active military service. Activated military personnel may be temporarily ineligible until deactivation. A county must reserve a military family's position on the basic sliding fee waiting list under the child care assistance fund

APPENDIX
Repealed Minnesota Statutes: UEH2414-1

if a family is approved to receive child care assistance and reaches the top of the waiting list but is temporarily ineligible for assistance.

Subd. 5. **Provider choice.** Parents may choose child care providers as defined under section 119B.011, subdivision 19, that best meet the needs of their family. Counties shall make resources available to parents in choosing quality child care services. Counties may require a parent to sign a release stating their knowledge and responsibilities in choosing a legal provider described under section 119B.011, subdivision 19. When a county knows that a particular provider is unsafe, or that the circumstances of the child care arrangement chosen by the parent are unsafe, the county may deny a child care subsidy. A county may not restrict access to a general category of provider allowed under section 119B.011, subdivision 19.

Subd. 6. **Maximum child care assistance.** The maximum amount of child care assistance a local agency may pay for in a two-week period is 120 hours per child.

Subd. 7. **Date of eligibility for assistance.** (a) The date of eligibility for child care assistance under this chapter is the later of the date the application was received by the county; the beginning date of employment, education, or training; the date the infant is born for applicants to the at-home infant care program; or the date a determination has been made that the applicant is a participant in employment and training services under Minnesota Rules, part 3400.0080, or chapter 256J.

(b) Payment ceases for a family under the at-home infant child care program when a family has used a total of 12 months of assistance as specified under section 119B.035. Payment of child care assistance for employed persons on MFIP is effective the date of employment or the date of MFIP eligibility, whichever is later. Payment of child care assistance for MFIP or DWP participants in employment and training services is effective the date of commencement of the services or the date of MFIP or DWP eligibility, whichever is later. Payment of child care assistance for transition year child care must be made retroactive to the date of eligibility for transition year child care.

(c) Notwithstanding paragraph (b), payment of child care assistance for participants eligible under section 119B.05 may only be made retroactive for a maximum of six months from the date of application for child care assistance.

Subd. 8. **No employee-employer relationships.** Receipt of federal, state, or local funds by a child care provider either directly or through a parent who is a child care assistance recipient does not establish an employee-employer relationship between the child care provider and the county or state.

Subd. 9. **Licensed and legal nonlicensed family child care providers; assistance.** This subdivision applies to any provider providing care in a setting other than a child care center. Licensed and legal nonlicensed family child care providers and their employees are not eligible to receive child care assistance subsidies under this chapter for their own children or children in their family during the hours they are providing child care or being paid to provide child care. Child care providers and their employees are eligible to receive child care assistance subsidies for their children when they are engaged in other activities that meet the requirements of this chapter and for which child care assistance can be paid. The hours for which the provider or their employee receives a child care subsidy for their own children must not overlap with the hours the provider provides child care services.

Subd. 9a. **Child care centers; assistance.** (a) A child care center may receive authorizations for 25 or fewer children who are dependents of the center's employees. If a child care center is authorized for more than 25 children who are dependents of center employees, the county cannot authorize additional dependents of an employee until the number of children falls below 25.

(b) Funds paid to providers during the period of time when a center is authorized for more than 25 children who are dependents of center employees must not be treated as overpayments under section 119B.11, subdivision 2a, due to noncompliance with this subdivision.

(c) Nothing in this subdivision precludes the commissioner from conducting fraud investigations relating to child care assistance, imposing sanctions, and obtaining monetary recovery as otherwise provided by law.

Subd. 10. **Payment of funds.** All federal, state, and local child care funds must be paid directly to the parent when a provider cares for children in the children's own home. In all other cases, all federal, state, and local child care funds must be paid directly to the child care provider, either licensed or legal nonlicensed, on behalf of the eligible family. Funds distributed under this chapter must not be used for child care services that are provided for a child by a child care provider who resides in the same household or occupies the same residence as the child.

APPENDIX
Repealed Minnesota Statutes: UEH2414-1

Subd. 11. **Payment of other child care expenses.** Payment by a source other than the family, of part or all of a family's child care expenses not payable under this chapter, does not affect the family's eligibility for child care assistance, and the amount paid is excluded from the family's income, if the funds are paid directly to the family's child care provider on behalf of the family. Child care providers who accept third-party payments must maintain family-specific documentation of payment source, amount, type of expenses, and time period covered by the payment.

Subd. 12. **Sliding fee.** Child care services to families must be made available on a sliding fee basis. The commissioner shall convert eligibility requirements in this section and parent fee schedules in section 119B.12 to state median income, based on a family size of three, adjusted for family size, by July 1, 2008. The commissioner shall report to the 2008 legislature with the necessary statutory changes to codify this conversion to state median income.

Subd. 13. **Child care in the child's home.** (a) Child care assistance must only be authorized in the child's home if:

(1) the child's parents have authorized activities outside of the home; or

(2) one parent in a two-parent family is in an authorized activity outside of the home and one parent is unable to care for the child and meets the requirements in Minnesota Rules, part 3400.0040, subpart 5.

(b) In order for child care assistance to be authorized under paragraph (a), clause (1) or (2), one or more of the following circumstances must be met:

(1) the authorized activity occurs during times when out-of-home care is not available or when out-of-home care would result in disruption of the child's nighttime sleep schedule. If child care is needed during any period when out-of-home care is not available, in-home care can be approved for the entire time care is needed;

(2) the family lives in an area where out-of-home care is not available; or

(3) a child has a verified illness or disability that would place the child or other children in an out-of-home facility at risk or creates a hardship for the child and the family to take the child out of the home to a child care home or center.

119B.095 CHILD CARE AUTHORIZATIONS.

Subdivision 1. **General authorization requirements.** (a) When authorizing the amount of child care, the county agency must consider the amount of time the parent reports on the application or redetermination form that the child attends preschool, a Head Start program, or school while the parent is participating in an authorized activity.

(b) Care must be authorized and scheduled with a provider based on the applicant's or participant's verified activity schedule when:

(1) the family requests care from more than one provider per child;

(2) the family requests care from a legal nonlicensed provider; or

(3) an applicant or participant is employed by any child care center that is licensed by the Department of Human Services or has been identified as a high-risk Medicaid-enrolled provider.

(c) If the family remains eligible at redetermination, a new authorization with fewer hours, the same hours, or increased hours may be determined.

Subd. 2. **Maintain steady child care authorizations.** (a) Notwithstanding Minnesota Rules, chapter 3400, the amount of child care authorized under section 119B.10 for employment, education, or an MFIP or DWP employment plan shall continue at the same number of hours or more hours until redetermination, including:

(1) when the other parent moves in and is employed or has an education plan under section 119B.10, subdivision 3, or has an MFIP or DWP employment plan; or

(2) when the participant's work hours are reduced or a participant temporarily stops working or attending an approved education program. Temporary changes include, but are not limited to, a medical leave, seasonal employment fluctuations, or a school break between semesters.

(b) The county may increase the amount of child care authorized at any time if the participant verifies the need for increased hours for authorized activities.

APPENDIX
Repealed Minnesota Statutes: UEH2414-1

(c) The county may reduce the amount of child care authorized if a parent requests a reduction or because of a change in:

- (1) the child's school schedule;
- (2) the custody schedule; or
- (3) the provider's availability.

(d) The amount of child care authorized for a family subject to subdivision 1, paragraph (b), must change when the participant's activity schedule changes. Paragraph (a) does not apply to a family subject to subdivision 1, paragraph (b).

119B.097 AUTHORIZATION WITH A SECONDARY PROVIDER.

(a) If a child uses any combination of the following providers paid by child care assistance, a parent must choose one primary provider and one secondary provider per child that can be paid by child care assistance:

- (1) an individual or child care center licensed under chapter 245A;
- (2) an individual or child care center or facility holding a valid child care license issued by another state or tribe; or
- (3) a child care center exempt from licensing under section 245A.03.

(b) The amount of child care authorized with the secondary provider cannot exceed 20 hours per two-week service period, per child, and the amount of care paid to a child's secondary provider is limited under section 119B.13, subdivision 1. The total amount of child care authorized with both the primary and secondary provider cannot exceed the amount of child care allowed based on the parents' eligible activity schedule, the child's school schedule, and any other factors relevant to the family's child care needs.

119B.10 EMPLOYMENT, EDUCATION, OR TRAINING ELIGIBILITY.

Subdivision 1. **Assistance for persons seeking and retaining employment.** (a) Persons who are seeking employment and who are eligible for assistance under this section are eligible to receive up to 240 hours of child care assistance per calendar year.

(b) At application and redetermination, employed persons who work at least an average of 20 hours and full-time students who work at least an average of ten hours a week and receive at least a minimum wage for all hours worked are eligible for child care assistance for employment. For purposes of this section, work-study programs must be counted as employment. An employed person with an MFIP or DWP employment plan shall receive child care assistance as specified in the person's employment plan. Child care assistance during employment must be authorized as provided in paragraphs (c) and (d).

(c) When the person works for an hourly wage and the hourly wage is equal to or greater than the applicable minimum wage, child care assistance shall be provided for the hours of employment, break, and mealtime during the employment and travel time up to two hours per day.

(d) When the person does not work for an hourly wage, child care assistance must be provided for the lesser of:

- (1) the amount of child care determined by dividing gross earned income by the applicable minimum wage, up to one hour every eight hours for meals and break time, plus up to two hours per day for travel time; or
- (2) the amount of child care equal to the actual amount of child care used during employment, including break and mealtime during employment, and travel time up to two hours per day.

Subd. 2. **Financial eligibility required.** Persons participating in employment programs, training programs, or education programs are eligible for continued assistance from the child care fund, if they are financially eligible under the sliding fee scale set by the commissioner in section 119B.12.

Subd. 3. **Assistance for persons attending an approved education or training program.** (a) Money for an eligible person according to sections 119B.03, subdivision 3, and 119B.05, subdivision 1, shall be used to reduce child care costs for a student. The county shall not limit the duration of child care subsidies for a person in an employment or educational program unless the person is ineligible for child care funds. Any other limitation must be based on county policies included in the approved child care fund plan.

APPENDIX
Repealed Minnesota Statutes: UEH2414-1

(b) To be eligible, the student must be in good standing and be making satisfactory progress toward the degree. The maximum length of time a student is eligible for child care assistance under the child care fund for education and training is no more than the time necessary to complete the credit requirements for an associate's or baccalaureate degree as determined by the educational institution. Time limitations for child care assistance do not apply to basic or remedial educational programs needed for postsecondary education or employment. Basic or remedial educational programs include high school, commissioner of education-selected high school equivalency, and English as a second language programs. A program exempt from this time limit must not run concurrently with a postsecondary program.

(c) If a student meets the conditions of paragraphs (a) and (b), child care assistance must be authorized for all hours of class time and credit hours, including independent study and internships, and up to two hours of travel time per day. A postsecondary student shall receive four hours of child care assistance per credit hour for study time and academic appointments per service period.

(d) For an MFIP or DWP participant, child care assistance must be authorized according to the person's approved employment plan. If an MFIP or DWP participant receiving MFIP or DWP child care assistance under this chapter moves to another county, continues to participate in an authorized educational or training program, and remains eligible for MFIP or DWP child care assistance, the participant must receive continued child care assistance from the county responsible for the person's current employment plan under section 256G.07.

(e) If a person with an approved education program under section 119B.03, subdivision 3, or 119B.05, subdivision 1, begins receiving MFIP or DWP assistance, the person continues to receive child care assistance for the approved education program until the person's education is included in an approved MFIP or DWP employment plan or until redetermination, whichever occurs first.

(f) If a person's MFIP or DWP assistance ends and the approved MFIP or DWP employment plan included education, the person continues to be eligible for child care assistance for education under transition year child care assistance until the person's education is included in an approved education plan or until redetermination.

119B.105 EXTENDED ELIGIBILITY AND AUTHORIZATION.

Subdivision 1. **Three-month extended eligibility period.** (a) A family in a situation under paragraph (b) continues to be eligible for up to three months or until the family's redetermination, whichever occurs first, rather than losing eligibility or having the family's eligibility suspended. During extended eligibility, the amount of child care authorized shall continue at the same number or more hours. The family must continue to meet all other eligibility requirements under this chapter.

(b) The family's three-month extended eligibility period applies when:

(1) a participant's employment or education program ends permanently;

(2) the other parent moves in and does not participate in an authorized activity;

(3) a participant's MFIP assistance ends and the participant is not participating in an authorized activity or the participant's participation in an authorized activity is unknown;

(4) a student parent under section 119B.011, subdivision 19b, stops attending school; or

(5) a participant receiving basic sliding fee child care assistance or transition year child care assistance applied for MFIP assistance and is not participating in an authorized activity or the participant's participation in an authorized activity is unknown.

Subd. 2. **Extended eligibility and redetermination.** (a) If the family received three months of extended eligibility and redetermination is not due, to continue receiving child care assistance the participant must be employed or have an education plan that meets the requirements of section 119B.10, subdivision 3, or have an MFIP or DWP employment plan. If child care assistance continues, the amount of child care authorized shall continue at the same number or more hours until redetermination, unless a condition in section 119B.095, subdivision 2, paragraph (c), applies. A family subject to section 119B.095, subdivision 1, paragraph (b), shall have child care authorized based on a verified activity schedule.

(b) If the family's redetermination occurs before the end of the three-month extended eligibility period to continue receiving child care assistance, the participant must verify that the participant meets eligibility and activity requirements for child care assistance under this chapter. If child care assistance continues, the amount of child care authorized is based on section 119B.10. A family

subject to section 119B.095, subdivision 1, paragraph (b), shall have child care authorized based on a verified activity schedule.

119B.11 COUNTY CONTRIBUTION.

Subdivision 1. **County contributions required.** (a) In addition to payments from basic sliding fee child care program participants, each county shall contribute from county tax or other sources a fixed local match equal to its calendar year 1996 required county contribution reduced by the administrative funding loss that would have occurred in state fiscal year 1996 under section 119B.15. The commissioner shall recover funds from the county as necessary to bring county expenditures into compliance with this subdivision. The commissioner may accept county contributions, including contributions above the fixed local match, in order to make state payments.

(b) The commissioner may accept payments from counties to:

(1) fulfill the county contribution as required under subdivision 1;

(2) pay for services authorized under this chapter beyond those paid for with federal or state funds or with the required county contributions; or

(3) pay for child care services in addition to those authorized under this chapter, as authorized under other federal, state, or local statutes or regulations.

(c) The county payments must be deposited in an account in the special revenue fund. Money in this account is appropriated to the commissioner for child care assistance under this chapter and other applicable statutes and regulations and is in addition to other state and federal appropriations.

Subd. 2a. **Recovery of overpayments.** (a) An amount of child care assistance paid to a recipient in excess of the payment due is recoverable by the county agency under paragraphs (b) and (c), even when the overpayment was caused by agency error or circumstances outside the responsibility and control of the family or provider.

(b) An overpayment must be recouped or recovered from the family if the overpayment benefited the family by causing the family to pay less for child care expenses than the family otherwise would have been required to pay under child care assistance program requirements. If the family remains eligible for child care assistance, the overpayment must be recovered through recoupment as identified in Minnesota Rules, part 3400.0187, except that the overpayments must be calculated and collected on a service period basis. If the family no longer remains eligible for child care assistance, the county may choose to initiate efforts to recover overpayments from the family for overpayment less than \$50. If the overpayment is greater than or equal to \$50, the county shall seek voluntary repayment of the overpayment from the family. If the county is unable to recoup the overpayment through voluntary repayment, the county shall initiate civil court proceedings to recover the overpayment unless the county's costs to recover the overpayment will exceed the amount of the overpayment. A family with an outstanding debt under this subdivision is not eligible for child care assistance until: (1) the debt is paid in full; or (2) satisfactory arrangements are made with the county to retire the debt consistent with the requirements of this chapter and Minnesota Rules, chapter 3400, and the family is in compliance with the arrangements.

(c) The county must recover an overpayment from a provider if the overpayment did not benefit the family by causing it to receive more child care assistance or to pay less for child care expenses than the family otherwise would have been eligible to receive or required to pay under child care assistance program requirements, and benefited the provider by causing the provider to receive more child care assistance than otherwise would have been paid on the family's behalf under child care assistance program requirements. If the provider continues to care for children receiving child care assistance, the overpayment must be recovered through reductions in child care assistance payments for services as described in an agreement with the county. The provider may not charge families using that provider more to cover the cost of recouping the overpayment. If the provider no longer cares for children receiving child care assistance, the county may choose to initiate efforts to recover overpayments of less than \$50 from the provider. If the overpayment is greater than or equal to \$50, the county shall seek voluntary repayment of the overpayment from the provider. If the county is unable to recoup the overpayment through voluntary repayment, the county shall initiate civil court proceedings to recover the overpayment unless the county's costs to recover the overpayment will exceed the amount of the overpayment. A provider with an outstanding debt under this subdivision is not eligible to care for children receiving child care assistance until:

(1) the debt is paid in full; or

APPENDIX
Repealed Minnesota Statutes: UEH2414-1

(2) satisfactory arrangements are made with the county to retire the debt consistent with the requirements of this chapter and Minnesota Rules, chapter 3400, and the provider is in compliance with the arrangements.

(d) When both the family and the provider acted together to intentionally cause the overpayment, both the family and the provider are jointly liable for the overpayment regardless of who benefited from the overpayment. The county must recover the overpayment as provided in paragraphs (b) and (c). When the family or the provider is in compliance with a repayment agreement, the party in compliance is eligible to receive child care assistance or to care for children receiving child care assistance despite the other party's noncompliance with repayment arrangements.

Subd. 3. Federal money; state recovery. The commissioner shall recover from counties any state or federal money that was spent for persons found to be ineligible, except if the recovery is made by a county agency using any method other than recoupment, the county may keep 25 percent of the recovery. If a federal audit exception is taken based on a percentage of federal earnings, all counties shall pay a share proportional to their respective federal earnings during the period in question.

Subd. 4. Maintenance of funding effort. To receive money through this program, each county shall certify, in its annual plan to the commissioner, that the county has not reduced allocations from other federal and state sources, which, in the absence of the child care fund, would have been available for child care assistance. However, the county must continue contributions, as necessary, to maintain on the basic sliding fee program, families who are receiving assistance on July 1, 1995, until the family loses eligibility for the program or until a family voluntarily withdraws from the program. This subdivision does not affect the local match required for this program under other sections of the law.

119B.12 SLIDING FEE SCALE.

Subdivision 1. **Fee schedule.** All changes to parent fees must be implemented on the first Monday of the service period following the effective date of the change.

PARENT FEE SCHEDULE. The parent fee schedule is as follows, except as noted in subdivision 2:

Income Range (as a percent of the state median income, except at the start of the first tier)	Co-payment (as a percentage of adjusted gross income)
0-74.99% of federal poverty guidelines	\$0/biweekly
75.00-99.99% of federal poverty guidelines	\$2/biweekly
100.00% of federal poverty guidelines-27.72%	2.61%
27.73-29.04%	2.61%
29.05-30.36%	2.61%
30.37-31.68%	2.61%
31.69-33.00%	2.91%
33.01-34.32%	2.91%
34.33-35.65%	2.91%
35.66-36.96%	2.91%
36.97-38.29%	3.21%
38.30-39.61%	3.21%
39.62-40.93%	3.21%
40.94-42.25%	3.84%
42.26-43.57%	3.84%
43.58-44.89%	4.46%
44.90-46.21%	4.76%

APPENDIX
Repealed Minnesota Statutes: UEH2414-1

46.22-47.53%	5.05%
47.54-48.85%	5.65%
48.86-50.17%	5.95%
50.18-51.49%	6.24%
51.50-52.81%	6.84%
52.82-54.13%	7.58%
54.14-55.45%	8.33%
55.46-56.77%	9.20%
56.78-58.09%	10.07%
58.10-59.41%	10.94%
59.42-60.73%	11.55%
60.74-62.06%	12.16%
62.07-63.38%	12.77%
63.39-64.70%	13.38%
64.71-67.00%	14.00%
Greater than 67.00%	ineligible

A family's biweekly co-payment fee is the fixed percentage established for the income range multiplied by the highest possible income within that income range.

Subd. 2. **Parent fee.** A family must be assessed a parent fee for each service period. A family's parent fee must be a fixed percentage of its annual gross income. Parent fees must apply to families eligible for child care assistance under sections 119B.03 and 119B.05. Income must be as defined in section 119B.011, subdivision 15. The fixed percentage is based on the relationship of the family's annual gross income to 100 percent of the annual state median income. Parent fees must begin at 75 percent of the poverty level. The minimum parent fees for families between 75 percent and 100 percent of poverty level must be \$2 per biweekly period. Parent fees must provide for graduated movement to full payment. At initial application, the parent fee is established for the family's 12-month eligibility period. At redetermination, if the family remains eligible, the parent fee is recalculated and is established for the next 12-month eligibility period. A parent fee shall not increase during the 12-month eligibility period. Payment of part or all of a family's parent fee directly to the family's child care provider on behalf of the family by a source other than the family shall not affect the family's eligibility for child care assistance, and the amount paid shall be excluded from the family's income. Child care providers who accept third-party payments must maintain family specific documentation of payment source, amount, and time period covered by the payment.

119B.125 PROVIDER REQUIREMENTS.

Subdivision 1. **Authorization.** Except as provided in subdivision 5, a county or the commissioner must authorize the provider chosen by an applicant or a participant before the county can authorize payment for care provided by that provider. The commissioner must establish the requirements necessary for authorization of providers. A provider must be reauthorized every two years. A legal, nonlicensed family child care provider also must be reauthorized when another person over the age of 13 joins the household, a current household member turns 13, or there is reason to believe that a household member has a factor that prevents authorization. The provider is required to report all family changes that would require reauthorization. When a provider has been authorized for payment for providing care for families in more than one county, the county responsible for reauthorization of that provider is the county of the family with a current authorization for that provider and who has used the provider for the longest length of time.

Subd. 1a. **Background study required.** This subdivision only applies to legal, nonlicensed family child care providers. Prior to authorization, and as part of each reauthorization required in subdivision 1, the county shall perform a background study on every member of the provider's household who is age 13 and older. The county shall also perform a background study on an individual who has reached age ten but is not yet age 13 and is living in the household where the

APPENDIX
Repealed Minnesota Statutes: UEH2414-1

nonlicensed child care will be provided when the county has reasonable cause as defined under section 245C.02, subdivision 15.

Subd. 1b. **Training required.** (a) Effective November 1, 2011, prior to initial authorization as required in subdivision 1, a legal nonlicensed family child care provider must complete first aid and CPR training and provide the verification of first aid and CPR training to the county. The training documentation must have valid effective dates as of the date the registration request is submitted to the county. The training must have been provided by an individual approved to provide first aid and CPR instruction and have included CPR techniques for infants and children.

(b) Legal nonlicensed family child care providers with an authorization effective before November 1, 2011, must be notified of the requirements before October 1, 2011, or at authorization, and must meet the requirements upon renewal of an authorization that occurs on or after January 1, 2012.

(c) Upon each reauthorization after the authorization period when the initial first aid and CPR training requirements are met, a legal nonlicensed family child care provider must provide verification of at least eight hours of additional training listed in the Minnesota Center for Professional Development Registry.

(d) This subdivision only applies to legal nonlicensed family child care providers.

Subd. 2. **Persons who cannot be authorized.** (a) The provider seeking authorization under this section shall collect the information required under section 245C.05, subdivision 1, and forward the information to the county agency. The background study must include a review of the information required under section 245C.08, subdivisions 2, 3, and 4, paragraph (b). A nonlicensed family child care provider is not authorized under this section if any household member who is the subject of a background study is determined to have a disqualifying characteristic under paragraphs (b) to (e) or under section 245C.14 or 245C.15. If a county has determined that a provider is able to be authorized in that county, and a family in another county later selects that provider, the provider is able to be authorized in the second county without undergoing a new background investigation unless one of the following conditions exists:

- (1) two years have passed since the first authorization;
- (2) another person age 13 or older has joined the provider's household since the last authorization;
- (3) a current household member has turned 13 since the last authorization; or
- (4) there is reason to believe that a household member has a factor that prevents authorization.

(b) The person has refused to give written consent for disclosure of criminal history records.

(c) The person has been denied a family child care license or has received a fine or a sanction as a licensed child care provider that has not been reversed on appeal.

(d) The person has a family child care licensing disqualification that has not been set aside.

(e) The person has admitted or a county has found that there is a preponderance of evidence that fraudulent information was given to the county for child care assistance application purposes or was used in submitting child care assistance bills for payment.

Subd. 3. **Authorization exception.** When a county denies a person authorization as a legal nonlicensed family child care provider under subdivision 2, the county later may authorize that person as a provider if the following conditions are met:

(1) after receiving notice of the denial of the authorization, the person applies for and obtains a valid child care license issued under chapter 245A, issued by a tribe, or issued by another state;

(2) the person maintains the valid child care license; and

(3) the person is providing child care in the state of licensure or in the area under the jurisdiction of the licensing tribe.

Subd. 4. **Unsafe care.** A county may deny authorization as a child care provider to any applicant or rescind authorization of any provider when the county knows or has reason to believe that the provider is unsafe or that the circumstances of the chosen child care arrangement are unsafe. The county must include the conditions under which a provider or care arrangement will be determined to be unsafe in the county's child care fund plan under section 119B.08, subdivision 3.

APPENDIX
Repealed Minnesota Statutes: UEH2414-1

Subd. 5. **Provisional payment.** After a county receives a completed application from a provider, the county may issue provisional authorization and payment to the provider during the time needed to determine whether to give final authorization to the provider.

Subd. 6. **Record-keeping requirement.** All providers receiving child care assistance payments must keep daily attendance records at the site where services are delivered for children receiving child care assistance and must make those records available immediately to the county or the commissioner upon request. The attendance records must be completed daily and include the date, the first and last name of each child in attendance, and the times when each child is dropped off and picked up. To the extent possible, the times that the child was dropped off to and picked up from the child care provider must be entered by the person dropping off or picking up the child. The daily attendance records must be retained at the site where services are delivered for six years after the date of service. A county or the commissioner may deny authorization as a child care provider to any applicant, rescind authorization of any provider, or establish an overpayment claim in the system against a current or former provider, when the county or the commissioner knows or has reason to believe that the provider has not complied with the record-keeping requirement in this subdivision. A provider's failure to produce attendance records as requested on more than one occasion constitutes grounds for disqualification as a provider.

Subd. 7. **Failure to comply with attendance record requirements.** (a) In establishing an overpayment claim for failure to provide attendance records in compliance with subdivision 6, the county or commissioner is limited to the six years prior to the date the county or the commissioner requested the attendance records.

(b) The commissioner may periodically audit child care providers to determine compliance with subdivision 6.

(c) When the commissioner or county establishes an overpayment claim against a current or former provider, the commissioner or county must provide notice of the claim to the provider. A notice of overpayment claim must specify the reason for the overpayment, the authority for making the overpayment claim, the time period in which the overpayment occurred, the amount of the overpayment, and the provider's right to appeal.

(d) The commissioner or county shall seek to recoup or recover overpayments paid to a current or former provider.

(e) When a provider has been disqualified or convicted of fraud under section 256.98, theft under section 609.52, or a federal crime relating to theft of state funds or fraudulent billing for a program administered by the commissioner or a county, recoupment or recovery must be sought regardless of the amount of overpayment.

Subd. 8. **Overpayment claim for failure to comply with access to records requirement.** (a) In establishing an overpayment claim under subdivision 6 for failure to provide access to attendance records, the county or commissioner is limited to the six years prior to the date the county or the commissioner requested the attendance records.

(b) When the commissioner or county establishes an overpayment claim against a current or former provider, the commissioner or county must provide notice of the claim to the provider. A notice of overpayment claim must specify the reason for the overpayment, the authority for making the overpayment claim, the time period in which the overpayment occurred, the amount of the overpayment, and the provider's right to appeal.

(c) The commissioner or county may seek to recover overpayments paid to a current or former provider. When a provider has been convicted of fraud under section 256.98, theft under section 609.52, or a federal crime relating to theft of state funds or fraudulent billing for a program administered by the commissioner or a county, recovery may be sought regardless of the amount of overpayment.

Subd. 9. **Reporting required for child's part-time attendance.** A provider must report to the county and report on the billing form as required when a child's attendance in child care falls to less than half of the child's authorized hours or days for a four-week period. If requested by the county or the commissioner, the provider must provide additional information to the county or commissioner on the attendance of specific children.

119B.13 CHILD CARE RATES.

Subdivision 1. **Subsidy restrictions.** (a) Beginning February 3, 2014, the maximum rate paid for child care assistance in any county or county price cluster under the child care fund shall be the

APPENDIX
Repealed Minnesota Statutes: UEH2414-1

greater of the 25th percentile of the 2011 child care provider rate survey or the maximum rate effective November 28, 2011. For a child care provider located within the boundaries of a city located in two or more of the counties of Benton, Sherburne, and Stearns, the maximum rate paid for child care assistance shall be equal to the maximum rate paid in the county with the highest maximum reimbursement rates or the provider's charge, whichever is less. The commissioner may: (1) assign a county with no reported provider prices to a similar price cluster; and (2) consider county level access when determining final price clusters.

(b) A rate which includes a special needs rate paid under subdivision 3 may be in excess of the maximum rate allowed under this subdivision.

(c) The department shall monitor the effect of this paragraph on provider rates. The county shall pay the provider's full charges for every child in care up to the maximum established. The commissioner shall determine the maximum rate for each type of care on an hourly, full-day, and weekly basis, including special needs and disability care.

(d) If a child uses one provider, the maximum payment for one day of care must not exceed the daily rate. The maximum payment for one week of care must not exceed the weekly rate.

(e) If a child uses two providers under section 119B.097, the maximum payment must not exceed:

- (1) the daily rate for one day of care;
- (2) the weekly rate for one week of care by the child's primary provider; and
- (3) two daily rates during two weeks of care by a child's secondary provider.

(f) Child care providers receiving reimbursement under this chapter must not be paid activity fees or an additional amount above the maximum rates for care provided during nonstandard hours for families receiving assistance.

(g) If the provider charge is greater than the maximum provider rate allowed, the parent is responsible for payment of the difference in the rates in addition to any family co-payment fee.

(h) All maximum provider rates changes shall be implemented on the Monday following the effective date of the maximum provider rate.

(i) Notwithstanding Minnesota Rules, part 3400.0130, subpart 7, maximum registration fees in effect on January 1, 2013, shall remain in effect.

Subd. 1a. Legal nonlicensed family child care provider rates. (a) Legal nonlicensed family child care providers receiving reimbursement under this chapter must be paid on an hourly basis for care provided to families receiving assistance.

(b) The maximum rate paid to legal nonlicensed family child care providers must be 68 percent of the county maximum hourly rate for licensed family child care providers. In counties or county price clusters where the maximum hourly rate for licensed family child care providers is higher than the maximum weekly rate for those providers divided by 50, the maximum hourly rate that may be paid to legal nonlicensed family child care providers is the rate equal to the maximum weekly rate for licensed family child care providers divided by 50 and then multiplied by 0.68. The maximum payment to a provider for one day of care must not exceed the maximum hourly rate times ten. The maximum payment to a provider for one week of care must not exceed the maximum hourly rate times 50.

(c) A rate which includes a special needs rate paid under subdivision 3 may be in excess of the maximum rate allowed under this subdivision.

(d) Legal nonlicensed family child care providers receiving reimbursement under this chapter may not be paid registration fees for families receiving assistance.

Subd. 3. Provider rate for care of children with disabilities or special needs. Counties shall reimburse providers for the care of children with disabilities or special needs, at a special rate to be approved by the county for care of these children, subject to the approval of the commissioner.

Subd. 3a. Provider rate differential for accreditation. A family child care provider or child care center shall be paid a 15 percent differential above the maximum rate established in subdivision 1, up to the actual provider rate, if the provider or center holds a current early childhood development credential or is accredited. For a family child care provider, early childhood development credential and accreditation includes an individual who has earned a child development associate degree, a

APPENDIX
Repealed Minnesota Statutes: UEH2414-1

child development associate credential, a diploma in child development from a Minnesota state technical college, or a bachelor's or post baccalaureate degree in early childhood education from an accredited college or university, or who is accredited by the National Association for Family Child Care or the Competency Based Training and Assessment Program. For a child care center, accreditation includes accreditation that meets the following criteria: the accrediting organization must demonstrate the use of standards that promote the physical, social, emotional, and cognitive development of children. The accreditation standards shall include, but are not limited to, positive interactions between adults and children, age-appropriate learning activities, a system of tracking children's learning, use of assessment to meet children's needs, specific qualifications for staff, a learning environment that supports developmentally appropriate experiences for children, health and safety requirements, and family engagement strategies. Based on an application process developed by the commissioner in conjunction with the commissioners of education and health, the Department of Human Services must accept applications from accrediting organizations beginning on July 1, 2013, and on an annual basis thereafter. The provider rate differential shall be paid to centers holding an accreditation from an approved accrediting organization beginning on a billing cycle to be determined by the commissioner, no later than the last Monday in February of a calendar year. The commissioner shall annually publish a list of approved accrediting organizations. An approved accreditation must be reassessed by the commissioner every two years. If an approved accrediting organization is determined to no longer meet the approval criteria, the organization and centers being paid the differential under that accreditation must be given a 90-day notice by the commissioner and the differential payment must end after a 15-day notice to affected families and centers as directed in Minnesota Rules, part 3400.0185, subparts 3 and 4. The following accreditations shall be recognized for the provider rate differential until an approval process is implemented: the National Association for the Education of Young Children, the Council on Accreditation, the National Early Childhood Program Accreditation, the National School-Age Care Association, or the National Head Start Association Program of Excellence. For Montessori programs, accreditation includes the American Montessori Society, Association of Montessori International-USA, or the National Center for Montessori Education.

Subd. 3b. Provider rate differential for Parent Aware. A family child care provider or child care center shall be paid a 15 percent differential if they hold a three-star Parent Aware rating or a 20 percent differential if they hold a four-star Parent Aware rating. A 15 percent or 20 percent rate differential must be paid above the maximum rate established in subdivision 1, up to the actual provider rate.

Subd. 3c. Weekly rate paid for children attending high-quality care. A licensed child care provider or license-exempt center may be paid up to the applicable weekly maximum rate, not to exceed the provider's actual charge, when the following conditions are met:

(1) the child is age birth to five years, but not yet in kindergarten;

(2) the child attends a child care provider that qualifies for the rate differential identified in subdivision 3a or 3b; and

(3) the applicant's activities qualify for at least 30 hours of care per week under sections 119B.03, 119B.05, and 119B.10, and Minnesota Rules, chapter 3400.

Subd. 4. Rates charged to publicly subsidized families. Child care providers receiving reimbursement under this chapter may not charge a rate to clients receiving assistance under this chapter that is higher than the private, full-paying client rate.

Subd. 5. Provider notice. The county shall inform both the family receiving assistance under this chapter and the child care provider of the payment amount and how and when payment will be received. If the county sends a family a notice that child care assistance will be terminated, the county shall inform the provider that unless the family requests to continue to receive assistance pending an appeal, child care payments will no longer be made. The notice to the provider must not contain any private data on the family or information on why payment will no longer be made.

Subd. 6. Provider payments. (a) The provider shall bill for services provided within ten days of the end of the service period. Payments under the child care fund shall be made within 21 days of receiving a complete bill from the provider. Counties or the state may establish policies that make payments on a more frequent basis.

(b) If a provider has received an authorization of care and been issued a billing form for an eligible family, the bill must be submitted within 60 days of the last date of service on the bill. A bill submitted more than 60 days after the last date of service must be paid if the county determines that the provider has shown good cause why the bill was not submitted within 60 days. Good cause

APPENDIX
Repealed Minnesota Statutes: UEH2414-1

must be defined in the county's child care fund plan under section 119B.08, subdivision 3, and the definition of good cause must include county error. Any bill submitted more than a year after the last date of service on the bill must not be paid.

(c) If a provider provided care for a time period without receiving an authorization of care and a billing form for an eligible family, payment of child care assistance may only be made retroactively for a maximum of six months from the date the provider is issued an authorization of care and billing form.

(d) A county or the commissioner may refuse to issue a child care authorization to a licensed or legal nonlicensed provider, revoke an existing child care authorization to a licensed or legal nonlicensed provider, stop payment issued to a licensed or legal nonlicensed provider, or refuse to pay a bill submitted by a licensed or legal nonlicensed provider if:

(1) the provider admits to intentionally giving the county materially false information on the provider's billing forms;

(2) a county or the commissioner finds by a preponderance of the evidence that the provider intentionally gave the county materially false information on the provider's billing forms, or provided false attendance records to a county or the commissioner;

(3) the provider is in violation of child care assistance program rules, until the agency determines those violations have been corrected;

(4) the provider is operating after:

(i) an order of suspension of the provider's license issued by the commissioner;

(ii) an order of revocation of the provider's license; or

(iii) a final order of conditional license issued by the commissioner for as long as the conditional license is in effect;

(5) the provider submits false attendance reports or refuses to provide documentation of the child's attendance upon request; or

(6) the provider gives false child care price information.

(e) For purposes of paragraph (d), clauses (3), (5), and (6), the county or the commissioner may withhold the provider's authorization or payment for a period of time not to exceed three months beyond the time the condition has been corrected.

(f) A county's payment policies must be included in the county's child care plan under section 119B.08, subdivision 3. If payments are made by the state, in addition to being in compliance with this subdivision, the payments must be made in compliance with section 16A.124.

Subd. 7. **Absent days.** (a) Licensed child care providers and license-exempt centers must not be reimbursed for more than 25 full-day absent days per child, excluding holidays, in a fiscal year, or for more than ten consecutive full-day absent days. Legal nonlicensed family child care providers must not be reimbursed for absent days. If a child attends for part of the time authorized to be in care in a day, but is absent for part of the time authorized to be in care in that same day, the absent time must be reimbursed but the time must not count toward the absent days limit. Child care providers must only be reimbursed for absent days if the provider has a written policy for child absences and charges all other families in care for similar absences.

(b) Notwithstanding paragraph (a), children with documented medical conditions that cause more frequent absences may exceed the 25 absent days limit, or ten consecutive full-day absent days limit. Absences due to a documented medical condition of a parent or sibling who lives in the same residence as the child receiving child care assistance do not count against the absent days limit in a fiscal year. Documentation of medical conditions must be on the forms and submitted according to the timelines established by the commissioner. A public health nurse or school nurse may verify the illness in lieu of a medical practitioner. If a provider sends a child home early due to a medical reason, including, but not limited to, fever or contagious illness, the child care center director or lead teacher may verify the illness in lieu of a medical practitioner.

(c) Notwithstanding paragraph (a), children in families may exceed the absent days limit if at least one parent: (1) is under the age of 21; (2) does not have a high school diploma or commissioner of education-selected high school equivalency certification; and (3) is a student in a school district or another similar program that provides or arranges for child care, parenting support, social services, career and employment supports, and academic support to achieve high school graduation, upon

APPENDIX
Repealed Minnesota Statutes: UEH2414-1

request of the program and approval of the county. If a child attends part of an authorized day, payment to the provider must be for the full amount of care authorized for that day.

(d) Child care providers must be reimbursed for up to ten federal or state holidays or designated holidays per year when the provider charges all families for these days and the holiday or designated holiday falls on a day when the child is authorized to be in attendance. Parents may substitute other cultural or religious holidays for the ten recognized state and federal holidays. Holidays do not count toward the absent days limit.

(e) A family or child care provider must not be assessed an overpayment for an absent day payment unless (1) there was an error in the amount of care authorized for the family, (2) all of the allowed full-day absent payments for the child have been paid, or (3) the family or provider did not timely report a change as required under law.

(f) The provider and family shall receive notification of the number of absent days used upon initial provider authorization for a family and ongoing notification of the number of absent days used as of the date of the notification.

(g) For purposes of this subdivision, "absent days limit" means 25 full-day absent days per child, excluding holidays, in a fiscal year; and ten consecutive full-day absent days.

119B.14 EXTENSION OF EMPLOYMENT OPPORTUNITIES.

The county board shall ensure that child care services available to eligible residents are well advertised and that everyone who receives or applies for MFIP assistance is informed of training and employment opportunities and programs, including child care assistance and child care resource and referral services.

119B.15 ADMINISTRATIVE EXPENSES.

The commissioner shall use up to 1/21 of the state and federal funds available for the basic sliding fee program and 1/21 of the state and federal funds available for the MFIP child care program for payments to counties for administrative expenses. The commissioner shall make monthly payments to each county based on direct service expenditures. Payments may be withheld if monthly reports are incomplete or untimely.

119B.16 FAIR HEARING PROCESS.

Subdivision 1. **Fair hearing allowed.** An applicant or recipient adversely affected by a county agency action may request a fair hearing in accordance with section 256.045.

Subd. 1a. **Fair hearing allowed for providers.** (a) This subdivision applies to providers caring for children receiving child care assistance.

(b) A provider to whom a county agency has assigned responsibility for an overpayment may request a fair hearing in accordance with section 256.045 for the limited purpose of challenging the assignment of responsibility for the overpayment and the amount of the overpayment. The scope of the fair hearing does not include the issues of whether the provider wrongfully obtained public assistance in violation of section 256.98 or was properly disqualified under section 256.98, subdivision 8, paragraph (c), unless the fair hearing has been combined with an administrative disqualification hearing brought against the provider under section 256.046.

Subd. 1b. **Joint fair hearings.** When a provider requests a fair hearing under subdivision 1a, the family in whose case the overpayment was created must be made a party to the fair hearing. All other issues raised by the family must be resolved in the same proceeding. When a family requests a fair hearing and claims that the county should have assigned responsibility for an overpayment to a provider, the provider must be made a party to the fair hearing. The human services judge assigned to a fair hearing may join a family or a provider as a party to the fair hearing whenever joinder of that party is necessary to fully and fairly resolve overpayment issues raised in the appeal.

Subd. 2. **Informal conference.** The county agency shall offer an informal conference to applicants and recipients adversely affected by an agency action to attempt to resolve the dispute. The county agency shall offer an informal conference to providers to whom the county agency has assigned responsibility for an overpayment in an attempt to resolve the dispute. The county agency or the provider may ask the family in whose case the overpayment arose to participate in the informal conference, but the family may refuse to do so. The county agency shall advise adversely affected applicants, recipients, and providers that a request for a conference with the agency is optional and does not delay or replace the right to a fair hearing.

144.1464 SUMMER HEALTH CARE INTERNS.

Subdivision 1. **Summer internships.** The commissioner of health, through a contract with a nonprofit organization as required by subdivision 4, shall award grants, within available appropriations, to hospitals, clinics, nursing facilities, and home care providers to establish a secondary and postsecondary summer health care intern program. The purpose of the program is to expose interested secondary and postsecondary pupils to various careers within the health care profession.

Subd. 2. **Criteria.** (a) The commissioner, through the organization under contract, shall award grants to hospitals, clinics, nursing facilities, and home care providers that agree to:

(1) provide secondary and postsecondary summer health care interns with formal exposure to the health care profession;

(2) provide an orientation for the secondary and postsecondary summer health care interns;

(3) pay one-half the costs of employing the secondary and postsecondary summer health care intern;

(4) interview and hire secondary and postsecondary pupils for a minimum of six weeks and a maximum of 12 weeks; and

(5) employ at least one secondary student for each postsecondary student employed, to the extent that there are sufficient qualifying secondary student applicants.

(b) In order to be eligible to be hired as a secondary summer health intern by a hospital, clinic, nursing facility, or home care provider, a pupil must:

(1) intend to complete high school graduation requirements and be between the junior and senior year of high school; and

(2) be from a school district in proximity to the facility.

(c) In order to be eligible to be hired as a postsecondary summer health care intern by a hospital or clinic, a pupil must:

(1) intend to complete a health care training program or a two-year or four-year degree program and be planning on enrolling in or be enrolled in that training program or degree program; and

(2) be enrolled in a Minnesota educational institution or be a resident of the state of Minnesota; priority must be given to applicants from a school district or an educational institution in proximity to the facility.

(d) Hospitals, clinics, nursing facilities, and home care providers awarded grants may employ pupils as secondary and postsecondary summer health care interns beginning on or after June 15, 1993, if they agree to pay the intern, during the period before disbursement of state grant money, with money designated as the facility's 50 percent contribution towards internship costs.

Subd. 3. **Grants.** The commissioner, through the organization under contract, shall award separate grants to hospitals, clinics, nursing facilities, and home care providers meeting the requirements of subdivision 2. The grants must be used to pay one-half of the costs of employing secondary and postsecondary pupils in a hospital, clinic, nursing facility, or home care setting during the course of the program. No more than 50 percent of the participants may be postsecondary students, unless the program does not receive enough qualified secondary applicants per fiscal year. No more than five pupils may be selected from any secondary or postsecondary institution to participate in the program and no more than one-half of the number of pupils selected may be from the seven-county metropolitan area.

Subd. 4. **Contract.** The commissioner shall contract with a statewide, nonprofit organization representing facilities at which secondary and postsecondary summer health care interns will serve, to administer the grant program established by this section. Grant funds that are not used in one fiscal year may be carried over to the next fiscal year. The organization awarded the grant shall provide the commissioner with any information needed by the commissioner to evaluate the program, in the form and at the times specified by the commissioner.

144.414 PROHIBITIONS.

Subd. 5. **Electronic cigarettes.** (a) The use of electronic cigarettes, including the inhaling or exhaling of vapor from any electronic delivery device, as defined in section 609.685, subdivision 1, is prohibited in the following locations:

APPENDIX
Repealed Minnesota Statutes: UEH2414-1

(1) any building owned or operated by the state, home rule charter or statutory city, county, township, school district, or other political subdivision;

(2) any facility owned by Minnesota State Colleges and Universities and the University of Minnesota;

(3) any facility licensed by the commissioner of human services; or

(4) any facility licensed by the commissioner of health, but only if the facility is also subject to federal licensing requirements.

(b) Nothing in this subdivision shall prohibit political subdivisions or businesses from adopting more stringent prohibitions on the use of electronic cigarettes or electronic delivery devices.

214.17 HIV, HBV, AND HCV PREVENTION PROGRAM; PURPOSE AND SCOPE.

Sections 214.17 to 214.25 are intended to promote the health and safety of patients and regulated persons by reducing the risk of infection in the provision of health care.

214.18 DEFINITIONS.

Subdivision 1. **Board.** "Board" means the Boards of Dentistry, Medical Practice, Nursing, and Podiatric Medicine. For purposes of sections 214.19, subdivisions 4 and 5; 214.20, paragraph (1); and 214.24, board also includes the Board of Chiropractic Examiners.

Subd. 2. **Commissioner.** "Commissioner" means the commissioner of health.

Subd. 3. **HBV.** "HBV" means the hepatitis B virus with the e antigen present in the most recent blood test.

Subd. 3a. **HCV.** "HCV" means the hepatitis C virus.

Subd. 4. **HIV.** "HIV" means the human immunodeficiency virus.

Subd. 5. **Regulated person.** "Regulated person" means a licensed dental hygienist, dentist, physician, nurse who is currently registered as a registered nurse or licensed practical nurse, podiatrist, a registered dental assistant, a physician assistant, and for purposes of sections 214.19, subdivisions 4 and 5; 214.20, paragraph (a); and 214.24, a chiropractor.

214.19 REPORTING OBLIGATIONS.

Subdivision 1. **Permission to report.** A person with actual knowledge that a regulated person has been diagnosed as infected with HIV, HBV, or HCV may file a report with the commissioner.

Subd. 2. **Self-reporting.** A regulated person who is diagnosed as infected with HIV, HBV, or HCV shall report that information to the commissioner promptly, and as soon as medically necessary for disease control purposes but no more than 30 days after learning of the diagnosis or 30 days after becoming licensed or registered by the state.

Subd. 3. **Mandatory reporting.** A person or institution required to report HIV, HBV, or HCV status to the commissioner under Minnesota Rules, parts 4605.7030, subparts 1 to 4 and 6, and 4605.7040, shall, at the same time, notify the commissioner if the person or institution knows that the reported person is a regulated person.

Subd. 4. **Infection control reporting.** A regulated person shall, within ten days, report to the appropriate board personal knowledge of a serious failure or a pattern of failure by another regulated person to comply with accepted and prevailing infection control procedures related to the prevention of HIV, HBV, and HCV transmission. In lieu of reporting to the board, the regulated person may make the report to a designated official of the hospital, nursing home, clinic, or other institution or agency where the failure to comply with accepted and prevailing infection control procedures occurred. The designated official shall report to the appropriate board within 30 days of receiving a report under this subdivision. The report shall include specific information about the response by the institution or agency to the report. A regulated person shall not be discharged or discriminated against for filing a complaint in good faith under this subdivision.

Subd. 5. **Immunity.** A person is immune from civil liability or criminal prosecution for submitting a report in good faith to the commissioner or to a board under this section.

214.20 GROUNDS FOR DISCIPLINARY OR RESTRICTIVE ACTION.

A board may refuse to grant a license or registration or may impose disciplinary or restrictive action against a regulated person who:

APPENDIX
Repealed Minnesota Statutes: UEH2414-1

(1) fails to follow accepted and prevailing infection control procedures, including a failure to conform to current recommendations of the Centers for Disease Control for preventing the transmission of HIV, HBV, and HCV, or fails to comply with infection control rules promulgated by the board. Injury to a patient need not be established;

(2) fails to comply with any requirement of sections 214.17 to 214.24; or

(3) fails to comply with any monitoring or reporting requirement.

214.21 TEMPORARY SUSPENSION.

The board may, without hearing, temporarily suspend the right to practice of a regulated person if the board finds that the regulated person has refused to submit to or comply with monitoring under section 214.23. The suspension shall take effect upon written notice to the regulated person specifying the statute or rule violated. The suspension shall remain in effect until the board issues a final order based on a stipulation or after a hearing. At the time the board issues the suspension notice, the board shall schedule a disciplinary hearing to be held under chapter 14. The regulated person shall be provided with at least 20 days' notice of a hearing held under this section. The hearing shall be scheduled to begin no later than 30 days after the issuance of the suspension order.

214.22 NOTICE; ACTION.

If the board has reasonable grounds to believe a regulated person infected with HIV, HBV, or HCV has done or omitted doing any act that would be grounds for disciplinary action under section 214.20, the board may take action after giving notice three business days before the action, or a lesser time if deemed necessary by the board. The board may:

(1) temporarily suspend the regulated person's right to practice under section 214.21;

(2) require the regulated person to appear personally at a conference with representatives of the board and to provide information relating to the regulated person's health or professional practice; and

(3) take any other lesser action deemed necessary by the board for the protection of the public.

214.23 MONITORING.

Subdivision 1. **Commissioner of health.** The board shall enter into a contract with the commissioner to perform the functions in subdivisions 2 and 3. The contract shall provide that:

(1) unless requested to do otherwise by a regulated person, a board shall refer all regulated persons infected with HIV, HBV, or HCV to the commissioner;

(2) the commissioner may choose to refer any regulated person who is infected with HIV, HBV, or HCV as well as all information related thereto to the person's board at any time for any reason, including but not limited to: the degree of cooperation and compliance by the regulated person; the inability to secure information or the medical records of the regulated person; or when the facts may present other possible violations of the regulated persons practices act. Upon request of the regulated person who is infected with HIV, HBV, or HCV the commissioner shall refer the regulated person and all information related thereto to the person's board. Once the commissioner has referred a regulated person to a board, the board may not thereafter submit it to the commissioner to establish a monitoring plan unless the commissioner of health consents in writing;

(3) a board shall not take action on grounds relating solely to the HIV, HBV, or HCV status of a regulated person until after referral by the commissioner; and

(4) notwithstanding sections 13.39 and 13.41 and chapters 147, 147A, 148, 150A, 153, and 214, a board shall forward to the commissioner any information on a regulated person who is infected with HIV, HBV, or HCV that the Department of Health requests.

Subd. 2. **Monitoring plan.** After receiving a report that a regulated person is infected with HIV, HBV, or HCV, the board or the commissioner acting on behalf of the board shall evaluate the past and current professional practice of the regulated person to determine whether there has been a violation under section 214.20. After evaluation of the regulated person's past and current professional practice, the board or the commissioner, acting on behalf of the board, shall establish a monitoring plan for the regulated person. The monitoring plan may:

(1) address the scope of a regulated person's professional practice when the board or the commissioner, acting on behalf of the board, determines that the practice constitutes an identifiable risk of transmission of HIV, HBV, or HCV from the regulated person to the patient;

APPENDIX
Repealed Minnesota Statutes: UEH2414-1

(2) include the submission of regular reports at a frequency determined by the board or the commissioner, acting on behalf of the board, regarding the regulated person's health status; and

(3) include any other provisions deemed reasonable by the board or the commissioner of health, acting on behalf of the board.

The board or commissioner, acting on behalf of the board, may enter into agreements with qualified persons to perform monitoring on its behalf. The regulated person shall comply with any monitoring plan established under this subdivision.

Subd. 3. Expert review panel. The board or the commissioner acting on behalf of the board may appoint an expert review panel to assist in the performance of the responsibilities under this section. In consultations with the expert review panel, the commissioner or board shall, to the extent possible, protect the identity of the regulated person. When an expert review panel is appointed, it must contain at least one member appointed by the commissioner and one professional member appointed by the board. The panel shall provide expert assistance to the board, or to the commissioner acting on behalf of the board, in the subjects of infectious diseases, epidemiology, practice techniques used by regulated persons, and other subjects determined by the board or by the commissioner acting on behalf of the board. Members of the expert review panel are subject to those provisions of chapter 13 that restrict the commissioner or the board under Laws 1992, chapter 559, article 1.

Subd. 4. Immunity. Members of the board or the commissioner acting on behalf of the board, and persons who participate on an expert review panel or who assist the board or the commissioner in monitoring the practice of a regulated person, are immune from civil liability or criminal prosecution for any actions, transactions, or publications made in good faith and in execution of, or relating to, their duties under sections 214.17 to 214.24, except that no immunity shall be available for persons who have knowingly violated any provision of chapter 13.

214.24 INSPECTION OF PRACTICE.

Subdivision 1. Authority. The board is authorized to conduct inspections of the clinical practice of a regulated person to determine whether the regulated person is following accepted and prevailing infection control procedures. The board shall provide at least three business days' notice to the clinical practice prior to the inspection. The clinical practice of a regulated person includes any location where the regulated person practices that is not an institution licensed and subject to inspection by the commissioner of health. During the course of inspections the privacy and confidentiality of patients and regulated persons shall be maintained. The board may require on license renewal forms that regulated persons inform the board of all locations where they practice.

Subd. 2. Access; records. An inspector from the board shall have access, during reasonable business hours for purposes of inspection, to all areas of the practice setting where patient care is rendered or drugs or instruments are held that come into contact with a patient. An inspector is authorized to interview employees and regulated persons in the performance of an inspection, to observe infection control procedures, test equipment used to sterilize instruments, and to review and copy all relevant records, excluding patient health records. In performing these responsibilities, inspectors shall make reasonable efforts to respect and preserve patient privacy and the privacy of the regulated person. Boards are authorized to conduct joint inspections and to share information obtained under this section. The boards shall contract with the commissioner to perform the duties under this subdivision.

Subd. 3. Board action. If accepted and prevailing infection control techniques are not being followed, the board may educate the regulated person or take other actions. The board and the inspector shall maintain patient confidentiality in any action resulting from the inspection.

Subd. 4. Rulemaking. A board is authorized to adopt rules setting standards for infection control procedures. Boards shall engage in joint rulemaking. Boards must seek and consider the advice of the commissioner of health before adopting rules. No inspections shall be conducted under this section until after infection control rules have been adopted. Each board is authorized to provide educational information and training to regulated persons regarding infection control. All regulated persons who are employers shall make infection control rules available to employees who engage in functions related to infection control.

245G.11 STAFF QUALIFICATIONS.

Subdivision 1. General qualifications. (a) All staff members who have direct contact must be 18 years of age or older. At the time of employment, each staff member must meet the qualifications in this subdivision. For purposes of this subdivision, "problematic substance use" means a behavior

APPENDIX
Repealed Minnesota Statutes: UEH2414-1

or incident listed by the license holder in the personnel policies and procedures according to section 245G.13, subdivision 1, clause (5).

(b) A treatment director, supervisor, nurse, counselor, student intern, or other professional must be free of problematic substance use for at least the two years immediately preceding employment and must sign a statement attesting to that fact.

(c) A paraprofessional, recovery peer, or any other staff member with direct contact must be free of problematic substance use for at least one year immediately preceding employment and must sign a statement attesting to that fact.

Subd. 4. **Alcohol and drug counselor supervisors.** An alcohol and drug counselor supervisor must:

(1) meet the qualification requirements in subdivision 5;

(2) have three or more years of experience providing individual and group counseling to individuals with substance use disorder; and

(3) know and understand the implications of this chapter and sections 245A.65, 626.556, 626.557, and 626.5572.

Subd. 7. **Care coordination provider qualifications.** (a) Care coordination must be provided by qualified staff. An individual is qualified to provide care coordination if the individual:

(1) is skilled in the process of identifying and assessing a wide range of client needs;

(2) is knowledgeable about local community resources and how to use those resources for the benefit of the client;

(3) has successfully completed 30 hours of classroom instruction on care coordination for an individual with substance use disorder;

(4) has either:

(i) a bachelor's degree in one of the behavioral sciences or related fields; or

(ii) current certification as an alcohol and drug counselor, level I, by the Upper Midwest Indian Council on Addictive Disorders; and

(5) has at least 2,000 hours of supervised experience working with individuals with substance use disorder.

(b) A care coordinator must receive at least one hour of supervision regarding individual service delivery from an alcohol and drug counselor weekly.

246.18 DISPOSAL OF FUNDS.

Subd. 8. **State-operated services account.** (a) The state-operated services account is established in the special revenue fund. Revenue generated by new state-operated services listed under this section established after July 1, 2010, that are not enterprise activities must be deposited into the state-operated services account, unless otherwise specified in law:

(1) intensive residential treatment services;

(2) foster care services; and

(3) psychiatric extensive recovery treatment services.

(b) Funds deposited in the state-operated services account are appropriated to the commissioner of human services for the purposes of:

(1) providing services needed to transition individuals from institutional settings within state-operated services to the community when those services have no other adequate funding source; and

(2) funding the operation of the intensive residential treatment service program in Willmar.

Subd. 9. **Transfers.** The commissioner may transfer state mental health grant funds to the account in subdivision 8 for noncovered allowable costs of a provider certified and licensed under section 256B.0622 and operating under section 246.014.

254B.03 RESPONSIBILITY TO PROVIDE CHEMICAL DEPENDENCY TREATMENT.

Subd. 4a. **Division of costs for medical assistance services.** Notwithstanding subdivision 4, for chemical dependency services provided on or after October 1, 2008, and reimbursed by medical assistance, the county share is 30 percent of the nonfederal share.

256B.0625 COVERED SERVICES.

Subd. 31c. **Preferred incontinence product program.** The commissioner shall implement a preferred incontinence product program by July 1, 2018. The program shall require the commissioner to volume purchase incontinence products and related supplies in accordance with section 256B.04, subdivision 14. Medical assistance coverage for incontinence products and related supplies shall conform to the limitations established under the program.

256B.0705 PERSONAL CARE ASSISTANCE SERVICES; MANDATED SERVICE VERIFICATION.

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

(b) "Personal care assistance services" or "PCA services" means services provided according to section 256B.0659.

(c) "Personal care assistant" or "PCA" has the meaning given in section 256B.0659, subdivision 1.

(d) "Service verification" means a random, unscheduled telephone call made for the purpose of verifying that the individual personal care assistant is present at the location where personal care assistance services are being provided and is providing services as scheduled.

Subd. 2. **Verification schedule.** An agency that submits claims for reimbursement for PCA services under this chapter must develop and implement administrative policies and procedures by which the agency verifies the services provided by a PCA. For each service recipient, the agency must conduct at least one service verification every 90 days. If more than one PCA provides services to a single service recipient, the agency must conduct a service verification for each PCA providing services before conducting a service verification for a PCA whose services were previously verified by the agency. Service verification must occur on an ongoing basis while the agency provides PCA services to the recipient. During service verification, the agency must speak with both the PCA and the service recipient or recipient's authorized representative. Only qualified professional service verifications are eligible for reimbursement. An agency may substitute a visit by a qualified professional that is eligible for reimbursement under section 256B.0659, subdivision 14 or 19.

Subd. 3. **Documentation of verification.** An agency must fully document service verifications in a legible manner and must maintain the documentation on site for at least five years from the date of documentation. For each service verification, documentation must include:

(1) the names and signatures of the service recipient or recipient's authorized representative, the PCA and any other agency staff present with the PCA during the service verification, and the staff person conducting the service verification; and

(2) the start and end time, day, month, and year of the service verification, and the corresponding PCA time sheet.

Subd. 4. **Variance.** The Office of Inspector General at the Department of Human Services may grant a variance to the service verification requirements in this section if an agency uses an electronic monitoring system or other methods that verify a PCA is present at the location where services are provided and is providing services according to the prescribed schedule. A decision to grant or deny a variance request is final and not subject to appeal under chapter 14.

256L.05 MONTHLY RATES.

Subd. 3. **Limits on rates.** When a room and board rate is used to pay for an individual's room and board, the rate payable to the residence must not exceed the rate paid by an individual not receiving a room and board rate under this chapter.

256R.53 FACILITY SPECIFIC EXEMPTIONS.

Subd. 2. **Nursing facility in Breckenridge.** The operating payment rate of a nonprofit nursing facility that exists on January 1, 2015, is located within the boundaries of the city of Breckenridge, and is reimbursed under this chapter, is equal to the greater of:

APPENDIX
Repealed Minnesota Statutes: UEH2414-1

(1) the operating payment rate determined under section 256R.21, subdivision 3; or

(2) the median case mix adjusted rates, including comparable rate components as determined by the median case mix adjusted rates, including comparable rate components as determined by the commissioner, for the equivalent case mix indices of the nonprofit nursing facility or facilities located in an adjacent city in another state and in cities contiguous to the adjacent city. The Minnesota facility's operating payment rate with a case mix index of 1.0 is computed by dividing the adjacent city's nursing facility or facilities' median operating payment rate with an index of 1.02 by 1.02.

Laws 2017, First Special Session chapter 6, article 7, section 34

Sec. 34. MINNESOTA PATHWAYS TO PROSPERITY AND WELL-BEING PILOT PROJECT.

Subdivision 1. **Authorization.** The commissioner of human services may develop a pilot project that shall test an alternative financing model for the distribution of publicly funded benefits. The commissioner may work with interested counties to develop the pilot and determine the waivers that are necessary to implement the pilot project based on the pilot design in subdivisions 2 and 3, and outcome measures in subdivision 4.

Subd. 2. **Pilot project goals.** The goals of the pilot project are to:

(1) reduce the historical separation among the state programs and systems affecting families who are receiving public assistance;

(2) eliminate, where possible, funding restrictions to allow a more comprehensive approach to the needs of the families in the pilot project; and

(3) focus on upstream, prevention-oriented supports and interventions.

Subd. 3. **Project participants.** The pilot project developed by the commissioner may include requirements that participants:

(1) be 26 years of age or younger with a minimum of one child;

(2) voluntarily agree to participate in the pilot project;

(3) be eligible for, applying for, or receiving public benefits including but not limited to housing assistance, education supports, employment supports, child care, transportation supports, medical assistance, earned income tax credit, or the child care tax credit; and

(4) be enrolled in an education program that is focused on obtaining a career that will likely result in a livable wage.

Subd. 4. **Outcomes.** The outcome measures for the pilot project must include:

(1) improvement in the affordability, safety, and permanence of suitable housing;

(2) improvement in family functioning and stability, including in the areas of behavioral health, incarceration, involvement with the child welfare system, or equivalent indicators;

(3) improvement in education readiness and outcomes for parents and children from early childhood through high school, including reduction in absenteeism, preschool readiness scores, third grade reading competency, graduation, GPA, and standardized test improvement;

(4) improvement in attachment to the workforce of one or both parents, including enhanced job stability; wage gains; career advancement; progress in career preparation; or an equivalent combination of these or related measures; and

(5) improvement in health care access and health outcomes for parents and children.

3400.0010 PURPOSE AND APPLICABILITY.

Subpart 1. **Purpose.** The purpose of this chapter is to govern the administration of the child care fund, to reduce, according to a sliding fee schedule, the costs of child care services for eligible families to enable them to seek or retain employment or to participate in education or training programs to obtain employment, and to provide eligible families with the financial resources to find and afford quality child care for their children. This chapter sets eligibility standards for recipients and administrative requirements for agencies administering child care funds.

Subp. 2. **Applicability.** This chapter applies to all county and human service boards providing child care assistance to eligible families under Minnesota Statutes, sections 119B.011 to 119B.16.

3400.0020 DEFINITIONS.

Subpart 1. **Scope.** As used in parts 3400.0010 to 3400.0230, the terms defined in Minnesota Statutes, section 119B.011, have the meanings given them in that section, and the following terms have the meanings given them in this part.

Subp. 4. **Administering agency.** "Administering agency" means a county social services agency or a public or nonprofit agency designated by the county board to administer the child care fund.

Subp. 5. **Administrative expenses.** "Administrative expenses" means costs associated with the direct services administration of the child care fund. Administrative expenses include:

- A. salaries, wages, and related payroll expenses incurred in the administration of the child care fund including direct personnel costs, expenses for general administration and supervision, and expenses for secretarial, clerical, accounting, and other support services;
- B. travel and transportation and per diem or subsistence expenses;
- C. expenses for materials and office supplies;
- D. publication, telephone, postage, and photocopy expenses; and
- E. other expenses directly attributable to the child care fund.

Subp. 8. **Allocation.** "Allocation" means the share of the total state appropriation of child care funds that a county may earn and be reimbursed for in an allocation period. A county's allocation may be raised or lowered during the allocation period when the commissioner redistributes unexpended or unencumbered allocations or when additional funds become available.

Subp. 9a. **At-risk.** "At-risk" means environmental or familial factors that create barriers to a child's optimal achievement. Factors include, but are not limited to, a federal or state disaster, limited English proficiency in a family, a history of abuse or neglect, a determination that the children are at risk of abuse or neglect, family violence, homelessness, age of the mother, level of maternal education, mental illness, developmental disability, or parental chemical dependency or history of other substance abuse.

Subp. 10a. **Authorized hours.** "Authorized hours" means the number of hours in a service period, not to exceed the maximum hour limit established in Minnesota Statutes, section 119B.09, subdivision 6, that may be paid for child care for a child.

Subp. 12. **Child care assistance.** "Child care assistance" means financial assistance for child care that is funded under Minnesota Statutes, sections 119B.011 to 119B.16.

Subp. 17a. **Disability.** "Disability" means a functional limitation or health condition that interferes with a child's ability to walk, talk, see, hear, breathe, or learn.

Subp. 18. **Documentation.** "Documentation" means a written statement or record, including an electronic record, that substantiates or validates an assertion made by a person or an action taken by an administering agency.

Subp. 18a. **DWP.** "DWP" means the diversionary work program established in Minnesota Statutes, section 256J.95.

Subp. 20. **Eligible relative caregiver.** "Eligible relative caregiver" means a person identified under Minnesota Statutes, section 256J.08, subdivision 11, (1) who is a caregiver of a child receiving a MFIP grant or (2) who is an MFIP participant and the caregiver of a child. After an eligible relative caregiver begins receiving child care assistance, status as an eligible relative caregiver continues through all child care assistance programs until there is a break in the eligible relative caregiver's eligibility for child care assistance.

Subp. 24. **Family copayment fee.** "Family copayment fee" means the parent fee the family must contribute as its share of child care costs as determined under Minnesota Statutes, section 119B.12.

Subp. 25. **Full calendar month.** "Full calendar month" from the first day of a month to the last day of that month.

Subp. 26. **Full-day basis.** "Full-day basis" means child care provided by a provider for more than five hours per day.

Subp. 28. **Household status.** "Household status" means the number of individuals residing in the household and the relationship of the individuals to one another.

Subp. 29a. **Immunization record.** "Immunization record" means the statement described in Minnesota Statutes, section 121A.15, subdivision 1, 3, paragraph (c) or (d), or 4.

Subp. 31b. **Legal guardian.** "Legal guardian" means a person who has been appointed or accepted as a guardian according to Minnesota Statutes, section 260C.325, 524.5-201, 524.5-202, or 524.5-204 under tribal law.

Subp. 32b. **Minimum wage.** "Minimum wage" means the minimum wage applicable under Minnesota Statutes, chapter 177, to the applicant or participant or the premises where the applicant or participant is employed.

Subp. 33. **Overpayment.** "Overpayment" means the portion of a child care payment that is greater than the amount for which a recipient is eligible or greater than the amount a provider should have received.

Subp. 34a. **Participant.** "Participant" means a family receiving child care assistance under the child care fund.

Subp. 35. **Provider rate.** "Provider rate" means the amount the provider charges for child care.

Subp. 37. **Redetermination.** "Redetermination" means the process by which information is collected periodically by the county and used to determine whether a recipient is eligible for continued assistance under the child care fund.

Subp. 38. **Registration.** "Registration" means the process used by the county to obtain from a legal nonlicensed provider the information required under part 3400.0120, subpart 2.

Subp. 38a. **Residence.** "Residence" means the primary place where the family lives as identified by the applicant or participant.

Subp. 38b. **Scheduled hours.** "Scheduled hours" means the specific days and hours during a service period that a child will attend child care as determined by the child care worker, the parent, and the provider based on the parents' verified eligible activities schedules, the child's school schedule, and any other factors relevant to the family's child care needs.

Subp. 39. **State median income.** "State median income" means the state's annual median income for a family of three, adjusted for family size, developed by the Bureau of Census and published annually by the United States Department of Health and Human Services in the Federal Register.

Subp. 40. **Student.** "Student" means an individual enrolled in an educational program as defined in Minnesota Statutes, section 119B.011, subdivision 11. A non-MFIP student is a full-time student if the student is defined by the student's educational institution as a full-time student. A non-MFIP student is a part-time student if the student is defined by the student's educational institution as a part-time student. A MFIP student is a student who is in compliance with the education or training requirements in the student's employment plan.

Subp. 40a. **Temporarily absent.** "Temporarily absent" means a family member is living away from the family's residence but intends to return to the residence.

Subp. 44. **Weekly basis.** "Weekly basis" means child care provided by a provider for more than 35 but not more than 50 hours per week.

3400.0030 NOTICE OF BASIC SLIDING FEE PROGRAM ALLOCATION.

By July 1 of each year, the commissioner shall notify all county and human services boards of their allocation under the basic sliding fee program, including the amount available for payment of administrative expenses.

3400.0035 APPLICATION PROCEDURE.

Subpart 1. **Response to informational requests.** When a family asks for information about child care assistance, the administering agency must give the family information supplied by the department regarding the availability of federal and state child and dependent care tax credits; federal earned income tax credits; Minnesota working family credits; early childhood family education, school readiness, and Head Start programs; early childhood screening; MinnesotaCare; child care resource and referral services; other programs with services for young children and families; and the postsecondary child care grant program established in Minnesota Statutes, section 136A.125. The administering agency also must inform the family of the following items:

- A. the eligibility requirements under the child care fund;
- B. the documentation necessary to confirm eligibility;
- C. whether a waiting list exists and, if so, the number of families on the waiting list or the estimated time that the applicant will spend on the waiting list before reaching the top of the list;
- D. the procedure for applying for child care assistance;
- E. the family copayment fee schedule and how the fee is computed;
- F. information about how to choose a provider;
- G. the family's rights and responsibilities when choosing a provider;
- H. information about the availability of special needs rates;
- I. the family's responsibility for paying provider charges that exceed county maximum payments in addition to the family copayment fee; and
- J. the importance of prompt reporting of a move to another county to avoid overpayments and to increase the likelihood of continuing benefits, because child care assistance benefits may be affected by moving to another county.

Subp. 2. **Application procedure.** An administering agency must follow the application procedures in items A and B.

APPENDIX
Repealed Minnesota Rules: UEH2414-1

A. If a family requests child care assistance and it appears that the family is eligible for child care assistance and funds are available, or if a family requests an application, the administering agency must mail or hand the family a universal child care assistance application.

B. If a family requests child care assistance and funds are not available, the administering agency must inform the family of a waiting list, screen the family for potential eligibility, and place the family on the waiting list if they appear eligible. The administering agency must place the family on the waiting list in the highest priority for which the family is eligible. As child care funds become available, the administering agency must inform the family at the head of the waiting list and ask the family to complete an application.

C. The administering agency must accept signed and dated applications that are submitted by mail or delivered to the agency within 15 calendar days after the date of signature. A county may accept an application from an applicant who does not reside in that county but immediately must forward the application to the county where the applicant resides. The administering agency must mail a notice of approval or denial of assistance to the applicant within 30 calendar days after receiving the application. With the consent of the applicant, the administering agency may extend the response time by 15 calendar days.

Subp. 3. **Informational release.** When it appears that an applicant may be eligible for child care assistance but is unable to document eligibility for the program, the administering agency must offer an applicant the opportunity to sign an informational release to permit the county to verify whether an applicant qualifies for child care assistance. The administering agency must also offer an applicant an opportunity to sign an informational release to permit the county to give the family's child care provider the information listed in subpart 6 and in part 3400.0185, subparts 2 and 4, that is not required by Minnesota Statutes, section 119B.13, subdivision 5. The administering agency must give the applicant the information required by Minnesota Statutes, section 13.04, subdivision 2.

Subp. 4. **Notice of denial.** If the administering agency denies the application, the administering agency must document the reason or reasons for denying the application. The administering agency must provide written notice to the applicant of: the reason for denial; the provision in statute, rule, or county child care fund plan that is the basis for the denial; and the applicant's right to a fair hearing under part 3400.0230 and Minnesota Statutes, section 119B.16.

Subp. 5. **Notice of approval.** If the administering agency approves the application, the administering agency must send the applicant a notice of approval of the application. The notice of approval must specify the information in items A to I:

- A. the beginning date of eligibility;
- B. the hours of care authorized, the maximum rate that may be paid, and how payments will be made;
- C. the copayment amount including how and when the copayment must be made;
- D. any change in income, residence, family size, family status, or employment, education, or training status must be reported within ten calendar days from the date the change occurs;
- E. except in cases where the license of a provider licensed by the state of Minnesota has been temporarily immediately suspended or where there is an imminent risk of harm to the health, safety, or rights of a child in care with a legal nonlicensed provider, license exempt center, or a provider licensed by an entity other than the state of Minnesota, any change in provider must be reported to the county and the provider at least 15 calendar days before the change occurs;
- F. the overpayment implications for the family if the changes described in items D and E are not reported as required;

G. when child care assistance is terminated, the participant will be informed of the reason for the termination and the participant's appeal rights and the provider will be informed that, unless the family asks to continue to receive assistance pending an appeal, child care payments will no longer be made;

H. the importance of prompt reporting of a move to another county to avoid overpayments and increase the likelihood of continuing benefits, because child care assistance benefits may be affected by moving to another county; and

I. the family's responsibility for paying provider charges that exceed county maximum payments in addition to the family copayment fee.

Subp. 6. **Notice to provider.** If the administering agency approves an application, the administering agency must send the family's authorized provider a notice containing only the following information: the family's name; the fact that the family's request for child care assistance has been approved; the hours of care authorized; the maximum rate that may be paid by the child care assistance program; the number of absent days that have been paid for the child for the year as of the date of the notice; and how payments will be made.

Subp. 7. **Selection of provider.** An applicant must select a provider before payments can be made from the child care fund.

Subp. 8. **Selection of legal nonlicensed provider.** An applicant who selects a legal nonlicensed provider must be informed about the following information and must sign an acknowledgment that contains:

- A. a description of the registration process for legal nonlicensed providers;
- B. a description of the parent's rights and responsibilities when choosing a provider;
- C. an acknowledgment that the parent and the legal nonlicensed provider have reviewed the health and safety information provided by the county; and
- D. if the parent has selected a legal nonlicensed family child care provider, an assurance that the parent will provide an immunization record for each child to the legal nonlicensed family child care provider within 90 days of the date that care for the child begins and will give the legal nonlicensed family child care provider the information necessary to update the immunization record.

Subp. 9. **Selection of in-home provider.** An applicant who selects a provider who will provide child care in the applicant's home must be informed that this choice of care may create an employer/employee relationship between the parent and the provider and must be referred to resources available for more information about these legal rights and responsibilities.

3400.0040 ELIGIBILITY REQUIREMENTS AND STANDARDS.

Subpart 1. **Applicant requirements and standards.** All applicants for child care assistance and all child care assistance program participants must meet the standards and requirements in this part in addition to the eligibility requirements in part 3400.0060, 3400.0080, or 3400.0090 for the child care program for which the person is applying or in which the person is participating.

Subp. 3. **Documentation of eligibility information.**

- A. An applicant for child care assistance must document the:
 - (1) citizenship status or participation in a program that makes a child exempt from this documentation requirement for all children for whom child care assistance is being sought;
 - (2) relationship of the children in the family to the applicant;
 - (3) date of birth of the children in the family;

APPENDIX
Repealed Minnesota Rules: UEH2414-1

(4) date of birth of the applicant if the applicant is under 21 years of age;

(5) identity, income eligibility, and residence for all members of the applicant's family, including members temporarily absent from the household as defined in part 3400.0020, subpart 40a; and

(6) work, education, or training activity status for all applicants as defined in Minnesota Statutes, section 119B.011, subdivision 2.

B. The county must ask for the applicant's Social Security number, but the applicant is not required to disclose this information. Before asking for the applicant's social security number, the county must tell the applicant that:

(1) the disclosure is voluntary;

(2) the number is being solicited under the Code of Federal Regulations, title 45, section 98.71(a)(13); and

(3) the social security number will be used by county, state, and federal governments and their employees for the purposes of verification, reporting, research, and any other purpose authorized by law.

C. The county must determine an applicant's eligibility for child care assistance at the time of application. The county must redetermine eligibility according to part 3400.0180.

Subp. 4. **Participant reporting responsibilities.** A participant must meet the reporting requirements in items A and B. A participant may report a change in person, by telephone, by facsimile, or by mail, including electronic mail.

A. When there is a change in the information reported by the participant at application or at the most recent redetermination of eligibility, the participant must report the new information to the county within ten calendar days after the change occurs. This reporting requirement applies to changes in income, residence, employment status, education or training status, family status, or family size. A change in income occurs on the day the participant receives the first payment reflecting the change in income.

B. Except in cases where the license of a provider licensed by the state of Minnesota has been temporarily immediately suspended or where there is an imminent risk of harm to the health, safety, or rights of a child in care with a legal, nonlicensed provider, license exempt center, or provider licensed by an entity other than the state of Minnesota, a participant must notify the county and the provider of the intent to change providers at least 15 calendar days before changing providers.

Subp. 5. **Employment, education, and training requirements.** In a family with a single parent, or unmarried legal guardian or eligible relative caregiver, the applicant or participant must meet employment, education, or training requirements and other eligibility requirements in this part and in part 3400.0060, 3400.0080, or 3400.0090 for the child care assistance program for which the family is applying or in which the family is participating.

In a family with more than one parent or any combination of parents, stepparents, legal guardians and spouses, and eligible relative caregivers and spouses, at least one parent, legal guardian, eligible relative caregiver, or spouse must meet employment, education, or training requirements and other eligibility requirements in this part and in part 3400.0060, 3400.0080, or 3400.0090 for the child care assistance program for which the family is applying or participating in. The other parents, legal guardians, eligible relative caregivers, or spouses must:

A. meet employment, education, or training requirements and other eligibility requirements in this part and part 3400.0060, 3400.0080, or 3400.0090 for the child care assistance program for which the family is applying or participating in; or

B. be unable to care for the applicant's child or dependent as determined by a licensed physician, licensed psychologist, or the local social services agency.

Subp. 5a. **Child support cooperation.** All applicants and participants of the child care assistance program must cooperate with establishment of paternity and enforcement of child support obligations for all minor children in the family with an absent parent. For purposes of this part, a family has met the cooperation requirement when the family complies with Minnesota Statutes, section 256.741, or there is a finding under Minnesota Statutes, section 256.741, subdivision 10, of good cause for failing to cooperate. The child care portion of the child support order for children receiving child care assistance must be assigned to the public authority as provided in Minnesota Statutes, section 256.741.

Subp. 6a. **Ineligibility for failure to pay fees under the child care fund.** A family that fails to pay the required family copayment fee under the child care fund is ineligible for child care assistance until the fees are paid or until the family reaches an agreement for payment with the provider and the county and then continues to comply with the payment agreement. When the county pays the parent, a family that fails to pay the provider the amount of the child care assistance payment is ineligible for child care assistance until the payment is made or until the family reaches an agreement for payment with the provider and the county and then continues to comply with the payment agreement.

Subp. 6b. **Ineligibility for failure to pay overpayments.** A family with an outstanding overpayment is ineligible for child care assistance until the overpayment is paid in full or until the family arranges to repay the overpayment according to part 3400.0187 and then continues to comply with the repayment agreement.

Subp. 6c. **Date of eligibility for assistance.** The date of eligibility for child care assistance under parts 3400.0060 and 3400.0080 must be determined according to Minnesota Statutes, section 119B.09, subdivision 7. The date of eligibility for child care assistance under part 3400.0090 is the date the family's MFIP or DWP case was closed.

Subp. 7. **Maximum biweekly child care assistance.** A family may not receive more than 120 hours of child care assistance per child every two weeks.

Subp. 8. **Child care assistance during employment.**

A. In addition to meeting other eligibility requirements, employed persons eligible for child care assistance under part 3400.0060, 3400.0080, or 3400.0090 must work at least an average of 20 hours per week and receive at least the minimum wage for all hours worked. Employed persons eligible for child care assistance under part 3400.0080 are exempt from this requirement if they have an approved employment plan that allows fewer work hours or a lower wage.

B. The county and the participant may determine a length of time, not to exceed six months, over which the number of hours worked weekly can be averaged and counted toward the participant's meeting the average of 20 hours per week requirement. If the number of hours worked during the designated time period actually averages less than 20 hours per week, any child care assistance funds paid by the county on the participant's behalf during the designated time period are subject to recoupment or recovery.

C. When a participant does not work by the hour and is not paid an hourly wage, the participant's earned income over a given period must be divided by the minimum wage to determine whether the participant has met the requirement to average at least 20 hours of work per week at minimum wage.

D. Child care assistance during employment shall be authorized for the number of hours scheduled to be worked, including break and meal time during the employment, and up to two hours per day for travel time.

Subp. 9. **Child care assistance in support of employment.** A county must authorize child care assistance in support of employment for nonwork hours when the following conditions exist:

A. the employee cannot reasonably modify his or her nonwork schedule to provide child care; and

B. the child care assistance does not exceed the amount of assistance that would be granted under subpart 8, item D, during employment.

Subp. 10. **Child care assistance during education or training.** Counties shall provide child care assistance to students eligible under part 3400.0060 or 3400.0080 and enrolled in county-approved education or training programs or employment plans according to items A to C.

A. Counties must authorize child care for full-time students for the days of class and on nonclass days, if needed for study, as determined by the county, not to exceed the maximum biweekly child care allowed.

B. Counties must authorize child care for part-time students as needed for:

(1) all hours of actual class time and credit hours for independent study and internships;

(2) time periods between nonconsecutive classes;

(3) up to two hours per day for travel time; and

(4) two hours per week per credit hour for postsecondary students for study and academic appointments.

When a part-time student has more than one hour between classes on any one day, the study and academic appointment time authorized under subitem (4) shall be reduced by the number of hours between classes.

C. Child care assistance for remedial classes is subject to county approval under subpart 12. Upon county approval of the remedial class or classes, the county shall authorize child care assistance necessary to enable the student to attend class and to complete class assignments.

Subp. 11. **Child care assistance during employment and education or training.** Employed students, including students on work study programs, are eligible for child care assistance during employment and education or training. Counties shall use the standards in subparts 8 and 10 to determine the amount of child care assistance. When full-time students request child care for employment, the employment hours must average at least ten hours per week at minimum wage. For purposes of determining whether the ten hours at minimum wage requirement in this subpart applies to a student, a full-time student retains full-time status during school breaks, including summers, if the student is expected to return to school full time after the break. Students eligible for child care assistance under part 3400.0080 are exempt from the ten hours per week at minimum wage requirement if they have an approved employment plan that allows fewer work hours or a lower wage. For purposes of determining whether the ten hours at minimum wage requirement in this subpart has been met, work-study hours and income must be counted as employment.

Subp. 12. **Acceptable course of study.** An acceptable course of study for a student eligible under part 3400.0060 is an education or training program approved by the county that will reasonably lead to full-time employment opportunities as determined by the county. An acceptable course of study for a student eligible under part 3400.0080 is an approved education or training program described in the MFIP participant's employment plan.

Subp. 13. **Satisfactory progress in education or training program.** Subject to the limitation in subpart 14, a county shall provide child care assistance to students with an approved education or training program for the length of the education or training program if the student is making satisfactory progress in the education or training program. Satisfactory progress in the education or training program means a student remains in good academic standing in the education or training program as determined by the educational institution and meets the requirements of the student's education plan under part 3400.0060

or employment plan under part 3400.0080. If the county determines that a student is not making satisfactory progress towards completion of an education or training program, the county shall notify the student and discontinue child care assistance according to part 3400.0185.

Subp. 14. **Maximum education or training under child care fund.** The maximum length of time a student is eligible for child care assistance under the child care fund for education or training is described in items A to D.

A. A student eligible under part 3400.0060 is eligible for child care assistance according to Minnesota Statutes, section 119B.07.

B. A student eligible under part 3400.0080 is eligible for child care assistance for the length of time necessary to complete activities authorized in the student's employment plan according to the standards in Minnesota Statutes, chapter 256J.

C. A student eligible under part 3400.0060 who has completed or who has participated in but failed to complete an education or training program under the child care fund may receive child care assistance for a second education or training program if:

- (1) the new education or training program is approved by the county; and
- (2) the county expects that completing the program will lead to full-time employment.

D. A student eligible under part 3400.0060 with a baccalaureate degree may only obtain child care assistance for education or training if the education or training is for continuing education units, certification, or coursework that is related to the baccalaureate degree or current employment and that is necessary to update credentials to obtain or retain employment.

Subp. 15. **Changes in education or training programs.** A proposed change in an education or training program is subject to county approval before the change may be made. A county may not deny a request for a change in an education or training program when the student requesting the change can show that changing a course or focus of study is necessary for reasons related to the health and safety of the student.

Subp. 15a. **Child care assistance during job search.**

A. A county shall provide up to 240 hours per calendar year of child care assistance for job search activities to participants:

- (1) eligible under part 3400.0080 who do not have approved job search support plans or whose approved employment plans do not include job search as an authorized activity;
- (2) eligible under part 3400.0090 who are seeking employment; and
- (3) eligible under part 3400.0060 who are seeking employment.

B. The county shall grant child care assistance for job search activities:

- (1) according to the number of hours in the individual's approved job search plan;
- (2) by applying the criteria identified in its child care fund plan; or
- (3) by verifying the actual number of hours spent on job search.

C. At the option of the individual in job search and with prior county approval, child care may be used at a rate that is less than full time provided the total child care assistance does not exceed 240 hours of child care per calendar year.

D. Job search includes locating and contacting potential employers, preparing for interviews, interviewing, and up to two hours of travel time per day.

Subp. 17. **Temporary ineligibility.** Counties must reserve a family's position under the child care assistance fund if a family has been receiving child care assistance but is temporarily ineligible for assistance. A county may reserve a family's position under the child care assistance fund if a family is approved to receive child care assistance and reaches the top of the waiting list but is temporarily ineligible for assistance. In its child care fund plan, a county must specify whether it reserves positions under the child care assistance fund for temporarily ineligible families who reach the top of the waiting list and, if so, the criteria used to make the decision whether to reserve a position. Employed participants may be temporarily ineligible for a maximum of 90 days. Child care assistance participants who are students may be temporarily ineligible for a maximum of one academic quarter or semester as determined by the educational institution.

Subp. 18. **Suspension.** Counties must suspend, and may not terminate, a family's child care assistance for up to one continuous year if there are temporary breaks when child care assistance is not needed or the family does not have an authorized provider but the family remains eligible for child care assistance.

3400.0060 BASIC SLIDING FEE PROGRAM.

Subp. 2. **Basic sliding fee allocation.** The commissioner shall allocate child care funds for the basic sliding fee program as provided in Minnesota Statutes, section 119B.03, subdivisions 6 to 9.

Subp. 4. **Reallocation of unexpended or unencumbered funds.** The commissioner shall reallocate unexpended or unencumbered funds according to items A to D.

A. The commissioner may reallocate unexpended or unencumbered funds following the first, second, and third quarters of the allocation period as provided in Minnesota Statutes, section 119B.03, subdivision 5. Following the fourth quarter of the allocation period, the commissioner shall review county expenditures under the basic sliding fee program and shall reallocate unearned allocations to counties that had direct service earnings in excess of their allocation.

B. The amount reallocated to any county shall be based on direct service earnings in excess of its allocation. The amount reallocated shall not be greater than the direct service earnings in excess of allocation minus the county's fixed local match to be calculated as specified in Minnesota Statutes, section 119B.11, subdivision 1.

C. If the amount of funds available for reallocation is less than total county direct service earnings in excess of allocations, the reallocated funds shall be prorated to each county based on the ratio of the county's direct service earnings in excess of its allocation to the total of all county direct service earnings in excess of their allocation.

D. If the amount of funds available for reallocation is greater than total county direct service earnings in excess of allocations under the basic sliding fee program, the funds remaining after the basic sliding fee reallocation shall be carried forward and added to the funds available for allocation in the next allocation period.

Subp. 5. **Families eligible for assistance under the basic sliding fee program.** To the extent of available allocations, a family is eligible for child care assistance under the basic sliding fee program if:

A. the applicant meets eligibility requirements under part 3400.0040;

B. the applicant is not a MFIP or DWP participant; and

C. the family meets the income eligibility requirements specified in Minnesota Statutes, section 119B.09.

Subp. 6. **Basic sliding fee program waiting lists.** Counties must keep a written record of families who have requested child care assistance. When a family requests information about child care assistance, the county shall perform a preliminary determination of eligibility.

If it appears that a family is or will be eligible for child care assistance and funds are not immediately available, the family shall be placed on a child care waiting list. The county must determine the highest priority group for which a family qualifies and must notify the family of this determination.

Families who inquire or apply while they are temporarily ineligible shall be placed on the waiting list if it appears they will be eligible for child care assistance. When a family advances to the top of the county's waiting list and is temporarily ineligible for child care assistance, the county shall leave the family at the top of the list according to priority group and serve the applicant who is next on the waiting list unless a different procedure is provided in the county's child care fund plan.

Subp. 6a. **Transfer of families from waiting list to basic sliding fee program.** Families on the basic sliding fee waiting list shall be moved into the basic sliding fee program as funding permits according to the priorities listed in Minnesota Statutes, section 119B.03. After the county has complied with the priority requirement in section 119B.03, the county must comply with any priority requirements adopted under part 3400.0140, subpart 10, to move families on the waiting list into the basic sliding fee program.

Subp. 7. **Waiting list; transfer of transition year families to the basic sliding fee program.**

A. The county shall place transition year families on the county's basic sliding fee program waiting list effective on the date the family became eligible for transition year child care assistance.

B. If a transition year family moves to a new county, the date the family was placed on the basic sliding fee waiting list in the original county shall transfer with the family.

C. Families who are eligible for, but do not use, transition year child care assistance retain their priority status for the basic sliding fee program. Families lose their priority status at the conclusion of their transition year.

D. The county shall manage its basic sliding fee allocation in a way that allows families to move from transition year to the basic sliding fee program without any interruption in services. The county shall not serve families who are a lower priority on the basic sliding fee waiting list than a transition year family unless the county can ensure basic sliding fee program funding for the transition year family at the end of the transition year.

E. When the transition year ends, the county shall move the transition year family into the basic sliding fee program. A transition year family that does not come to the top of the county's basic sliding fee program waiting list before completion of the transition year shall be moved into the basic sliding fee program as funding becomes available according to the priority under Minnesota Statutes, section 119B.03, subdivision 4. Transition year extension child care may be used to support employment or a job search that meets the requirements of Minnesota Statutes, section 119B.10, for the time necessary for the family to be moved from the basic sliding fee waiting list into the basic sliding fee program.

Subp. 8. **Application for child care assistance.** A family must apply for child care assistance in the family's county of residence.

Subp. 9. **County child care responsibility when family moves.**

A. When a family receiving child care assistance from the basic sliding fee program moves to a new county within Minnesota, the original county must continue to provide child care assistance for two full calendar months after the move if the family needs child care and remains eligible for the basic sliding fee program. The family is responsible for notifying the new county of residence within 60 days of moving and applying for basic sliding fee assistance in the new county. The limitation in Minnesota Statutes, section 119B.09, subdivision 1, paragraph (a), clause (2), regarding the family's household income at program

entry does not apply when a family receiving assistance moves to another county and timely applies under this item to continue receiving assistance in the new county.

B. If there is a waiting list for the basic sliding fee program in the receiving county when it assumes responsibility for the family, the receiving county must fund child care assistance for the family through the portability pool. Portability pool funding must continue for the lesser of six months or until the family is able to receive assistance under the receiving county's basic sliding fee program. The family must also be added to the basic sliding fee program waiting list according to portability pool priority group in the receiving county effective the date of the move. If the family reaches the top of the waiting list and funds become available before the six months have ended, the receiving county must immediately add the family to its basic sliding fee program. If basic sliding fee funds are not available when the six months has ended, services to the family must be terminated. The family must stay on the waiting list effective the date of the move. If funds become available after the family's child care assistance has been terminated due to the end of the portability pool period, the family must be treated as a new applicant and must have a household income that meets the income requirements in Minnesota Statutes, section 119B.09, subdivision 1, for program entry.

C. If there is no waiting list for the basic sliding fee program and funds are available, the receiving county must immediately move the family into its basic sliding fee program when it assumes responsibility for the family according to Minnesota Statutes, section 256G.07.

D. If the participant had an approved educational plan in the original county, the plan transfers with the participant. The plan remains in effect during the two months that the original county continues to pay for the family's child care assistance and during any time the family's child care assistance is paid through the portability pool. When the receiving county pays the family's basic sliding fee assistance from its own allocation, the receiving county may reject, approve, or modify the family's educational plan based on the receiving county's criteria for approving educational plans.

Subp. 10. **Continued eligibility under basic sliding fee program.** A county may not refuse continued child care assistance to a family receiving assistance under the basic sliding fee program when there is a change in the family's financial or household status provided that the family continues to meet the eligibility requirements in this part and the general eligibility requirements in part 3400.0040. Except for the job search time limit under Minnesota Statutes, section 119B.10, subdivision 1, paragraph (a), the education time limit in Minnesota Statutes, section 119B.07; and the time limit for the at-home infant care program in Minnesota Statutes, section 119B.035, subdivision 4, counties may not set a time limit for eligibility under the basic sliding fee program.

3400.0080 MFIP CHILD CARE PROGRAM.

Subpart 1. **Eligibility for MFIP child care program.** Persons listed in Minnesota Statutes, section 119B.05, subdivision 1, are eligible for the MFIP child care assistance program.

Subp. 1a. **Eligibility of sanctioned MFIP participant.** A MFIP participant eligible for child care assistance who has been sanctioned under the MFIP program may receive child care assistance:

A. for that portion of the participant's job search support or employment plan which the participant is complying with according to Minnesota Statutes, chapter 256J; or

B. according to Minnesota Statutes, section 119B.05, subdivision 1, clause (1).

Subp. 1b. **Child care assistance for approved job search.** A MFIP participant who has an approved job search support plan or whose employment plan includes job search as an authorized activity is not limited to 240 hours of job search child care assistance in a calendar year.

Subp. 8. **County responsibility when a family moves to another county.** When a MFIP or DWP participant moves to a new county and the new county accepts responsibility for the participant's approved job search support or employment plan under Minnesota Statutes, section 256J.55, subdivision 3, the new county is responsible for providing child care assistance to the MFIP or DWP participant effective on the date that the county accepted responsibility for the plan. In all other cases, child care assistance must be provided according to Minnesota Statutes, section 256G.07, when a MFIP or DWP participant moves to a new county.

3400.0090 TRANSITION YEAR CHILD CARE.

Subpart 1. **Notice to family of eligibility.** The administering agency must notify a family, in writing, at the time the family's MFIP or DWP case closes of the family's potential eligibility for transition year child care. The notification must include information on how to establish eligibility for transition year child care and on the family's rights and responsibilities under the transition year child care program.

Subp. 2. **Eligibility.** Transition year child care assistance may only be used to support employment and job search related expenses. A family is eligible for transition year child care if the conditions in items A to D are met.

A. The family's MFIP or DWP case has closed.

B. At least one caregiver in the family received MFIP or DWP in at least three of the six months immediately preceding the month in which the family's MFIP or DWP case was closed.

C. The family meets the income eligibility requirements specified in Minnesota Statutes, section 119B.09, subdivision 1.

D. Transition year child care may be paid for the care of a child who would have been eligible to receive a MFIP grant, or for children who would have been eligible for MFIP, except for the child's receipt of SSI or Title IV-E foster care benefits.

Eligibility for transition year child care begins the first month after the family's MFIP or DWP case has closed and continues for 12 consecutive months. A family's temporary ineligibility for, suspension of, or failure to use child care assistance during the transition year does not suspend the transition year period. A former MFIP or DWP participant may apply for transition year child care any time during the transition year and, notwithstanding the application date, shall receive retroactive transition year child care assistance according to Minnesota Statutes, section 119B.09, subdivision 7. If a family was receiving child care assistance when the family's MFIP or DWP case closed, determination of eligibility for transition year child care assistance must be treated as a redetermination rather than a new application.

Subp. 3. **Loss of transition year child care eligibility.** A family in which all caregivers have been disqualified from receiving MFIP or DWP due to fraud is not eligible for transition year child care assistance.

Subp. 4. **Reestablishment of MFIP or DWP eligibility during transition year period.** If a transition year family reopens its MFIP or DWP case during the transition year period and subsequently meets the conditions in subpart 2, the family qualifies for a new 12-month transition year period. If the family received MFIP or DWP for only one or two of the previous six months, but meets the requirements in subpart 2, items A, C, and D, the family is eligible for the remaining months of the transition year, treating the month or months on MFIP or DWP as a suspension of the child care benefit but not the transition year period. To receive child care assistance while receiving MFIP or DWP, the family must meet the MFIP child care requirements under part 3400.0080.

3400.0100 FAMILY COPAYMENT FEE SCHEDULE.

Subp. 2a. **Copayment fees to be prorated during start-up service period.** Counties must prorate all copayment fees during the service period when the family first receives service based on the number of calendar days remaining in the service period.

Subp. 2b. **Payment of provider charges that exceed the maximum provider rate.** If the provider's charge for child care is greater than the maximum provider rate allowed under part 3400.0130, the family shall pay, in addition to any family copayment fee, the difference between the maximum provider rate and the provider charge.

Subp. 2c. **Payment of registration and activity fees that exceed the maximum rates.** In addition to the family copayment fee, a family must pay any registration fees that exceed the standards established in part 3400.0130, subpart 7, any optional activity fees, and any activity fees that exceed the standards established in part 3400.0130, subpart 8.

Subp. 5. **Publication of fee schedule in State Register.** The department shall publish annually in the State Register the state median income for a family of three, adjusted for family size, and a fee schedule. This information must be published after the date the state median income is published in the Federal Register by the United States Department of Health and Human Services. The department shall also distribute a copy of the fee schedule and the updated estimate of state median income to each county. The updated fee schedule shall take effect on July 1 or on the first day of the first full quarter following publication of the state median income in the State Register if publication occurs after July 1.

3400.0110 CHILD CARE ASSISTANCE PAYMENTS.

Subpart 1. **Payment options.** Counties must monitor child care payments to ensure that the funds are used for child care.

Subp. 1a. **Date payments must begin.** After approval of an application for child care assistance, payment of child care assistance must be authorized to begin as of the family's date of eligibility as determined under part 3400.0040, subpart 6c.

Subp. 2. **Authorization before payment of legal nonlicensed providers.** After a legal nonlicensed provider is authorized by the county, the county must pay the provider or parent retroactive to the date in item A, B, or C that occurred most recently:

- A. the date on which child care for the family was authorized to begin;
- B. the date the family signed the application for child care; or
- C. the date the family began using the legal nonlicensed provider.

Subp. 2a. **Provisional payment for legal nonlicensed providers.**

A. When a legal nonlicensed provider who has been provisionally authorized under Minnesota Statutes, section 119B.125, subdivision 5, does not receive final authorization by the county, the provisional authorization and payment must be terminated following notice to the provider as required under part 3400.0185 and Minnesota Statutes, section 119B.13, subdivision 5. The county must notify the family using the ineligible provider that the family must choose a new provider to continue receiving child care assistance. A provider's failure to receive final authorization does not cause payments made during the provisional authorization period to be overpayments.

B. If a family appeals the adverse determination of provider eligibility and, while the appeal is pending, continues to use the provider who failed to receive final authorization, payments made after the notice period are subject to recovery as overpayments.

Subp. 3. **County authorization of child care.** Within the limits set by this chapter and Minnesota Statutes, chapter 119B, the amount of child care authorized must reflect the child care needs of the family and minimize out-of-pocket child care costs to the family. The amount of child care authorized must be based on the parents' schedule of participation

in authorized activities, the child's school schedule, the provider's availability, and any other factors that would affect the amount of care that the child needs. The county must pay the provider's full charge up to the applicable maximum rate for all hours of child care authorized and scheduled for the family. When more than 50 hours of child care assistance for one child are authorized with one provider in a week, the county may reimburse the provider in an amount that exceeds the applicable maximum weekly rate, if the provider charges the same amount for more than 50 hours of care for a family not receiving child care assistance. A county must not authorize or pay for more than 120 hours of child care assistance per child every two weeks. To convert child care paid on a full-day or weekly basis into hours to determine if payment exceeds 120 hours of child care assistance, counties must follow the standards in items A and B.

A. A full-day is equal to ten hours of child care.

B. A week is equal to 50 hours of child care.

Subp. 4a. **Reimbursement from other sources for child care costs.** A county must reduce the amount of a family's child care assistance payment by the amount of reimbursement earmarked for the same child care expenses that the family receives from sources other than the child care assistance fund.

Subp. 7. **County payment policies and schedule.** A county may not require parents to pay providers in advance of receiving payments from the child care fund as a condition for receiving payments from the child care fund. The county shall make payments at least monthly. Providers must be sent the forms necessary to bill for payment on or before the beginning of the billing cycle if the county has received the information necessary for child care to be authorized before this date.

Subp. 8. **Sick child care.** Sick child care means child care services provided to children who as a result of illness cannot attend the family's regular provider. In addition to making payments for regular child care, the county may make payments for sick child care. If the county chooses to pay sick child care, payment for sick child care must be at a rate comparable to like care arrangements in the county. The county's sick child care policy and rate shall be included in the county's child care fund plan required under part 3400.0150.

Subp. 9. **Payment during child absences and holidays.**

A. If a provider does not charge all families for days on which a child is absent from care, the child care assistance program must not pay that provider for days on which a child is absent from care.

B. If a provider charges all families for days on which a child is absent from care, the child care assistance program must pay that provider for child absent days according to Minnesota Statutes, section 119B.13, subdivision 7.

C. Provider charges for absent days in excess of the amount established by Minnesota Statutes, section 119B.13, subdivision 7, are the responsibility of the family receiving child care assistance.

D. A provider must be paid for holiday days according to Minnesota Statutes, section 119B.13, subdivision 7, paragraph (b). State or federal holidays are determined according to Minnesota Statutes, section 645.44, subdivision 5. A provider can be paid for a holiday day only if the provider meets the requirements in Minnesota Statutes, section 119B.13, subdivision 7, paragraph (b), the provider does not provide care on the holiday, and it is in the provider's policies to charge all families for the holiday. If care is available on the holiday, but the child is absent on that day, the day is an absent day. If a provider is closed on a cultural or religious holiday not identified in Minnesota Statutes, section 645.44, subdivision 5, a parent may substitute that holiday for one of the ten state and federal holidays identified in Minnesota Statutes, section 645.44, subdivision 5, if the parent gives notice of the substitution to the county before the holiday occurs or within ten days after the holiday.

E. The absent day provisions in this subpart and in Minnesota Statutes, section 119B.13, subdivision 7, including the limits on paid absent days and holidays, apply to child care assistance payments for child care provided during notice periods.

Subp. 10. **Payment during medical leaves of absence.** Counties must grant child care assistance during a parent's medical leave of absence from education or employment if:

A. the parent is incapable of providing child care during the medical leave or absence;

B. the parent is expected to return to employment or an approved education or training program within 90 calendar days after leaving the job, education, or training program; and

C. the necessity of the medical leave and the inability to provide child care are documented by a physician or licensed psychologist.

The amount of child care authorized during the medical leave of absence must not exceed the equivalent of one month of full-time child care.

Subp. 11. **Payment during notice periods.** Child care assistance payments for child care provided during notice periods are subject to all payment rules and limits identified under this part.

3400.0120 ELIGIBLE PROVIDERS AND PROVIDER REQUIREMENTS.

Subpart 1. **Eligible providers.** Providers who meet the definition of provider in Minnesota Statutes, section 119B.011, subdivision 19, are eligible for payment from the child care fund. Within the limitations specified in Minnesota Statutes, sections 119B.09, subdivision 5, and 119B.25, parents may choose child care providers that best meet the needs of their family. Parents may choose more than one provider. A county may not deny a parent eligible for child care assistance the use of a provider holding a valid child care license.

Subp. 1a. **Provider acknowledgment.** A provider must sign a provider acknowledgment and the county must have a signed provider acknowledgment before the provider or parent may receive payment under the child care fund. The provider acknowledgment must include the following information:

A. the provider's rate, charges for child absences and holidays, any notice days required before a child discontinues care, and any required registration or activity fees;

B. documentation of the provider's license status and, if the provider is seeking the provider accreditation rate bonus, any accreditation or credential held by the provider;

C. a statement acknowledging that charging child care assistance participants more than families not receiving child care assistance for like services or wrongfully obtaining child care assistance may be a crime;

D. a statement acknowledging that parents must be given unlimited access to their children and to the provider caring for the children during all hours that the children are in the provider's care;

E. a statement acknowledging that the provider is responsible for notifying the county as provided in subpart 5 of child absence days and the end of care;

F. a statement acknowledging that the provider is responsible for immediately notifying the county of any changes to the information supplied by the provider in the provider's acknowledgment;

G. a statement acknowledging that the provider is a mandated reporter of maltreatment of minors under Minnesota Statutes, section 626.556; and

H. a statement acknowledging that when the county knows that a particular provider or child care arrangement is unsafe, the county may deny child care assistance payments to that provider.

Subp. 2. Authorization of legal nonlicensed providers.

A. A legal nonlicensed provider must be authorized by the county before the provider or parent may receive a payment under the child care fund. To be authorized by the county, a provider must provide the county with the following information:

- (1) the provider's name, age, and address;
- (2) the provider acknowledgment required by subpart 1a;
- (3) an assurance that the provider is eligible to provide unlicensed care under Minnesota Statutes, section 245A.03, subdivision 2, paragraph (a);
- (4) a release to permit information on substantiated parental complaints concerning the health and safety of children in the provider's care to be disclosed to the public according to Minnesota Statutes, chapter 13;
- (5) an assurance that the provider is in compliance with state and local health ordinances and building and fire codes applicable to the premises where child care is provided; and
- (6) an acknowledgment that the parent and the legal nonlicensed provider have reviewed the health and safety information provided by the county.

B. Legal nonlicensed providers who will receive payment from the county must provide the county with the provider's Social Security or tax identification number. The county may ask legal nonlicensed providers who will not receive payment from the county for their Social Security numbers; but legal nonlicensed providers who will not receive payment from the county are not required to disclose this information. Before asking for a legal nonlicensed provider's Social Security number, the county must tell the legal nonlicensed provider whether that disclosure is mandatory or voluntary, by what statutory or other authority the number is solicited, and how the number will be used.

C. Legal nonlicensed family child care providers also must provide the county with an assurance that the provider will obtain an immunization record for each child in the provider's care within 90 days of starting to care for the child.

Subp. 2a. Release for in-home providers. To be authorized, an in-home provider must sign a release allowing the parent employing that provider to see information on the remittance advice about the amount of any funds being withheld from the payment for the provider and the reason for those withholdings.

Subp. 3. Parental access to children in care. Providers must permit parents unlimited access to their children and to the provider caring for their children during all hours the children are in the care of the provider.

Subp. 5. Notice to county required when care has terminated. When a provider knows that a family has ended care with the provider, the provider must notify the county that care has been terminated. When a provider believes that a family will be ending care with the provider, the provider must immediately notify the county of the date on which the provider believes the family will end care. A provider must also notify the county if a child or children have been absent for more than seven consecutive scheduled days.

3400.0130 CHILD CARE PROVIDER RATES.

Subpart 1. Rate determination. The commissioner shall determine the applicable maximum rate as described in Minnesota Statutes, section 119B.13. Any rate survey conducted by the commissioner shall include a survey of registration fees when it is usual and customary for a category of provider to charge registration fees.

Subp. 1a. **Maximum county child care assistance rate.** Except as provided in this part, the maximum rate that a county may pay for child care assistance is the provider's rate or the applicable maximum rate determined by the commissioner under Minnesota Statutes, section 119B.13, whichever is less. Except as provided in this part, if the provider's rate is more than the applicable maximum rate, the county may not pay more than the difference between the applicable maximum rate and the family's copayment fee.

Subp. 2. **Rate determination for license-exempt centers.** Rates paid to license-exempt centers as defined in Minnesota Statutes, section 245A.03, subdivision 2, must be the applicable maximum rate for licensed child care centers or the provider rate, whichever is less.

Subp. 3. **Rate determination; children with special needs.** A county must submit a request to pay a special needs rate to the commissioner. The request must be submitted with or as an amendment to the county child care fund plan. Upon written approval by the commissioner, the approved special needs rate must be paid retroactive to the date of the provider or parent request for the special needs rate.

Subp. 3a. **Rate determination; children with special needs due to disability.** When a parent or a provider asks the county for a special needs rate for an individual child with disabilities that exceeds the applicable maximum rate, the county must use the following process to determine whether a special needs rate is necessary and, if so, to establish the requested special needs rate. The county must:

- A. obtain documentary evidence of the child's disability;
- B. obtain the following documentation from the child care provider:
 - (1) a description of the specialized training, services, or environmental adaptations that the provider will furnish to meet the individual needs of the child;
 - (2) the provider's assurance of compliance with applicable provisions of the Americans with Disabilities Act;
 - (3) the provider's assurance that the rate being sought is the same as the rate that would be charged for similar services provided to a child with a disability in a family not receiving child care assistance; and
 - (4) if applicable, a statement from the provider explaining that the rate the provider charges for all children in care should be adopted as the special needs rate for the child with disabilities because the provider has chosen to spread the cost of caring for children with special needs across all families in care; and
- C. seek the commissioner's approval of the special needs rate as provided in subpart 3.

Subp. 3b. **Rate determination; children with special needs due to inclusion in at-risk population.** To determine a special needs rate for a child who is included in an at-risk population defined in the county's child care fund plan, the county must use the following procedures. The county must:

- A. obtain documentary evidence showing that the child is included in the at-risk population defined in the county's child care fund plan;
- B. obtain the following documentation from the child care provider:
 - (1) a description of the specialized training, services, or environmental adaptations that the provider will furnish to meet the individual needs of the child or the at-risk population;
 - (2) the provider's assurance that the rate being sought is the same as the rate that would be charged for similar services provided to a child in the at-risk population in a family not receiving child care assistance; and

(3) if applicable, a statement from the provider explaining that the rate the provider charges for all children in care should be adopted as the special needs rate for the child in the at-risk population because the provider has chosen to spread the cost of caring for children with special needs across all families in care;

C. determine how many providers in the county offer child care for children in the at-risk population;

D. identify the 75th percentile rate if the county finds that four or more providers offer child care for children in the at-risk population and pay the 75th percentile rate, the rate negotiated with the provider by the county, or the provider's rate, whichever is less;

E. pay the lesser of the rate negotiated with the provider by the county or the provider's rate if the county finds that fewer than four providers offer child care for children in the at-risk population; and

F. seek the commissioner's approval of the special rate as provided in subpart 3.

Subp. 5. **Child care rate.** Child care payments shall be based on the applicable maximum rates in the county where care is provided when the care is provided in Minnesota. When child care is provided outside the state of Minnesota, the maximum rate must be based on the applicable maximum rate in the participant's county of residence. If a child remains in an age-based child care setting beyond the age at which the licensing laws would allow that child to move to a different age-based child care setting and (1) the child's age is within the range allowed by the licensing laws for that age-based child care setting, or (2) the child is in that age-based child care setting due to a licensing variance, the maximum rate paid for that child's care must be the rate for the age-based child care setting in which the child is located. A child is considered to be in the school-age rate category on the September 1 following the child's fifth birthday unless the parent informs the county that the child will not be starting school. All changes to provider rates shall be implemented on the Monday following the effective date of the rate change.

Subp. 5a. **Rates for in-home care.** When care is provided in the child's home, the applicable maximum rate must be based on the allowable rate for legal nonlicensed family child care.

Subp. 7. **Payment of registration fees.** If a provider charges families a registration fee to enroll children in the program and the registration fee is not included in the provider rate, the county shall pay the provider registration fee or the 75th percentile of the registration fees surveyed in subpart 1, whichever is less. The county may not pay for more than two registrations per child in a 12-month period.

3400.0140 COUNTY RESPONSIBILITIES.

Subpart 1. **County child care assistance policies and procedures.** Counties shall adopt policies and procedures for providing child care assistance to enable eligible applicants to seek or retain employment or to participate in education or training programs. All county policies that apply to child care assistance must be in writing and must be included in the county's biennial child care fund plan required under part 3400.0150.

Subp. 2. **Child care assistance information.** The county shall provide information on child care assistance to child care service providers, social service agencies, and the local news media as it deems necessary to ensure the full use of its child care fund allocation.

Subp. 4. **Determination of providers eligible for payments.** The county's process for approving providers eligible for payments under the child care fund may not exceed 30 calendar days, or 45 calendar days with the approval of the applicant, from the date the child care application is approved, the date the child care provider is selected by the applicant, or, the date the county received the results of the background investigation required by Minnesota Statutes, section 119B.125, subdivision 2, whichever is later. Reimbursement for child care expenses must be made according to the date of eligibility established in part 3400.0040, subpart 6c. If the county determines that a provider chosen by an applicant is

not eligible to receive child care payments under the child care fund, the applicant may appeal the county's determination under part 3400.0230.

Subp. 5. **Additional information for legal nonlicensed providers.** The county shall provide each authorized legal nonlicensed family child care provider health and safety material supplied by the department and shall refer the provider to the child care resources and referral agency. The county must tell the provider that the county is required to keep a record of substantiated parental complaints concerning the health and safety of children in the care of legal nonlicensed providers and that, upon request, information governing substantiated complaints shall be released to the public as authorized under Minnesota Statutes, chapter 13.

Subp. 6. **Duties upon receipt of complaints against legal nonlicensed providers.** Within 24 hours of receiving a complaint concerning the health or safety of children under the care of a legal nonlicensed provider, a county must relay the complaint to:

A. the county's child protection agency if the complaint alleges child maltreatment as defined in Minnesota Statutes, section 626.556, subdivision 10e;

B. the county's public health agency if the complaint alleges a danger to public health due to communicable disease, unsafe water supply, sewage or waste disposal, or building structures;

C. local law enforcement if the complaint alleges criminal activity that may endanger the health or safety of children under care; or

D. other agencies with jurisdiction to investigate complaints relating to the health and safety of a child.

If a complaint is substantiated under item A, the county must keep a record of the substantiated complaint as provided in Minnesota Statutes, section 626.556. If a complaint is substantiated under items B to D, the county must keep a record of the substantiated complaint for three years. Upon request, information governing substantiated complaints shall be released to the public as authorized under Minnesota Statutes, chapter 13. Upon receiving notice of a substantiated complaint under items A to D, the county shall not make subsequent payments to that provider from the child care fund for child care services provided by that provider unless the conditions underlying the substantiated complaint have been corrected.

Subp. 7. **County contracts and designation of administering agency.** Counties may contract for the administration of all or part of the child care fund. The county shall designate the agency authorized to administer the child care fund in the county's child care fund plan. The county must describe in its child care fund plan how it will oversee the contractor's performance.

Subp. 8. **Agreement with employment and training services providers.** Cooperative agreements with employment and training services providers must specify that MFIP families participating in employment services and meeting the requirements of part 3400.0080 are eligible for child care assistance from the county responsible for the MFIP participant's approved job search support or employment plan or according to Minnesota Statutes, section 256G.07.

Subp. 9. **Local match.** The county shall provide a local match according to Minnesota Statutes, section 119B.11, subdivision 1.

Subp. 9a. **Child care assistance funding.** In the manner prescribed by the commissioner, counties shall claim funding for child care expenditures for all eligible recipients who are in employment, education, training, or other preemployment activities allowed under the federal and state reimbursement programs. The commissioner shall allocate any federal or state earnings to the county that claimed the funding and the county shall use the earnings to expand funding for child care services.

Subp. 10. **Eligibility priorities for beginning assistance.** If a county's basic sliding fee program allocation for child care is insufficient to fund all applications for child care assistance, the county may prioritize eligibility among the groups that remain to be served after the county has complied with the priority requirements set forth in Minnesota Statutes, section 119B.03, subdivision 4. The county shall include its rationale for the prioritization of eligibility for beginning assistance in its biennial child care fund plan. To the extent of available allocations, no eligible family may be excluded from receiving child care assistance.

Subp. 14. **Child care fund reports.** Counties must submit financial and program activity reports according to instructions and schedules that the commissioner establishes after considering such factors as the department's need to receive county data in a manner and on a schedule that meets federal reporting deadlines and the counties' need for lead time when changes in reporting requirements occur.

3400.0150 CHILD CARE FUND PLAN.

Subpart 1. **Submittal of plan.** By the date established by the commissioner, the county shall submit to the commissioner a biennial child care fund plan. The commissioner may require updates of information in the plan as necessary to comply with this chapter, Minnesota Statutes, sections 119B.011 to 119B.16, and federal law.

Subp. 2. **Plan content.** The plan must contain a complete description of the county's child care assistance program for applicants and participants eligible for assistance under Minnesota Statutes, chapter 119B. The plan must include the information required by Minnesota Statutes, section 119B.08, subdivision 3; the information required by this chapter; and all written forms, policies, and procedures used to administer the child care funds. The plan must describe how it serves persons with limited English proficiency, as required by title VI of the Civil Rights Act of 1964, United States Code, title 42, sections 2000, et seq. The information in the plan must be in the form prescribed by the commissioner and must include a description of the process used to assure that the information, forms, and notices about child care assistance are accurate, clearly written, and understandable to the intended recipient.

Subp. 3. **Plan amendments.** A county may amend its child care fund plan at any time but the amendment must be approved by the commissioner before it becomes effective. If approved by the commissioner, the amendment is effective on the date requested by the county unless a different effective date is set by the commissioner. Plan amendments must be approved or disapproved by the commissioner within 60 days after receipt of the amendment request.

3400.0170 INCOME ELIGIBILITY FOR CHILD CARE ASSISTANCE.

Subpart 1. **Proof of income eligibility.** An applicant requesting child care assistance must provide proof of income eligibility. For the purpose of determining income eligibility, annual income is the income of the family for the current month multiplied by 12, the income for the 12-month period immediately preceding the date of application, or the income calculated by the method that provides the most accurate assessment of annual income available to the family. The administering agency must use the method that provides the most accurate assessment of annual income currently available to the family. Income must be verified with documentary evidence. If the applicant does not have sufficient evidence of income, the administering agency must offer the applicant the opportunity to sign an informational release to permit the administering agency to verify whether the applicant qualifies for child care assistance.

Subp. 3. **Evaluation of income.** The administering agency shall determine income received or available to a family according to subparts 4 to 11. All income, unless specifically excluded in subpart 6, must be counted as income.

Subp. 4. **Determination of annual income.** The income standard for determining eligibility for child care assistance is annual income. Annual income is the sum of earned

income, self-employment income, unearned income, and lump sum payments, which must be treated according to subpart 13. Negative self-employment income must be included in the determination of annual income, resulting in a reduction in total annual income. Earned income, self-employment income, unearned income, and lump sum payments must be calculated separately.

Subp. 6a. **Deductions from income.** The following items must be deducted from annual income:

A. child or spousal support paid to or on behalf of a person or persons who live outside of the household; and

B. funds used to pay for health and dental insurance premiums for family members.

Subp. 7. **Earned income from self-employment.** In determining annual income for purposes of eligibility under this part, the administering agency shall determine earned income from self-employment. Earned income from self-employment is the difference between gross receipts and authorized self-employment expenses which may not include expenses under subpart 8. Self-employment business records must be kept separate from the family's personal records. If the person's business is a partnership or a corporation and that person is drawing a salary, the salary shall be treated as earned income under subpart 5.

Subp. 8. **Self-employment deductions which are not allowed.** In determining eligibility under this part, self-employment expenses must be subtracted from gross receipts. For purposes of this subpart, the document in items I to K is incorporated by reference. It is available through the Minitex interlibrary loan system. It is subject to frequent change. If the document in items I to K is amended, and if the amendments are incorporated by reference or otherwise made a part of state or federal law applicable to self-employment deductions, then the amendments to the document are also incorporated by reference into this subpart. However, the expenses listed in items A to P shall not be subtracted from gross receipts:

A. purchases of capital assets;

B. payments on the principal of loans for capital assets;

C. depreciation;

D. amortization;

E. the costs of building an inventory, until the time of sale;

F. transportation costs that exceed the amount allowed for use of a personal car in the United States Internal Revenue Code;

G. the cost of transportation between the individual's home and his or her place of employment;

H. wages and salaries paid to and other employment deductions made for members of a family for whom an employer is legally responsible, provided family income is only counted once;

I. monthly expenses for each roomer greater than the flat rate deduction listed in the current Combined Program Manual issued by the Department of Human Services;

J. monthly expenses for each boarder greater than the flat rate deduction listed in the current Combined Program Manual issued by the Department of Human Services;

K. monthly expenses for each roomer-boarder greater than the flat rate deduction listed in the current Combined Program Manual issued by the Department of Human Services;

L. annual expenses greater than two percent of the estimated market value on a county tax assessment form as a deduction for upkeep and repair against rental income;

M. expenses not allowed by the United States Internal Revenue Code for self-employment income, unless specifically authorized in this chapter;

N. federal, state, and local income taxes;

O. employer's own share of FICA; and

P. money set aside for the self-employed person's own retirement.

Subp. 9. **Self-employment budget period.** Gross receipts from self-employment must be budgeted in the month in which they are received. Expenses must be budgeted against gross receipts in the month the expenses are paid except for items A to C.

A. The purchase cost of inventory items, including materials that are processed or manufactured, must be deducted as an expense at the time payment is received for the sale of those inventory items, processed materials, or manufactured items, regardless of when those costs are incurred or paid.

B. Expenses to cover employee FICA, employee tax withholding, sales tax withholding, employee worker's compensation, employee unemployment compensation, business insurance, property rental, property taxes, and other costs that are commonly paid at least annually, but less often than monthly, must be prorated forward as deductions from gross receipts over the period they are intended to cover, beginning with the month in which the payment for these items is made.

C. Gross receipts from self-employment may be prorated forward to equal the period of time over which the expenses were incurred. However, gross receipts must not be prorated over a period that exceeds 12 months. This provision applies only when gross receipts are not received monthly but expenses are incurred on an ongoing monthly basis.

Subp. 10. **Determination of farm income.** Farm income must be determined for a one-year period. Farm income is gross receipts minus operating expenses, except for expenses listed in subpart 8. Gross receipts include sales, rents, subsidies, soil conservation payments, production derived from livestock, and income from the sale of home-produced foods.

Subp. 11. **Determination of rental income.**

A. Income from rental property is considered self-employment earnings when the owner spends an average of 20 or more hours per week on maintenance or management of the property. The administering agency shall deduct an amount for upkeep and repairs according to subpart 8, item L, for real estate taxes, insurance, utilities, and interest on principal payments.

B. When a family lives on the rental property, the administering agency shall divide the expenses for upkeep, taxes, insurance, utilities, and interest by the number of units to determine the expense per unit. The administering agency shall deduct expenses from rental income only for the number of units rented, not for units occupied by family members.

C. When an owner does not spend an average of 20 or more hours per week on maintenance or management of the property, income from rental property is considered unearned income.

D. The deductions described in this subpart are subtracted from gross rental receipts.

3400.0180 REDETERMINATION OF ELIGIBILITY.

A. The county must redetermine each participating family's eligibility at least every six months. The county must redetermine the eligibility of families in the start-up phase of self-employment without an approved employment plan more frequently than once every six months if existing documentation is insufficient to accurately predict self-employment income. If a family reports a change in an eligibility factor before the

family's next regularly scheduled redetermination, the county must recalculate eligibility without requiring verification of any eligibility factor that did not change.

B. The county must not treat a redetermination of eligibility as a new application for child care assistance. The participant is responsible for providing documentary evidence of continued eligibility.

C. If redetermination establishes that a family is ineligible for further child care assistance, the county shall terminate the child care assistance as provided in part 3400.0185. If redetermination establishes the need for a change in the family's copayment, revisions shall be calculated according to part 3400.0100. When a change in income affects the amount of a participant's copayment, the new copayment amount is effective on the first day of the service period following the 15-day notice period.

D. If a family timely reports the information required by part 3400.0040, subpart 4, and redetermination establishes a need for a change in the amount of the family's child care assistance, the amount of child care assistance paid to the family between the date the change was reported and the first date that the new child care assistance payment would be effective if the county properly implemented the change does not constitute an overpayment.

3400.0183 TERMINATION OF CHILD CARE ASSISTANCE.

Subpart 1. Conditions for termination of child care assistance.

A. A county may terminate child care assistance for families already receiving assistance when the county receives: (1) a revised allocation from the child care fund that is smaller than the allocation stated in the notice sent to the county under part 3400.0030; and (2) such short notice of a change in its allocation that the county could not have absorbed the difference in the allocation. The county must consult with and obtain approval from the commissioner before terminating assistance under this subpart.

B. If the conditions described in this subpart occur, the county may terminate assistance to families in the order of last on, first off. When funds become available, counties must reinstate families that remain eligible for child care assistance and whose child care assistance was terminated due to insufficient funds before the county accepts new applications. Those families whose child care assistance was most recently terminated due to insufficient funds shall be reinstated first.

Subp. 2. Conditions under which termination of child care assistance is required. A county must terminate a family's child care assistance under the following conditions:

A. when the family asks the county to do so;

B. when the family is no longer eligible to receive child care assistance under this chapter and Minnesota Statutes, chapter 119B; or

C. when a member of the family has been disqualified from the child care assistance program.

Subp. 5. Effective date of disqualification period. The effective date of a disqualification period is the later of:

A. the date the family member was found guilty of wrongfully obtaining or attempting to obtain child care assistance by federal court, state court, or an administrative hearing determination or waiver, through a disqualification consent agreement, as part of an approved diversion plan under Minnesota Statutes, section 401.065, or as part of a court-ordered stay with probationary or other conditions; or

B. the effective date of the child care assistance program termination notice.

3400.0185 TERMINATION AND ADVERSE ACTIONS; NOTICE REQUIRED.

Subpart 1. Notice of termination of child care assistance to participants.

A. The county must notify a participant in writing of the termination of child care assistance. The notice must include the following information:

- (1) the date the termination is effective;
- (2) the reason or reasons why assistance is being terminated;
- (3) the statute, rule, or county child care fund plan provision that supports termination of assistance;
- (4) the participant's right to appeal the termination and the procedure for doing so; and
- (5) when the participant appeals the proposed action before the effective date of termination, the participant may choose:
 - (a) to receive benefits while the appeal is pending, subject to recovery if the termination is upheld; or
 - (b) to not receive benefits while the appeal is pending and to receive reimbursement for documented eligible child care expenditures made or incurred pending appeal if the termination is reversed.

B. If child care assistance under part 3400.0060 is being terminated because a participant has moved to another county, the notice also must state that to continue receiving child care assistance under part 3400.0060 from the new county, the participant must apply for child care assistance in the new county within 60 days of the move.

C. The notice must be mailed to the participant's last known address at least 15 calendar days before terminating assistance.

D. If the participant's child care assistance is terminated under part 3400.0183, subpart 2, item A, and, before the effective date of termination, the participant asks the county to continue child care assistance, the termination must not take effect. If the participant's child care assistance is terminated under part 3400.0183, subpart 2, item B, and, before the effective date of termination, the participant reestablishes eligibility for child care assistance, the termination must not take effect.

Subp. 2. Notice of termination of child care assistance to providers.

A. When a family's child care assistance is terminated, the county must send the family's child care provider a notice containing only the following information:

- (1) the family's name;
- (2) that child care assistance for the family has been terminated;
- (3) the effective date of the termination; and
- (4) that child care payments will no longer be made effective on the date of termination, unless the family asks to continue receiving assistance pending an appeal. The notice to a provider must not contain information on why payments will no longer be made.

B. When a family stops using a provider but continues to receive assistance, the county must send the provider a notice containing the following information:

- (1) the family's name;
- (2) that the family has decided to stop using that provider;
- (3) the effective date that child care assistance payments will end; and
- (4) that child care payments will no longer be made effective on the date of termination.

C. This item applies to participants using a provider licensed by the state of Minnesota. Except in cases where the provider's license has been temporarily immediately suspended under Minnesota Statutes, section 245A.07, the county must mail the notice to the participant at least 15 calendar days before terminating payment to the provider. When the provider's license has been temporarily immediately suspended under Minnesota Statutes, section 245A.07, the county must send a notice of termination to the provider that is effective on the date of the temporary immediate suspension.

D. This item applies to participants using a legal nonlicensed provider, license exempt center, or provider licensed by an entity other than the state of Minnesota. Except in cases where there is an imminent risk of harm to the health, safety, or rights of a child in care, the county must mail the notice to the provider at least 15 calendar days before terminating payment to the provider. In cases where there is an imminent risk of harm to the health, safety, or rights of a child in care, the county must send a notice of termination that is effective on the date of the notice. Whether there is an imminent risk of harm is determined by the county that authorized the provider for the family.

Subp. 3. Notice to participants of adverse actions.

A. The county must give a participant written notice of any action adversely affecting the participant.

B. The notice must include the following information:

- (1) a description of the adverse action;
- (2) the effective date of the adverse action;
- (3) the reason or reasons why the adverse action is being taken;
- (4) the statute, rule, or county child care fund plan provision that supports the adverse action;
- (5) that the participant has the right to appeal the adverse action and the procedure for doing so; and
- (6) that if the participant appeals the adverse action before the effective date of the action, the participant may choose:
 - (a) to continue receiving the same level of benefits while the appeal is pending, subject to recoupment or recovery if the adverse action is upheld; or
 - (b) to receive the level of benefits indicated by the adverse action while the appeal is pending and to receive reimbursement for documented eligible child care expenditures made or incurred pending appeal if the adverse action is reversed.

C. The notice must be mailed to the participant's last known address at least 15 calendar days before the effective date of the adverse action.

D. If the participant corrects the condition requiring an adverse action before the effective date of the adverse action, the adverse action must not take effect.

Subp. 4. Notice to providers of actions adverse to families. The county must give a provider written notice of the following actions adverse to families: a reduction in the hours of authorized care and an increase in the family's copayment. The notice must include only the following information:

- A. the family's name;
- B. a description of the adverse action that does not contain any information about why the action was taken;
- C. the effective date of the adverse action; and

D. a statement that unless the family appeals the adverse action before the effective date, the adverse action will occur on the effective date. The notice must be mailed to the provider at least 15 calendar days before the effective date of the adverse action.

Subp. 5. **Notice to providers of actions adverse to the provider.** The county must give a provider written notice of the following actions adverse to the provider: a denial of authorization, a termination of authorization, a reduction in the number of hours of care with that provider, and a determination that the provider has an overpayment. The notice must include the following information:

A. a description of the adverse action;

B. the effective date of the adverse action; and

C. a statement that unless a family appeals the adverse action before the effective date or the provider appeals the overpayment determination, the adverse action will occur on the effective date. The notice must be mailed to the provider at least 15 calendar days before the effective date of the adverse action.

3400.0187 RECOUPMENT AND RECOVERY OF OVERPAYMENTS.

Subpart 1. **State recovery of overpayments.** The commissioner must recover from counties any state or federal money that was spent for persons found to be ineligible for child care assistance, except as provided in Minnesota Statutes, section 119B.11, subdivision 3.

Subp. 2. **Notice of overpayment.** The county must notify the person or persons assigned responsibility for the overpayment of the overpayment in writing. A notice of overpayment must specify the reason for the overpayment, the time period in which the overpayment occurred, the amount of the overpayment, and the right to appeal the county's overpayment determination.

Subp. 3. **Redetermination of eligibility.** When a county discovers that a family has received an overpayment, the county must immediately redetermine the family's eligibility for child care assistance.

Subp. 4. **Recoupment of overpayments from participants.** If the redetermination of eligibility indicates the family remains eligible for child care assistance, the county must recoup the overpayment by reducing the amount of assistance paid to or on behalf of the family for every service period at the rates in item A, B, C, or D until the overpayment debt is retired.

A. When a family has an overpayment due to agency or provider error, the recoupment amount is one-fourth the family's copayment or \$10, whichever is greater.

B. When the family has an overpayment due to the family's first failure to report changes as required by part 3400.0040, subpart 4, the recoupment amount is one-half the family's copayment or \$10, whichever is greater.

C. When a family has an overpayment due to the family's failure to provide accurate information at the time of application or redetermination or the family's second or subsequent failure to report changes as required by part 3400.0040, subpart 4, the recoupment amount is one-half the family's copayment or \$50, whichever is greater.

D. When a family has an overpayment due to a violation of Minnesota Statutes, section 256.98, subdivision 1, as established by a court conviction, a court-ordered stay of conviction with probationary or other terms, a disqualification agreement, a pretrial diversion, or an administrative disqualification hearing or waiver, the recoupment amount equals the greater of:

(1) the family's copayment;

(2) ten percent of the overpayment; or

(3) \$100.

E. This item applies to families who have been disqualified or found to be ineligible for the child care assistance program and who have outstanding overpayments. If a disqualified or previously ineligible family returns to the child care assistance program, the county must begin recouping the family's outstanding overpayment using the recoupment schedule in items A to D unless another repayment schedule has been specified in a court order.

F. If a family has more than one overpayment, the overpayments must not be consolidated into one overpayment. Instead, each overpayment must be recouped according to the schedule specified in this subpart from the child care benefit paid for the service period. If the amount to be recouped in a service period exceeds the child care benefit paid for that service period, the amount recouped must be applied to overpayments in the following order:

(1) payment must first be applied to the oldest overpayment being recouped under item D and then to any other overpayments to be recouped under this item according to the age of the claim;

(2) payment then must be applied to the oldest overpayment being recouped under item C and then to any other overpayments to be recouped under this item according to the age of the claim;

(3) payment then must be applied to the oldest overpayment being recouped under item B and then to any other overpayments to be recouped under this item according to the age of the claim; and

(4) payment then must be applied to the oldest overpayment being recouped under item A and then to any other overpayments to be recouped under this item according to the age of the claim.

Subp. 6. **Recoupment of overpayments from providers.** If the provider continues to receive child care assistance payments, the county must recoup the overpayment by reducing the amount of assistance paid to the provider for every payment at the rates in item A, B, or C until the overpayment debt is retired.

A. When a provider has an overpayment due to agency or family error, the recoupment amount is one-tenth the provider's payment or \$20, whichever is greater.

B. When a provider has an overpayment due to the provider's failure to provide accurate information, the recoupment amount is one-fourth the provider's payment or \$50, whichever is greater.

C. When a provider has an overpayment due to a violation of Minnesota Statutes, section 256.98, subdivision 1, as established by a court conviction, a court-ordered stay of conviction with probationary or other terms, a disqualification agreement, a pretrial diversion, or an administrative disqualification hearing or waiver, the recoupment amount equals the greater of:

(1) one-half the provider's payment;

(2) ten percent of the overpayment; or

(3) \$100.

D. This item applies to providers who have been disqualified from or are no longer able to be authorized by the child care assistance program and who have outstanding overpayments. If a provider returns to the child care assistance program as a provider or a participant, the county must begin recouping the provider's outstanding overpayment using the recoupment schedule in items A to D unless another repayment schedule has been specified in a court order.

E. If a provider has more than one overpayment, the overpayments must not be consolidated into one overpayment. Instead, each overpayment must be recouped according to the schedule specified in this subpart from the payment made to the provider for the service period. If the amount to be recouped in a service period exceeds the payment to the provider for that service period, the amount recouped must be applied to overpayments in the following order:

(1) payment must first be applied to the oldest overpayment being recouped under item C and then to any other overpayments to be recouped under this item according to the age of the claim;

(2) payment then must be applied to the oldest overpayment being recouped under item B and then to any other overpayments to be recouped under this item according to the age of the claim; and

(3) payment then must be applied to the oldest overpayment being recouped under item A and then to any other overpayments to be recouped under this item according to the age of the claim.

3400.0200 PAYMENTS TO COUNTIES OF ADMINISTRATIVE FUNDS.

The commissioner shall make administrative funds payments to the counties on a monthly basis. The commissioner may certify an advance to the counties for the first quarter of the fiscal year or the first quarter of the allocation period. Subsequent payments made to the counties for administrative expenses shall be based on actual expenditures as reported by the counties in the financial and program activity report required under part 3400.0140, subpart 14.

3400.0220 AUDIT EXCEPTIONS.

The commissioner shall recover from counties state or federal money spent for child care that is ineligible under this chapter. If a federal audit exception is taken based on a percentage of federal earnings, all counties shall pay a share proportional to their respective federal earnings during the period in question.

3400.0230 RIGHT TO FAIR HEARING.

Subp. 3. Child care payments when fair hearing is requested.

A. If the applicant or participant requests a fair hearing before the effective date of termination or adverse action or within ten days after the date of mailing the notice, whichever is later, the termination or adverse action shall not be taken until the conclusion of the fair hearing. Child care assistance paid pending a fair hearing is subject to recovery under part 3400.0187 to the extent the commissioner finds on appeal that the participant was not eligible for the amount of child care assistance paid.

B. If the commissioner finds on appeal that child care assistance should have been terminated or the amount of benefits reduced, the county must send a notice of termination or reduction in benefits effective the date of the notice to the family and the child care provider.

C. A participant may appeal the termination of child care assistance and choose not to receive child care assistance pending the appeal. If the commissioner finds on appeal that child care assistance should not have been terminated, the county must reimburse the participant for documented eligible child care expenditures made or incurred pending the appeal.

3400.0235 AT-HOME INFANT CHILD CARE PROGRAM.

Subpart 1. **Purpose and applicability.** This part governs the administration of the at-home infant child care program. All provisions in parts 3400.0010 to 3400.0230 apply

to the at-home infant child care program unless otherwise specified in this part or in Minnesota Statutes, section 119B.035.

Subp. 2. **Administration of at-home infant child care program.** Within the limits of available funding the commissioner shall make payments for expenditures under the at-home infant child care program. Participation in the statewide pool shall be determined based on the order in which requests are received from counties. Following the birth or arrival of an infant, counties shall submit family requests for participation in the at-home infant child care program on forms provided by the commissioner. The commissioner shall respond within seven days to county inquiries about the availability of funds. The commissioner shall monitor the use of the pool and if the available funding is obligated, the commissioner shall create a waiting list of at-home infant child care referrals from the counties. As funds become available to the pool, the commissioner shall notify counties in which eligible families on the waiting list reside.

Subp. 3. **General eligibility requirements.** Items A to E govern eligibility for the at-home infant child care program.

A. A family is eligible to receive assistance under the at-home infant child care program if one parent provides full-time care for the infant. The eligible parent must meet the requirements of Minnesota Statutes, section 119B.035, subdivision 3. The requirements of caring for the infant full-time may be met by one or both parents. For purposes of this part, eligible parents include birth parents, adoptive parents, and stepparents. Nonfamily members may provide regular care for the child but are limited to a maximum of ten hours of care per week.

B. A family may apply for the at-home infant child care program before the child is born or anytime during the infant's first year. The family must apply before the end of the infant's first year to receive an at-home infant child care subsidy. Following the birth of a child, a family is eligible to receive a subsidy under the at-home infant child care program according to the date of eligibility in Minnesota Statutes, section 119B.09, subdivision 7, and when funding is available. A family shall only receive subsidy payments through the infant's twelfth month. "Infant" means a child from birth through 12 months of age and includes adopted infants.

C. A family is limited to a lifetime total of 12 months of at-home infant child care assistance. At the time of application to the program, the parent or parents must declare whether they have previously participated in the at-home infant child care program. If the parent or parents declare that they have participated in the at-home infant child care program, the commissioner shall, at the request of the county, inform the county of the remaining months of eligibility for the at-home infant child care program.

D. At the time of application to the at-home infant child care program, the family must meet the eligibility requirements in Minnesota Statutes, section 119B.035, subdivision 2, and be income-eligible based on these activities. At the time of application to the at-home infant child care program, a family who is not currently participating in the basic sliding fee program must provide verification of participation in an authorized activity within the nine months before the birth or expected arrival of the child.

E. During the period a family receives a subsidy under the at-home infant child care program, the family is not eligible to receive basic sliding fee child care assistance for the infant or any other child in the family.

Subp. 4. **Continued eligibility under basic sliding fee program.** If families exiting the at-home infant child care program request continued child care assistance and meet all eligibility factors for the basic sliding fee program, the provisions in Minnesota Statutes, section 119B.035, subdivision 4, paragraph (c), apply.

Subp. 5. **Assistance payments.** Items A to C govern assistance payments under the at-home infant child care program.

APPENDIX
Repealed Minnesota Rules: UEH2414-1

A. The number of months of at-home infant child care participation used shall be credited to the eligible parents. If an eligible parent later forms a new family, the number of months of at-home infant child care subsidy received shall be subtracted from the maximum assistance available under this part.

B. There is no additional subsidy for infants with special needs or for multiple births. The county must subtract the family's copayment required by Minnesota Statutes, section 119B.12, to determine the final at-home infant child care subsidy for the family.

C. Family income shall be determined or redetermined at the time a family applies for the at-home infant child care program. Family income shall be annualized from the beginning of the month in which the family would first participate in the at-home infant child care program. Family income includes:

- (1) subsidy payments received as part of the at-home infant child care program;
- (2) income from vacation leave;
- (3) sick or temporary disability benefit payments; and
- (4) other income the family may receive as determined under part 3400.0170 and Minnesota Statutes, section 119B.011, subdivision 15.

Excluded income is defined in part 3400.0170, subpart 6, and Minnesota Statutes, section 119B.011, subdivision 15. The calculation of the family copayment fee is described in part 3400.0100.

D. For purposes of counting the number of months that a family has participated in the at-home infant child care program, any portion of a month in which a family receives a subsidy under the at-home infant child care program is considered a full month of participation in the at-home infant child care program.

For purposes of calculating the at-home infant child care program copayment and subsidy in the first service period, the county shall use the method described in part 3400.0100. In addition, the county shall prorate the subsidy received in the first and last service period of participation according to subitems (1) to (4).

(1) If the family participates in the at-home infant child care program during the service period in which the infant is born or arrives in the home, the subsidy must be prorated to cover the number of calendar days from the date of birth or arrival until the end of the service period.

(2) If the family participates in the at-home infant child care program during the service period of the infant's first birthday, the subsidy must be prorated to cover the number of calendar days from the beginning of the service period to the date of the infant's first birthday.

(3) If the eligible parent leaves employment or another authorized activity in order to participate in the at-home infant child care program, the subsidy must be prorated to cover the number of calendar days from the date the eligible parent leaves the authorized activity to the end of the service period.

(4) If the eligible parent returns to an authorized activity and will no longer be participating in the at-home infant child care program, the subsidy must be prorated to cover the number of calendar days from the beginning of the service period to the date the parent returns to the authorized activity. If all other eligibility conditions are met, the family shall be eligible to receive basic sliding fee child care assistance beginning on the day the eligible parent returns to the authorized activity.

Subp. 6. **County responsibilities.** Items A to C govern county responsibilities for the program.

A. In addition to duties required under part 3400.0140, counties shall perform the following functions to administer the at-home infant child care program:

- (1) establish the subsidy amount;
- (2) determine an estimated length of time the family will participate;
- (3) determine availability of and encumber ongoing basic sliding fee funding if the family was participating in the basic sliding fee program before participating in the at-home infant child care program or has reached the top of the county's waiting list for the basic sliding fee program;
- (4) consult with the commissioner on the availability of funds;
- (5) forward applicant information as designated to the commissioner;
- (6) notify the commissioner when a family's participation in the at-home infant child care program ends.

B. During program participation, the county shall apply billing procedures established under Minnesota Statutes, chapter 119B, to issue the at-home infant child care subsidy to families.

C. When a family's participation in the at-home infant child care program ends, the county shall send the family and the commissioner a notice indicating the number of months the family participated in the at-home infant child care program in that county.

9530.6800 ASSESSMENT OF NEED FOR TREATMENT PROGRAMS.

Subpart 1. **Assessment of need required for licensure.** Before a license or a provisional license may be issued, the need for the chemical dependency treatment or rehabilitation program must be determined by the commissioner. Need for an additional or expanded chemical dependency treatment program must be determined, in part, based on the recommendation of the county board of commissioners of the county in which the program will be located and the documentation submitted by the applicant at the time of application.

If the county board fails to submit a statement to the commissioner within 60 days of the county board's receipt of the written request from an applicant, as required under part 9530.6810, the commissioner shall determine the need for the applicant's proposed chemical dependency treatment program based on the documentation submitted by the applicant at the time of application.

Subp. 2. **Documentation of need requirements.** An applicant for licensure under parts 9530.2500 to 9530.4000 and Minnesota Statutes, chapter 245G, must submit the documentation in items A and B to the commissioner with the application for licensure:

A. The applicant must submit documentation that it has requested the county board of commissioners of the county in which the chemical dependency treatment program will be located to submit to the commissioner both a written statement that supports or does not support the need for the program and documentation of the rationale used by the county board to make its determination.

B. The applicant must submit a plan for attracting an adequate number of clients to maintain its proposed program capacity, including:

- (1) a description of the geographic area to be served;
- (2) a description of the target population to be served;
- (3) documentation that the capacity or program designs of existing programs are not sufficient to meet the service needs of the chemically abusing or chemically dependent target population if that information is available to the applicant;

(4) a list of referral sources, with an estimation as to the number of clients the referral source will refer to the applicant's program in the first year of operation; and

(5) any other information available to the applicant that supports the need for new or expanded chemical dependency treatment capacity.

9530.6810 COUNTY BOARD RESPONSIBILITY TO REVIEW PROGRAM NEED.

When an applicant for licensure under parts 9530.2500 to 9530.4000 or Minnesota Statutes, chapter 245G, requests a written statement of support for a proposed chemical dependency treatment program from the county board of commissioners of the county in which the proposed program is to be located, the county board, or the county board's designated representative, shall submit a statement to the commissioner that either supports or does not support the need for the applicant's program. The county board's statement must be submitted in accordance with items A and B:

A. the statement must be submitted within 60 days of the county board's receipt of a written request from the applicant for licensure; and

B. the statement must include the rationale used by the county board to make its determination.